sanofi

31st March 2022

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

Notice of the 66th Annual General Meeting and Annual Report for financial year ended 31st December 2021

Dear Sirs

Pursuant to Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Annual Report for the financial year ended 31st December 2021 along with the Notice of the 66th Annual General Meeting (AGM) which is scheduled to be held on 26th April 2022 through Video Conferencing ('VC') facility / Other Audio-Visual Means ('OAVM') for your information and records.

The Annual Report is being sent to the members who have registered their email ID with the Company/Depositories in permitted mode. The members can also access the Annual Report on the website of the Company - www.sanofiindialtd.com. For those Members, who have not registered their email address, hard copies of the Notice of the 66th AGM and the Annual Report are being sent at their registered address in the permitted mode.

Members are requested to note the following information:

Sr.No.	Particulars	Details
1.	AGM date and time	**26th April 2022 at 3.00 p.m. through VC / OAVM facility**
2.	Link for attending AGM through VC Facility	Link for the VC/OAVM facility will be available at NSDL e-voting website www.evoting.nsdl.com under EVEN of Sanofi India Limited
3.	Cut-off date for e-voting	19th April 2022
4.	E-voting start time	22nd April 2022, 9.00 a.m.
5.	E-voting end time	25th April 2022, 5.00 p.m.
6.	E-voting during AGM	26th April 2022, 3.00 p.m. till completion of 30 minutes from the time of the conclusion of the AGM
7.	Book closure dates	16th April 2022 to 26th April 2022
8.	Dividend payment date	On or after 4th May 2022

Thanking you,

Yours faithfully

For Sanofi India Limited

Radhika Shah
Company Secretary &
Compliance Officer
Membership No: A19308
Encl.: a/a

We chase the miracles of science to improve people's lives

Sanofi India Limited
Annual Report 2021

We chase the miracles of science to improve people's lives

Scientific discoveries don't happen overnight or without hard work. But our determination to find answers for patients motivates us to develop breakthrough medicines and vaccines. And to never settle. Today, we are a company driven by a unifying purpose and a common ambition. With a new brand purpose – to chase the miracles of science to improve people's lives – we are redefining who we are and why we exist, with greater clarity for our people, partners, patients and healthcare professionals. Our new unifying brand and logo carve out a unique space in the healthcare industry, in sync with our new purpose.

We have embarked on an exciting journey of driving strategic innovations and delivering sustainable solutions that facilitate well-being and wellness around the world. We are working at the frontiers of science to discover and develop life-changing medicines that create value for society and benefit patients everywhere.

Contents

FY 2021 highlights

INR 29,566 million
Revenue from operations
1.88%

INR 8,369 million
EBITDA
4.23%

INR 9,444* million
Profit after tax
97.74%

*Includes exceptional items

Read more on page 04

Y-o-Y growth

SANOFI INDIA AT A GLANCE

Innovating for a healthier life

Sanofi India has been at the forefront in every Indian's health journey, engaging across the health cycle – from wellness, treatment and patient support to capacity building. We offer a wide array of innovative medicines across key therapeutic areas. We also export our products to many developed as well as developing countries.

Our market-leading brands reflect our legacy of proven scientific proficiency, quality and reliable supply. Combining breakthrough science with advanced technology, we strive to find new solutions to improve the health of communities. We have continued to align ourselves with India's healthcare needs by building expertise, capability and capacity, through continued investments, strategic partnerships and a shared commitment towards patients.

Therapeutic areas

- Diabetes
- Pain
- Cardiology
- Allergy
- Epilepsy

Key facts

Pan-India footprint
reaching **2,500** distributors and **1,00,000** pharmacies

3 brands within Top 100
pharmaceutical brands in India (Lantus®, Allegra® and Combiflam®)

Strong industrial presence
1 manufacturing site, **12** Contract Manufacturing Organisations (CMOs)

65+ years
of commitment in India

Strength of legacy brands
~70% of sales stemming from top **7** brands, well-entrenched in stakeholder minds (HCP+patients)

2,505
employees

To know more about Sanofi India, please visit https://www.sanofi.in

SANOFI GLOBAL

We are an innovative global healthcare company, driven by one purpose: we chase the miracles of science to improve people's lives. Our team, across ~100 countries, is dedicated to transforming the practice of medicine by working to turn the impossible into the possible. We provide potentially life-changing treatment options and life-saving vaccine protection to millions of people globally, while putting sustainability and social responsibility at the centre of our ambitions.

90 countries
presence

69
manufacturing sites in 32 countries

21
R&D sites comprising medicines, clinical research and vaccines

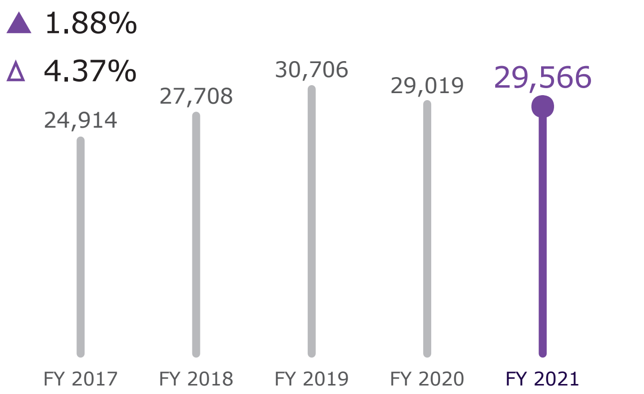
To know more about Sanofi, please visit https://www.sanofi.com/en

KEY PERFORMANCE INDICATORS

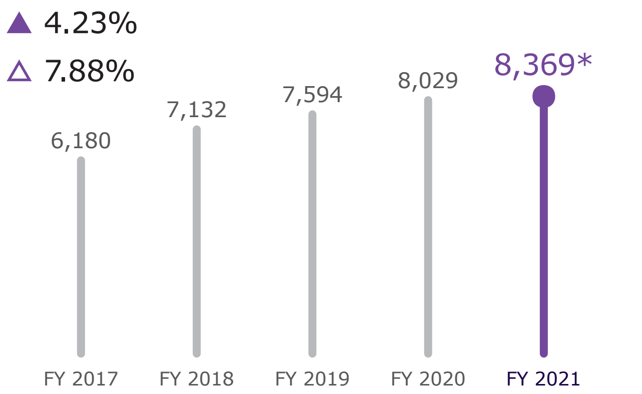
Delivering healthy growth

PROFIT AND LOSS INDICATORS

Revenue from operations (INR in million)

