



11th September 2019

The Secretary,
Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

The Secretary,
The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra East,
Mumbai 400 050

Slump Sale and transfer of the manufacturing facility of the Company at Ankleshwar, Gujarat

Dear Sirs

The Board of Directors of Sanofi India Limited (the Company) at its meeting held on 10th September 2019 approved a transaction for the slump sale and transfer of the manufacturing facility of the Company at Ankleshwar, Gujarat to Zentiva Private Limited for a consideration of Rs. 2,617 million, subject to customary working capital adjustments. This transaction is subject to approval of the members, which will be initiated by the Company through a postal ballot process and few other conditions as defined under the Business Transfer Agreement.

In 2018, as part of a global transaction between Sanofi Group and Advent International, Advent acquired Zentiva, Sanofi Group's European generics business. Following this transaction, Zentiva continued to source products from the Company (through Sanofi group) for its generics business pursuant to a five-year supply agreement (ending in 2023). In view of this transaction, the commercial part of this business was divested by Sanofi group to Advent, while the manufacturing assets continued to be in the Company.

Having received an offer from Zentiva to acquire its manufacturing facility in Ankleshwar, the Company agreed to explore this opportunity as it was in line with its' broader strategic direction. In particular, (i) it was an opportunity to address the excess and unutilized manufacturing capacity that would have remained at the end of the supply agreement, (ii) it supported the focus on manufacturing Sanofi branded products rather than manufacturing for third parties, and (iii) it would improve asset efficiency ratios.

The Board has also taken into consideration the valuation report issued by Deloitte Touche Tohmatsu India LLP and a fairness opinion on such valuation issued by ICICI Securities Limited.

Given the above and considering that the two companies share similar values and commitment towards serving patients and their employees, the Board of Directors of Sanofi India Limited approved this transaction in the long-term interest of all stakeholders.

After closing of the transaction and receipt of the consideration, the Board will consider the best utilization of the proceeds for business development including distribution to the shareholders in an appropriate manner.

The Ankleshwar manufacturing facility is engaged in the manufacture of Active Pharmaceutical Ingredients (API) and finished pharmaceutical products for distribution / sales across the world. In the financial year ended 31st December 2018, this facility contributed Rs. 8,735 million in the revenue (34% of total revenue of the Company including Rs. 6,226 million of domestic sales that will not be impacted),

and Rs. 2,945 million to the net worth (13% of total net worth of the Company). Apart from manufacturing products which are exported to Zentiva, it also makes products which are not part of the divestment. The products for domestic market which are being manufactured at the Ankleshwar manufacturing facility will be moved to another manufacturing facility of the Company and will continue to be in the product portfolio of the Company, while most Zentiva export products that were manufactured at the Goa facility will be transferred to the Ankleshwar site. The Company has made necessary arrangements to handle this transition in a secure manner to ensure that there is no business disruption in the supplies of products which have not been divested. Post this transition, the estimated average annual revenue loss to the Company over a period of the next 4 years (balance of five-year supply agreement mentioned above) is about Rs.4,700 million. The Company plans to mitigate the loss of profit in due course through renewed focus on its core activities and brands.

The disclosures as required under the Regulation 30(6) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 are as below:

#	Particulars	Details
1	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year	As disclosed above
2	Date on which the agreement for sale has been entered into	10 th September 2019
3	The expected date of completion of sale/disposal	The transaction is expected to be completed by 31 st March 2020
4	Consideration received from such sale/disposal	Total consideration of the transaction is Rs. 2,617 million, subject to customary working capital adjustments, which will be received after completion of certain conditions and closing of the transaction
5	Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof	The buyer of this business is Zentiva Private Limited The buyer does not belong to promoter / promoter group
6	Whether the transaction would fall within related party transactions? If yes, whether the same is done at arms' length	No
7	Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale	As disclosed above There will not be any change in the shareholding pattern of the Company due to this transaction

This is for your information and records.

Thanking you,

Yours faithfully
For SANOFI INDIA LIMITED


GIRISH TEKCHANDANI
COMPANY SECRETARY