

SANOFI INDIA LIMITED

DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

Regulation 43 A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (hereinafter called "SEBI LODR") which has come into effect vide notification dated 8th July 2016 issued by the Securities and Exchange Board of India (SEBI) has mandated the formulation of a Dividend Distribution Policy for the top 500 listed entities based on their market capitalization calculated on March 31 of every financial year.

2. OBJECTIVE

As the Company is in the top 500 listed companies as of March 31, 2016, it is required to formulate a Dividend Distribution Policy in compliance with Regulation 43 A of the SEBI LODR.

The Board of Directors of the Company (hereinafter called "the Board") has accordingly approved this policy at its meeting held on November 7, 2016.

3. EFFECTIVE DATE

This policy is effective from the financial year ending December 31, 2016.

4. GUIDELINES FOR DECLARATION / RECOMMENDATION OF DIVIDENDS

4.1 The Company shall comply with relevant statutory requirements including those with respect to mandatory transfer of a certain portion of profits to any specific reserve as provided in the Companies Act, 2013 which may be applicable to the Company at the time of taking decision on declaration / recommendation of dividend.

4.2 The Company shall pay dividend in compliance with the provisions of Section 123 of the Companies Act, 2013 and Companies (Declaration and Payment of Dividend), Rules, 2014.

4.3 The Board shall consider the expectations of all stakeholders including minority / small shareholders) while declaring/ recommending dividends.

4.4 The Board shall consider the following factors while declaring/ recommending dividends:

- Current year's profits and future outlook for the Company and the pharmaceutical industry
- Liquidity position of the Company
- Investment plans

- Working capital requirements
 - Past dividend payout trends of the Company
 - Dividends paid by other companies in the pharmaceutical industry
 - Providing for unforeseen events and contingencies
- 4.5 The Board may declare interim dividend during any financial year and /or recommend final dividend for declaration by the shareholders of the Company at the Annual General Meeting.
- 4.6 The Board may also, where appropriate, consider distribution of dividends, in kind, subject to applicable law, in form of fully or partly paid shares or other securities.
- 4.7 In case the Board proposes not to distribute profits in any financial year, the reasons for the decision shall be disclosed in the Report of the Directors to the shareholders.
- 4.8 The shareholders of the Company may not expect dividend under the following circumstances:
- The Company has incurred losses;
 - During a significant expansion project requiring investments/funding;
 - Any unforeseen material event restricting the ability of the Board to consider payment of dividend
- 4.9 The retained earnings shall be utilized towards the objectives of the Company as contained in the Memorandum of Association of the Company. The Company may declare dividend out of the retained earnings available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.
- 4.10 The current share capital of the Company consists only of equity shares. As and when the Company issues other kinds of shares, the Board may suitably amend this Policy.

5. AMENDMENTS / MODIFICATION OF POLICY

The Board may amend, modify or review this policy in whole or in part, as it may be considered necessary.

6. DISCLOSURE

This Policy shall be published in the Annual Report and displayed on the Company's website.