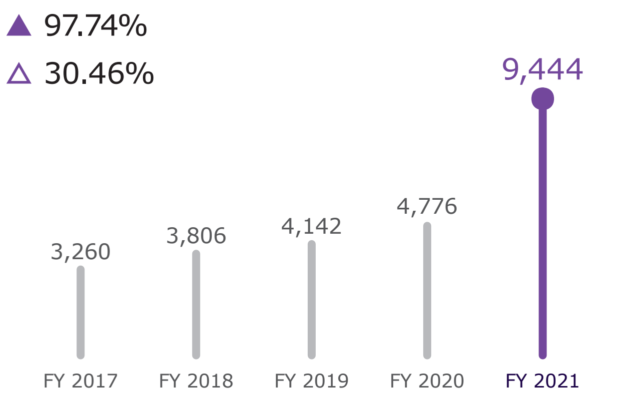


EBITDA (INR in million)

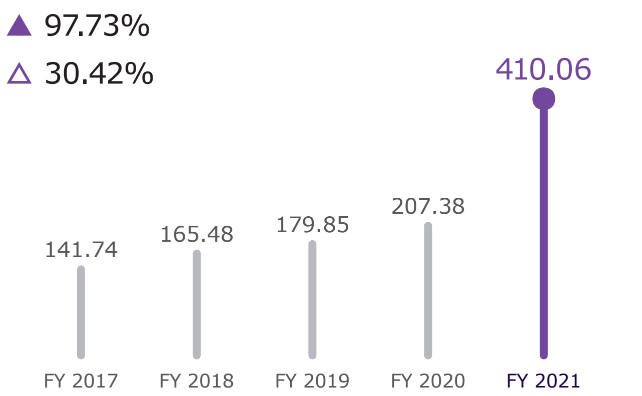


*Earnings are before exceptional items

PAT# (INR in million)



Earnings per share# (INR)



SHAREHOLDER INDICATORS

Dividend per share (INR)

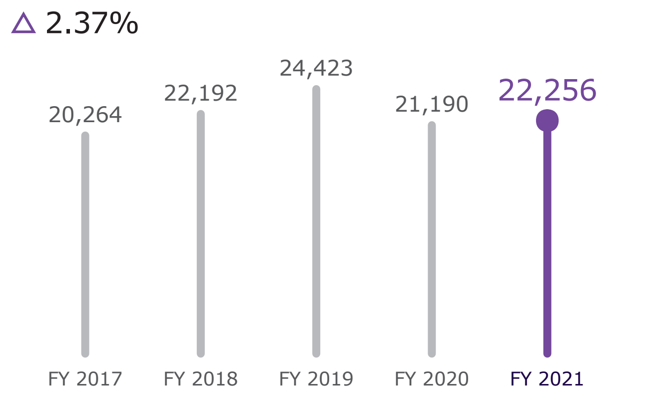
* includes special dividend

▲ y-o-y growth △ 5-year CAGR

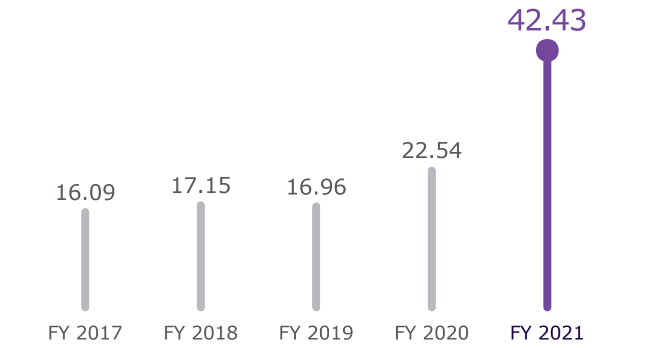
#includes impact of exceptional items

BALANCE SHEET INDICATORS

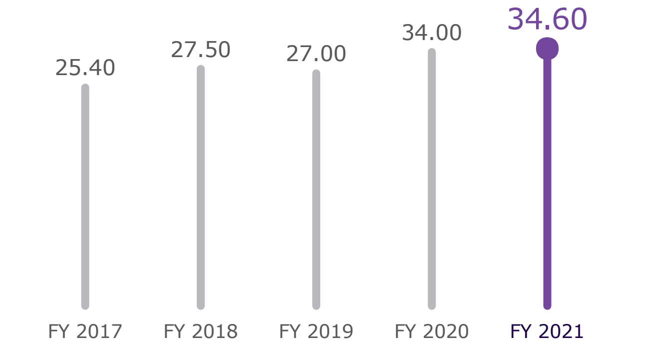
Net worth (INR in million)



Return on equity# (%)

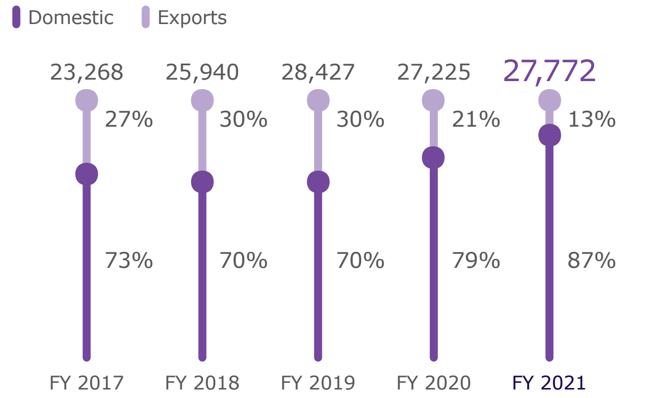


Return on capital employed (%)



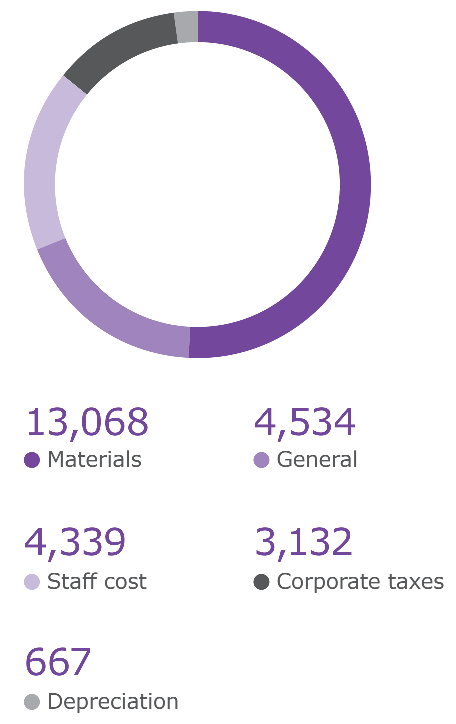
#includes impact of exceptional items

Sales Mix (INR in million)

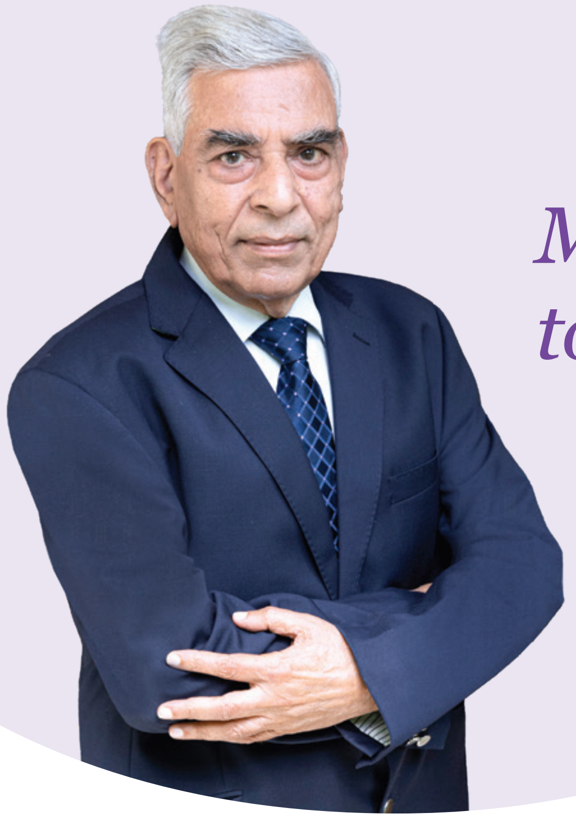


Sale of Ankleshwar manufacturing facility in 2020 resulted in decline of export sales

FY 2021 revenue distribution (INR in million)



CHAIRMAN'S MESSAGE



Making a difference to people's lives

Dear Shareholders,

The last year saw India and the rest of the world begin to recover from the substantial disruptions caused by COVID-19 but with the repeating waves of the pandemic and the recent geo-political tensions, it is likely that the business environment will remain volatile for some more time. Despite this, it is indeed encouraging to note that in the long-term, India continues to raise expectations of being amongst the fastest growing economies in the world. The pandemic highlighted the shortcomings in India's healthcare infrastructure and the government has already increased the outlay to build capabilities for the future. All this augers well for the Indian pharmaceutical industry.

Through all the uncertainties, it was heartening to see organisations with a clear purpose and responsible leadership continue to rapidly reinvent themselves and stay future relevant.

During the year, your Company has successfully implemented a variety of transformational initiatives to deliver market-beating growth in key therapies thereby, significantly improving its overall financials.

During the year, your Company has successfully implemented a variety of transformational initiatives to deliver market-beating growth in key therapies, thereby, significantly improving its overall financials. During these challenging times, all its employees have worked tirelessly to help patients manage their disease effectively ensuring that there were no major disruptions to the supplies or service to its stakeholders.

Your Company has also pioneered several corporate social responsibility initiatives to improve the management of non-communicable diseases through capacity building and education of stakeholders and communities. As is well-known, your Company transparently follows global ethical practices and strictly adheres to the highest standards of corporate governance. You will find more details of your company's activities in this report.

On behalf of all the Board members, I would like to thank all the employees for their extraordinary perseverance and commitment and all the other stakeholders and shareholders for their trust in all our endeavours.

Look forward to your continued support and best wishes for your well-being.

Yours sincerely,

Aditya Narayan

MANAGING DIRECTOR'S MESSAGE

Transforming the practice of medicine

Dear Shareholders,

At Sanofi, our determination to find answers for patients motivates us to develop breakthrough solutions that make life better for patients, partners, communities, and our own people. We believe that cutting-edge science and manufacturing, fuelled by data and digital technologies, have the potential to transform the practice of medicine, turning the impossible into possible for millions of people around the world. This quest is captured in our new, unifying brand purpose, 'We chase the miracles of science to improve people's lives'.

Through the pandemic, we have evolved and adjusted our business models, introduced new medicines and built future capabilities, while remaining obsessed about our 3S priorities – Safety of employees and partners, uninterrupted Supply of essential medicines and continuously developing new ways to Serve our patients, customers, partners and employees.

Our commitment in helping Diabetes patients was reinforced with the successful launch of Toujeo® in affordable cartridges and the breakthrough TouStar pen. The expansion of our portfolio was supported by Saath7 (our flagship diabetes patient support programme), whose milestone achievements, we have shared with you in earlier annual reports. We continued to extend our global brand Allegra with the launch Allegra® Nasal Duo.

Our long-term commitment to society and our communities was further augmented through our CSR programmes implemented during the year. We expanded our initiatives in the area of Non-Communicable diseases, while stepping up specific support needed for pandemic related relief efforts.

We have evolved and adjusted our business models, introduced new medicines and built future capabilities, while remaining obsessed about our 3S priorities.

I am very proud to share that for four years in a row, your Company has been recognised and certified by the international Top Employer Institute.

The decisions and actions taken by companies like ours are increasingly crucial in shaping the future of our society - whether by helping flatten the curve of the pandemic or with innovative solutions that can transform experiences and outcomes for patients.

I am grateful for the opportunity to have led this organisation and extremely proud of the strong and capable leadership team we now have. This team is fully geared to lead the Company from strength to strength in the times to come. As I move on from the Company, I wish to acknowledge the tremendous encouragement and guidance I have received from the Board of Directors of the Company. I sincerely thank our dear shareholders for their continued support and trust in this wonderful company.

Regards,

Rajaram Narayanan

BUSINESS MODEL

Creating long-term value

We endeavour to increase access to innovative medicines across the world while creating value for all our stakeholders. Our comprehensive approach encompasses our ability to respond to the dynamic demand environment, in addition to identifying market constraints and restructuring processes accordingly, while reducing manufacturing complexities.

Inputs

Financial
Investment in technology enables us to expand our product portfolio, technical capabilities, and reach.

Knowhow and intellectual capital
We use our industry-leading capabilities across our sectors to create sustainable solutions.

Relationships
We enjoy trust and respect across all our markets, and has successful collaborations with industry partners, enable us to achieve our growth objectives.

Natural resources
We source raw materials responsibly and use them as efficiently as possible.

People
We have extensive capabilities across global markets, focused on operational excellence and efficiency.

Activities

Over the last 75 years, Sanofi has been at the forefront in supplying innovative and affordable medicines for patients in India - aligned with our purpose - we chase the miracles of science to improve people's lives.

We offer therapeutic solutions in:

Diabetes

Pain

Allergy

Epilepsy

Cardiology

How we create value

Patient benefits

High-quality medicines

Products tailored to patient needs

Sustainable financial growth

Delivering consistent, profitable and responsible growth for our investors.

Social and economic opportunity

Enabling thousands of people to benefit from the opportunities created by growing along with us, including employees, suppliers and research partners.

Environment and local communities

Focused on managing carbon footprint, offering quality employment opportunities and better health outcomes.

Outcomes

For shareholders and other stakeholders

- Sales growth
  (1.88% Y-o-Y)
- Operating profit margin
  23.92%
- Earnings per share
  INR 410.06
- ROCE
  34.61%*
  *without exceptional items

For our people

- Top employer certification from the Top Employers Institute for four consecutive years
- 'People first' philosophy with courage and respect

For society

- Cleaner and healthier world – achieve carbon neutrality by 2050

OPERATING CONTEXT

Attractive macro dynamics at play

As a healthcare provider, it is imperative for us to consider the socio-economic contexts of the regions that we operate in. Therefore, we monitor the drivers that influence the healthcare landscape, to make life better for our patients, employees and other stakeholders.

Changing demographics

Global demographics continue to shift and, with this, healthcare needs. As life expectancy increases, for example, so does the demand for healthcare services. An ageing population will require long-term care for complex health issues. Furthermore, unhealthy changes in lifestyle will increase the prevalence of obesity and other chronic health conditions.

What it means for us

We expect that the demand for healthcare services will continue to grow as people live longer. Treatments will need to be adjusted to respond to more complex health issues. To remain competitive, we will continue to meet the changing needs of our patients.

3–6%

The global medicines market is expected to grow at between 3–6% CAGR through 2026, according to IQVIA, a research firm

Evolving technology

Development in technology continues to transform the way in which we care for our patients, facilitating constant innovation in treatments and how we leverage data and technology. This trend augurs well for the industry for better health outcomes.

Capturing the opportunities unlocked by technological advances will increase efficiencies, enabling us to transform healthcare delivery in the regions where we operate. By doing this, we can empower our stakeholders to make better choices. We are committed towards pro-actively responding to various compelling changes observed during the pandemic era, which include digital workshops, e-certification programmes with the medical community, digital customer connects, digital market-shaping activities and academic engagements, digital e-continuous medical education conferences and meets.

COVID-19

The COVID-19 pandemic has been disruptive on a global level, putting pressure on healthcare organisations to evaluate and adapt how they deliver care.

Our response to COVID-19 has brought in lasting change in the ways of working and in the way customers are engaged. We have adopted a multi-faceted approach to adapt our operations, ensuring we comply with all government regulations. We believe that our business is well-positioned to navigate the post-COVID-19 environment. Our key focus will be on continued supply of medicines, the safety and well-being of our employees, our doctors, and ongoing safeguarding of our financial position.

Growing consumerism

Patients continue to place significant importance on value-based healthcare. Furthermore, they expect consistent, high-quality care and clinical excellence from their healthcare providers.

We must remain ahead of the curve by providing patient-centric care with a focus on experience. This can be delivered through the rigorous measuring of customer experience and by driving employees to instil a patient-centric focus.

Regulatory landscape

The global healthcare industry continues to be highly regulated, with matters relating to licences, conduct, occupational health and safety, and quality standards becoming increasingly complex.

Compliance and ethical standards remain an important focus area for us, which is linked to our culture. We thoroughly monitor codes, regulations and frameworks applicable to our business to stay up-to-date on changes, which we then flow throughout our operations as needed. We will continue to adapt to the ever-changing landscape.

Leveraging digital opportunities

Leveraging technology to reimagine medicine

Operating in a dynamic environment, we strive to deliver value to our stakeholders across the care continuum. Insights gained over the years enable us to deliver value-added solutions to our consumers in an efficient manner. We empower patients towards self-management of their conditions – through education, support, technology and training – that play a critical role in preventing acute complications and reducing long-term health risks.

IntoLife.in

Indian patients harbour many delusions about insulin, which is a cornerstone of diabetes management.

One of the key reasons for delaying control through insulin is the resistance and fear of taking injections daily, particularly self-administering.

Our consumer education website – IntoLife.in – is committed to creating awareness on diabetes by helping readers find answers to their unresolved questions on diabetes, busting myths around insulin and offering tips on better diabetes management. The website aims to nurture conversations that let patients and caregivers feel informed, confident and open to having the 'insulin dialogue' with their doctors.

We recorded an engagement rate of more than 10% through various social media campaigns and activities.

One of the key highlights was the Facebook Live event with renowned healthcare professionals, which alone garnered an engagement rate of more than 20%.

INR 2 lakhs
IntoLife users in FY 2021

100 years of Insulin

#100InsulinStories Twitter campaign

Sanofi India's Twitter handle saw a >500% jump in followers and received a 'verified' status.

#100Insulinstories

5 lakhs+
impressions garnered for the World Diabetes Day, 2021 campaign

twitter.com/IndiaSanofi

To commemorate #100YearsOfInsulin, we localised our global initiative and launched #100InsulinStories – an 8-month long Twitter campaign. We covered various topics like insulin discovery, its benefits and use, inspiring true patient transformation stories and more, to inculcate better diabetes management.

The blue circle, a global symbol of diabetes, was creatively iconised as the 'Blue Family'. Different avatars and varied formats landed key messages impactfully. From April till November 2021, 100 messages across 8-months were tweeted through @IndiaSanofi's Corporate Twitter handle, leading up to World Diabetes Day, 2021. Some tweets were also re-tweeted by eminent cause ambassadors like Jazz Sethi and Shri Vishwajit Rane (Minister for Health, Industries, Trade & Commerce, Women & Child Development, Skill Development, Government of Goa).

Diabetes

We have been at the forefront of diabetes care, for nearly a century. Looking ahead, we are building on this proud heritage by establishing new possibilities for people living with chronic diseases.

Launch of TouStar reusable pen
Most patients living with diabetes find disposable insulin pens prone to error and too cumbersome to keep changing. We launched the TouStar reusable pen in India, adding another device to the versatile, multi-award winning AllStar platform. TouStar is India's first reusable insulin pen for delivery of Toujeo, a concentrated basal insulin from Sanofi. The TouStar pen contains a concentrated 'U300' formula with 50% more insulin than a regular cartridge, making it more convenient and long-lasting. The new dedicated cartridge system is intended to simplify the cartridge exchange process and help prevent insulin mix-ups, by preventing users from accidentally attaching an incompatible insulin cartridge.

First reusable insulin pen in India, which provides 50% more insulin, and hence, is very convenient to use with long-lasting effects on patients.

Central Nervous System (CNS)

We aim to continually leverage innovative technology to improve people's lives. Our approach is shaped by a long history of developing highly specialised treatments and forging close relationships with physicians and patient communities.

NeuroE-Zone
NeuroE-Zone is an online educational and certification programme for Healthcare Professionals (HCPs), started in 2020 by Sanofi. It provides knowledge on newer aspects of Neurology (imaging techniques, clinical management, etc.) from internationally acclaimed faculty.

Through 2021, NeuroE-Zone collaborated with the globally renowned Thomas Jefferson University's Department of Neurology to design world class content on the advances in the imaging technique, and newer approaches and challenges in managing epilepsy. More than 1,000 Neurologists registered and successfully completed the programme.

HCPs appreciated the expertise of faculty and clinical relevance of the content being delivered through NeuroE-Zone, making it a flagship programme of Neurology.

1,000+
Neurologists registered for the Thomas Jefferson University's Department of Neurology programme

Patient care

Driving change through innovative solutions

Our patient-centric approach to deliver solutions beyond-the-pill, has helped drive innovation in our campaigns and programmes.

National Epilepsy Awareness Campaign

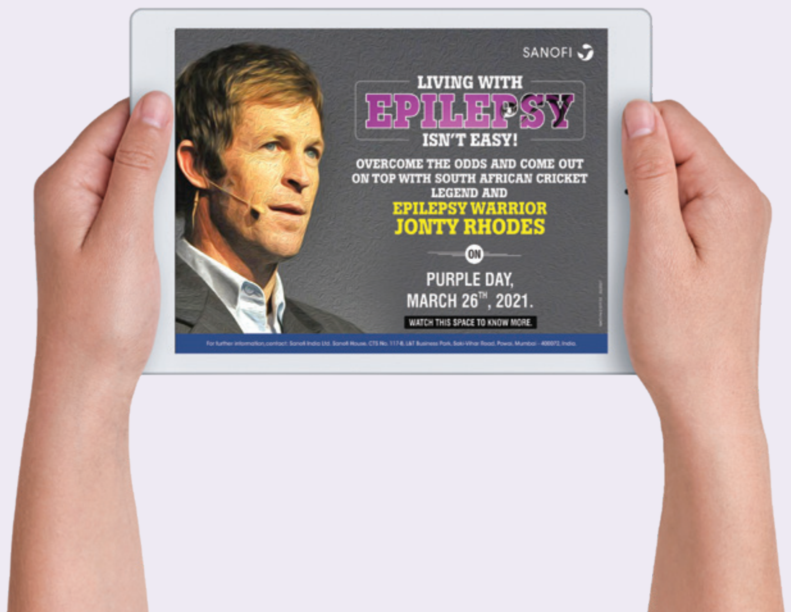
Suffering from epilepsy is often looked down upon in India because the disease is frequently mistaken to be a curse or a supernatural occurrence, and hence, people often choose not to disclose their health condition.

To break this norm, we ran a campaign to de-stigmatise epilepsy. The team's omnichannel campaign with Jonty Rhodes – a celebrity living with epilepsy – during National Epilepsy Awareness Month (November 2021) aimed to create a greater recognition of the condition and to shape its management.

An integrated campaign (#SeizureFreeIndia) strengthened the understanding of epilepsy via experts; and helped destigmatise and build awareness to normalise the condition. The campaign leveraged the power of social media and used digital tools to drive meaningful conversations around living with epilepsy. Partnering with 96 expert neurologists, the conversation was taken on-air with famous RJs, where doctors spoke in detail about epilepsy and discussed ways of addressing taboos and stigmas in 12 different regional languages.

We also conducted a live webinar with Jonty Rhodes and five renowned neurologists on varied topics such as: 'What is epilepsy, 'The Burden of epilepsy in India', 'Myths on epilepsy' and 'Dos & Don'ts around epilepsy'.

The campaign garnered thousands of shares and high engagement across our social media channels. Additionally, over 5,000 Sanofians actively engaged in spreading awareness on Yammer. We continued the campaign and conducted eight regional webinars with over 20 Key Opinion Leaders (KOLs) across India. The campaign was hosted on Sanofi's 'DARE TO KNOW' Facebook page, created specially to share patient education material and to conduct and host live webinars on the topic, in future.



Awards

- GOLD – Velocity Awards 2021 (Best Integrated Digital Marketing Campaign category)
- SILVER – The Economic Times Brand Disruption Awards 2022 (Online Medical Pharmacies/ Doctors category)
- BRONZE – Indian Content Marketing Awards 2021 (Health and Wellness category)

Karo Dimaag Ki Baat

In India, mental health issues like depression and anxiety are either misunderstood or stigmatised due to deep-rooted social taboos.

People continue to be apprehensive of addressing these issues or seeking professional help, even after it starts to adversely affect their health or performance. To address this situation, we launched a public awareness campaign 'Karo Dimaag Ki Baat' with an objective to encourage social dialogue and help people openly talk about their mental health.

As part of the campaign, we hosted an interesting webinar with renowned stand-up comedian Kaneez Surka and five mental health experts. This webinar saw an attendance of more than 400 participants. Its' recording on YouTube received 12,000 views and counting. The webinar spoke about the various aspects of anxiety – what causes it, how to cope with it and how to help your near and dear ones deal with it. It also highlighted how assessment and diagnosis is important for good management and improvement in the lives of people with anxiety.

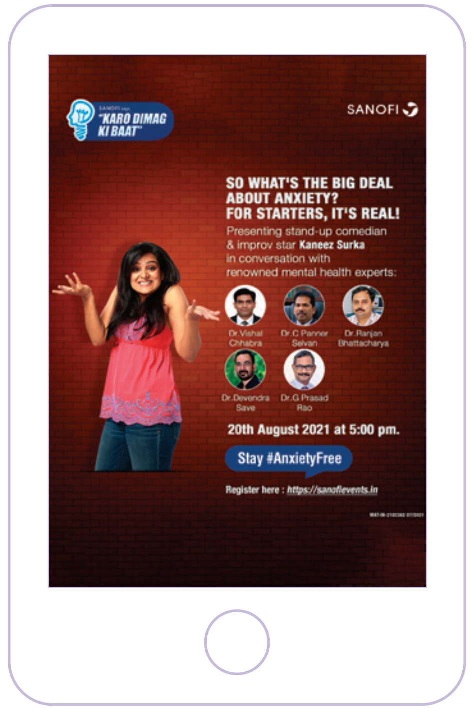
The social media posts put up from @IndiaSanofi Corporate handles on Twitter and LinkedIn helped create a great buzz around the campaign.

Campaign 'Karo Dimaag Ki Baat' engagement across platforms

20,000 impressions on LinkedIn

7,500+ views in Yammer

11,000 impressions on Twitter



Clexane

Clexane is the #1 anticoagulant brand in India and furthers our vision of a 'VTE free India'.*

During the COVID-19 pandemic, Clexane upped the digital wager and worked towards delivering innovative and cutting-edge medico-marketing initiatives to help HCPs improve their Venous Thromboembolism (VTE) management practices.

*Source: IQVIA Dec'21 MAT

We collaborated with leading international medical scientific associations like CHEST (The American College of Chest Physicians) to curate a customised e-learning course covering 400 hospitals in India. We received an encouraging response to the e-learning course which saw an average improvement of >10% in terms of their understanding on critical aspects of VTE management.

To further the learnings, we started a podcast series titled 'VTE Unplugged' to discuss the real-life challenging scenarios, in collaboration with leading global and national experts. These podcasts have received an overwhelming response, with more than 1,400 unique users who have consumed in excess of 175 hours of content with the average listening time reaching almost 9-10 minutes.

1,500 clinicians enrolled for e-learning course in association with CHEST

Building a culture of excellence

Building a culture of excellence to inspire people

Our human capital continues to be the driving force of our business. Their ability, dedication and agility help us understand and respond to the changing healthcare needs. Empowering them through skill development and learning not only enhances employee experience but also drives a robust organisational performance.

We develop and deploy integrated talent management practices, which encompass the entire employee lifecycle across recruitment, induction, development, career progression, rewards and recognitions.

Investing in skills and development

We offer unique career paths, customised learning experiences, career development programmes, job-specific training and learning opportunities to help employees succeed in their current roles.

Learning and development in 2021 focused on a wide array of activities, including managerial capability building programmes, transversal learning solutions, digital campaigns and focused capability building interventions aimed at strengthening the learning culture. The year began with the roll out of the PDLI (People Development Learning Institute) portfolio programmes open to all employees and aimed at developing transversal skills and competencies such as career management, leading through change, storytelling etc. Our managerial capability building programmes such as managerial essentials, leadership essentials, leading career conversations and managing low performance were also opened to all people managers.

On the digital front, SIL continues to be among the top 5 (globally) for adoption of content from the People Skills Learning Library. Campaigns from the Digital Learning Institute (DiscoverDigital 2.0) further augmented the digital learning experience for our employees, thereby providing impetus to our digital transformation journey. A key highlight of 2021 was the deployment of annual learning event – 'BeCurious&Stretch' led by our core HR team with strong involvement from the Leadership. In addition to Sanofi Leadership (India and Global), the event witnessed participation of external thought leaders and covered an internal employee base of more than 1,500 (overall) across six sessions. Curated content of various topics linked to our Play To Win Local priorities were brought 'front and centre' in engaging formats – podcasts, panel discussions, leader led sessions etc.

'BeCurious&Stretch'
deployment of annual learning event

Take care & BWel!

The objective of the *'Take Care & Bwel!'* programme is to support employees in making healthy choices by improving accessibility to better nutrition, physical activity and prevention initiatives in the workplace.

- Encourage consumption of a balanced and varied diet
- Promote regular physical activity
- Improve quality of sleep and manage stress
- Support smoking cessation
- Prevent diseases

HSEConnect Helpline*

We have been working to keep employees safe, with several measures rolled out to protect every employee during the pandemic. One such initiative is HSEConnect, a toll-free COVID-19 support service helpline for our employees and their dependants who are positive/suspected positive/ in home quarantine/experiencing COVID-19 symptoms.

The 24-hour helpline is managed by medical professionals. The HSEConnect team collaborated with a digital healthcare platform, to help employees who couldn't consult their family doctors. This helped to get timely diagnosis done through online consultations by specialists.

Functioning of HSEConnect helped in closely monitoring and acting proactively, wherever there was need of hospitalisation. State task force (a core group of employees were created in each state) helped mobilise all on ground logistics and support.

*Health, Safety and Environment

Fostering diversity and inclusion at the workplace

We respect the diversity of our people and strive to create a workplace where everyone can bring their best selves to work.

17%
women hires

38%
external women hires

20%
women in leadership positions

In India, we are working towards our ambition to be a gender-balanced organisation and accelerate gender diversity ratio. Our 3-pronged action plan includes creating awareness to bring about a mindset shift amongst employees, reducing the churn of women in a post COVID-19 world and developing women for leadership positions.

This year we are pleased to share that the percentage of our women hires has increased to 17% and the percentage of women in leadership positions has gone up to 20% – a significant increase from earlier years. The percentage of external women hires has also increased to 38% in 2021.

To drive awareness and focus on issues beyond gender, several sensitisation workshops and training programmes were conducted. Through 'Challenge your bias' – a training programme conducted amongst leadership teams – 200 leaders were covered in 2021 and several more teams will be covered going forward.

We also launched a new programme 'Horizons' to develop the existing talent pool of women and invest in their development for larger roles through effective career management, a mentoring programme and a networking platform which will enable them in their growth and development, create greater access and visibility and help propel their growth.

Seamless vaccination drive

At a time when people were struggling to find vaccination appointments and slots, we took on the responsibility of mobilising a vaccination drive for all its employees and their immediate families.

A structured process was followed to conduct the vaccination drive. An ecosystem with adequate infrastructure was created for a seamless experience. Throughout the drive, we monitored the situation and worked with experts to ensure that Sanofians get the best support at every stage. We shared the dos and don'ts as well as the precautions to take when they were on-site. Sanofians could call our dedicated COVID-19 helpline for any clarification about vaccination or if they experienced any post-vaccination issues.

The vaccination drive received a good response from Sanofians, thanks to the proactive efforts of the team that was involved in running the drive across the country. This drive resulted in 95% of our colleagues getting vaccinated against the COVID-19 virus, underscoring our commitment towards Sanofians' well-being.

TOP Employer Award 2022

We were certified as a 'TOP Employer' by the 'Top Employers Institute' for the 4th consecutive year

The reward is for excellence in working conditions offered to employees, development of talents and continuous improvement of human resource practices. Guided by our aspirations, Sanofi strives to build a workplace our employees can be proud of. The certification values Sanofi's continuous efforts to develop a solid, coherent and employee-centric strategy to position itself among the most attractive companies in India.

Empowering communities

Enhancing the quality of life

We develop sustainable and scalable solutions to address social challenges in healthcare; and deepen education through our partnership-based model. Our sustainability strategy focuses on environmental responsibility and climate protection and ensures continued availability of resources.

Our focused interventions include improving access to, care for and treatment of non-communicable diseases (NCDs) by raising awareness on healthy food habits and inculcating a fit and active lifestyle amongst people (especially children).

SehatOKPlease

SehatOkPlease will focus on promotion, early detection and referral of chronic Non-communicable Diseases (NCDs).

It is estimated that by 2031, there would be about 600 million people living in urban India*. Despite the National Health Mission and Government's new health schemes, there is a high burden of NCDs in urban slums, which often go undetected in the absence of early screening services. Through its' CSR, Sanofi India is supporting Piramal Foundation to launch SehatOKPlease (Mobile Medical Vans) to focus on promotion early detection and referral of chronic NCDs such as cancer, hypertension and diabetes mellitus. Committed to bettering the quality of life by reducing premature mortality and morbidity of chronic Non-communicable Diseases, Hypertension, Diabetes Mellitus and Cancer (HTN, DM & Ca), SehatOkPlease provides screening, promotive and referral services.

Approach

- 21 Mobile Medical Vans (MMVs) to be deployed to cover 1-2 villages each day and visit each village once every month. Each unit to be staffed with a nurse, a community mobiliser and a pilot
- Doctors' Hubs set up to provide telemedicine services to support the community outreach team to provide telemedicine services to support the community outreach team
- Beneficiaries with complications, diabetic retinopathy, neuropathy/nephropathy to be referred to higher facilities
- Two local volunteers to be identified from every location to support in communication, mobilisation of beneficiaries and to serve as point of contact for follow up information
- Community mobiliser to provide counselling to those who are screened and also their family members.

Mobile Medical Vans

deployed to cover
1-2 villages each day

*Source: New Climate Economy Report by the The Global Commission on the Economy and Climate.

Kids and Diabetes in Schools (KiDS)

The KiDS programme supports children with diabetes, helps manage their disease, aims to avoid discrimination in schools and raises awareness of healthy diets and physical activity among children.

Approach

We create awareness and engagement on diabetes to enable behaviour change across schools:

- Orientation of school principals to build ownership and better execution
- Capacity building of Rashtriya Bal Swasthya Karyakram (RBSK) doctors in NCD management
- Teacher trainings by RBSK doctors and experts in diabetes (doctors and nutritionists)
- Post assessment, engagement and education of school children by their teachers
- Educated and better informed school children engage with their family members
- Mass media campaigns and events for the engagement of general public at large

Sakhar Free Shukrawar (SFS)

A fun competition where children compete in culinary skills (replacing sugar with healthier options), while learning more about good nutrition and better diabetes management

- Engaged with school students via cooking as a medium to inculcate healthy eating habits
- 300+ children between 10- 16 years participated in a state-wide online contest
- Three winners were awarded

STEP (October to December 2021)

An app-based programme that inculcates daily fitness habits in children

- Encouraging students to live a healthy life by incorporating 10,000 daily steps in their regular exercise routine for three months
- 2,400 participants with 1,200 parent + child teams competed to complete the 10,000 daily step challenge
- Total 160 million+ steps recorded

Approach

- The 6-month radio campaign (jingles, teasers, RJ mentions, caller-ins) on Indigo FM Radio and Big FM helped bust myths on diabetes, while helping spread accurate and medically verified information on diabetes and its' management
- Both SFS & STEP were activities that involved families in adopting a healthier lifestyle (parents, siblings, cousins)
- The involvement of families, made the change easier to navigate in the childrens' lives and homes
- SFS involved changes in the family's eating habits – sparked by the kids, supported by the parents
- STEP encouraged physical exercise (with a parent/ sibling), making "fitness" a family activity
- STEP also attempted to shift the perception of exercise, from a boring "chore" to a healthy 'way of life'

Employee volunteering week

For the second consecutive year, we remained committed and ready to serve, reach out and impact those in need, without being physically present. The pandemic didn't stop our passionate change-makers from taking efforts to bring about a positive change in the community.

1,100
Sanofians participated

5,000+
Beneficiaries

People are hungry for accurate information about the pandemic. To make that happen, it is essential to try to control the COVID-19 infodemic. Sanofi volunteers translated COVID-19-related information in more than 20 languages, including regional dialects. This information was distributed to various NGOs to pass on to the public.

The 'Reduce, Reuse, Recycle activity' was a huge success. It brought together not just teammates, but also families. It was a pleasure to see children as young as 3 years enthusiastically participate and show off their craft skills. It was also interesting to audit our homes to check whether we are energy efficient and eco-friendly, while also learning about rainwater harvesting. We also used the concept of designing the comic strips, which is a novel way of educating children on healthy living.

Planet mobilisation roadmap

As a responsible business, we are committed to limiting the direct and indirect impacts of our operations and products on the environment.

Our 'Planet Mobilisation' roadmap will reflect the current and future issues, stakeholder concerns, and the risks and opportunities, in line with our global strategy. The roadmap sets out our environmental strategy, and the objectives set for our entire value chain. Planet Mobilisation is built around five pledges:

- mitigate climate change and achieve carbon neutrality by 2050, and set Sanofi on a trajectory for limiting global warming to 1.5°C
- limit our environmental footprint, choose circular solutions that optimise the use and reuse of resources, and reduce the impact of our emissions
- improve the environmental profile of what we produce by developing eco-innovative products that embody our eco-friendly ambitions by favouring sustainable use of medicines
- mobilise our people to support sustainable development by promoting an eco-friendly culture in workplace routines and decision-making
- engage our suppliers in environmental initiatives by practicing sustainable sourcing and leading by example

Health, Safety and Environment (HSE) Management System

HSE Management System has been implemented across our operations, in line with international standards. The system is designed as per the Plan-Do-Check-Act cycle of continual improvement.

This management system framework helps to take a risk-based proactive approach to handle the health, safety and environmental risks across the operations. This includes the assessment of various risks e.g. workplace risks, fire risk, process safety, ergonomics, machinery risk, occupational health, chemical risks etc. to provide adequate engineering controls. The framework also defines the roles and responsibilities, includes training and capability building, emergency preparedness and crisis response.

Learning Experience (LEX) process is a unique system in-built in the management framework to learn lessons from incidents that occurred within our industrial sites network. Manufacturing sites operate with required consents/authorisation obtained from the regulatory authorities, in compliance with the conditions stipulated as per consents/permits. No show cause/legal notices have been received (as on 31st December 2021).

Water management

We are fully aware of the environmental and public health issues surrounding the use of water in our industrial operations. Thus, we perform regular risk assessments at our industrial sites aimed at reducing their water footprint by implementing water management plans by 2025. Those plans will reflect the specific issues and will help us use water effectively, sustainably and responsibly.

Waste management

Towards circular economy, the key element of our waste management policy is to reduce the generation of waste at the source and then systematically reuse or recycle before considering any other treatments, such as incineration with energy recovery. Landfilling remains a last resort and is subject to controls. As an example, waste such as solvents is reprocessed on site to be reused. All wastes generated on site are recycled/reused and ETP sludge is sent to cement plant for co-processing.

GOVERNANCE

Strong foundation for a brighter future

With a decentralised decision-making process that furthers meritocracy and empowerment, we are a robustly managed and ethically governed business that seeks to maximise shareholder value.

Our strong corporate governance structure is designed to ensure the success and longevity of our business. We hold ourselves and our partners to the highest standards of accountability. Our values guide our approach to ethical business practices, risk management, public policy and advocacy.

Governance structure

The Board of Directors clearly understands the business dynamics and environment under which the Company operates, and the challenges and opportunities associated with the business operations. It provides guidance, oversight and strategic direction to our management. Business strategies are presented to the Board on an annual basis. The Board always acts in good faith, with due diligence and care, and in the best interests of the shareholders.

Accountability and transparency

We are committed to providing reliable and comprehensive financial and non-financial reporting, accompanied by a robust feedback mechanism. In the interest of our stakeholders, we align with best practices relating to disclosures, subject to internal and/or external assurance and governance procedures.

Embedding ethical values into our day-to-day activities is essential to preserve the trust of patients and communities, to safeguard our image and reputation and to protect Sanofi employees. To sustain our commitment, we have established robust governance systems and rules which are strictly enforced in accordance with the legal framework of each country we operate in. A rigorous internal control framework is also implemented to prevent violations of internal rules.

Leading with Integrity Handbook helps us use our position and influence to create an open, values-based culture where employees understand the importance of compliance and ethics and feel free to discuss and proactively address concerns.

The handbook contains clear guidance and tips that managers can use to:

- Enhance employee interactions and drive productivity
- Reinforce corporate commitment to integrity
- Embed integrity into daily operations
- Build the desired corporate culture

It articulates competencies that managers need to demonstrate in their day-to-day life for them to be seen as an impeccable leader with integrity.

It also lays out 5 specific responsibilities that managers must own, and provide with tips and practical resources that would help in

- Communicating team expectations
- Conducting effective team meetings
- Supporting ethics and business integrity initiatives
- Receiving and escalating concerns
- Taking disciplinary actions

Role of the Board

The Board of Directors has the overall responsibility to guide the organisation and oversee administration.

Board Committees

The Board has delegated its authority to various Board Committees with the mandate to deal with governance issues and report to the Board on their activities on a quarterly basis. Each committee operates under specific terms of reference which sets out its roles and responsibilities, composition and scope of authority. These are reviewed on an annual basis.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

Board of Directors

Mr. Aditya Narayan
Chairman

Mr. Rajaram Narayanan
Managing Director
S CS R

Ms. Usha Thorat
Independent Director
A N CS

Mr. Charles Billard
Non-Executive Director
A

Mr. Mathew Cherian
Whole Time Director
R

Mr. Rahul Bhatnagar
Independent Director
S CS R A N

Mr. Marc-Antoine Lucchini
Non-Executive Director
N

Mr. Vaibhav Karandikar
Whole Time Director and Chief Financial Officer
S R

● Chairman ● Member

N Nomination and Remuneration Committee

R Risk Management Committee

S Stakeholders' Relationship Committee

A Audit Committee

CS Corporate Social Responsibility & Sustainability Committee

Leadership team

Standing - Left to Right

Mr. Gaurav Bahadur
Senior Director - HR India and South Asia

Dr. Shalini Menon
Medical Head - India, India Medical Lead

Mr. Bratin Bag
Senior Director - EBI, South Asia

Mr. Vaibhav Karandikar
Chief Financial Officer & Whole Time Director

Ms. Aparna Thomas
Senior Director – Corporate Communications & CSR, India and South Asia

Mr. Linumon Thomas
Digital Leader - India

Ms. Radhika Shah
Company Secretary and Compliance Officer

Sitting - Left to Right

Mr. Cherian Mathew
Whole Time Director

Ms. Yasmin Shenoy
Senior Director - Regulatory Affairs

Mr. Rajaram Narayanan
Managing Director

Ms. Vinita Korti Patil
Senior Legal Director - South Asia

Mr. Nakul Verma
Senior Director - Public Affairs

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTY-SIXTH ANNUAL GENERAL MEETING (AGM/ 66th AGM) of the Members of SANOFI INDIA LIMITED ("the Company") will be held on TUESDAY, 26TH APRIL 2022 AT 3.00 PM (IST), through Video Conferencing / Other Audio -Visual Means ("VC /OAVM") facility, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended 31st December 2021 including the Balance Sheet as on 31st December 2021, the Statement of Profit and Loss and the Cash Flow Statement for the financial year ended on that date and Reports of Board of Directors and Auditors thereon.

2. To declare a final dividend of ₹ 181 per equity share and a one-time special dividend of ₹ 309 per equity share for the financial year ended 31st December 2021.

3. To re-appoint Mr. Cherian Mathew (DIN: 08522813), who retires by rotation and being eligible, offers himself for re-appointment.

4. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Audit and auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Price Waterhouse & Co. Chartered Accountants LLP (Firm Registration Number 304026E/E300009) be and are hereby re-appointed as Statutory Auditors of the Company, for a further term of five (5) consecutive years, to hold office from the conclusion of the Sixty-Sixth Annual General meeting until the conclusion of Seventy-First Annual General Meeting on such remuneration, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time."

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

Special Business

5. To consider, and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, M/s. Kirit Mehta & Co., Cost Accountants (Firm Registration No.000353), to conduct the audit of the cost accounting records maintained by the Company for the financial year ending 31st December 2022, be paid remuneration of ₹ 4,30,000 plus Goods and Services Tax and plus pocket expenses and applicable taxes in performance of their duties.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

By Order of the Board

Radhika Shah
Company Secretary
23rd February, 2022
Mumbai

Notes:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the Act) with respect to Item Nos. 4 and 5 of the Notice is annexed hereto and forms part of this Notice.

2. The meeting shall be deemed to be conducted at the Registered Office of the Company situated at Sanofi House, CTS No. 117-B, L&T Business Park, Saki Vihar Road, Powai, Mumbai – 400 072.

3. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs, Government of India ("MCA") issued General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021 and 21/2021 dated 8th April 2020, 13th April 2020, 5th May 2020, 13th January 2021, 8th December 2021 and 14th December 2021, respectively, ("MCA Circulars") allowing, *inter-alia*, conduct of AGMs through Video Conferencing/Other Audio-Visual Means ("VC / OAVM") facility on or before 30th June 2022, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. In compliance with these Circulars, provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 66th AGM of the Company is being conducted through VC / OAVM facility, which does not require physical presence of Members at a common venue. The deemed venue for the 66th AGM shall be the Registered Office of the Company.

   Electronic copy of the Annual Report for the financial year 2021 is being sent to all the members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes. For members who have not registered their e-mail address, hard copies of the Annual Report for the financial year 2021 are being sent in the permitted mode.

   In case any member is desirous of obtaining hard copy of the Annual Report for the financial year 2021 and Notice of the 66th AGM of the Company, may send request to the Company's e-mail address at IGRC.SIL@sanofi.com mentioning Foilo No./DP ID and Client ID.

4. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars, the Company is providing remote e-Voting facility to its members in respect of the business to be transacted at the 66th AGM and facility for those members participating in the 66th AGM to cast vote through e-Voting system during the 66th AGM. For this purpose, NSDL will be providing facility for voting through remote e-Voting, for participation in the 66th AGM through VC / OAVM facility and e-Voting during the 66th AGM.

5. The Company will hold AGM through VC / OAVM facility without physical presence of the members. The necessary details for joining the meeting are given below in point no. 14.

6. The meeting will be conducted following the below process:

   i. Since this meeting is being held through video conferencing, physical attendance of members has been dispensed with. Therefore, appointment of proxies is not applicable.

   ii. Pursuant to Section 113 of the Act, corporate members are requested to send a duly certified copy of the Board Resolution authorising their representative to attend and vote at the AGM, before e-voting/attending AGM, to IGRC.SIL@sanofi.com.

   iii. Members who have questions or seeking clarifications on the Annual Report or on the proposals as contained in this Notice are requested to send e-mail to the Company on IGRC.SIL@sanofi.com on or before 5.00 p.m. on Thursday, 21st April 2022. This would enable the Company to compile the information and provide the replies at the meeting.

   The Company will allot time for members to express their views or give comments during the meeting. The members who wish to speak at the meeting need to register themselves as a speaker by sending an e-mail from their registered e-mail ID mentioning their name, DP ID and Client ID/ Folio number and mobile number, on e-mail ID, IGRC.SIL@sanofi.com on or before 5.00 p.m. on Thursday, 21st April 2022. Depending on the availability of time, the Company reserves the right to restrict the number of speakers at the meeting.

   iv. The voting on the proposals contained in the Notice of AGM will be conducted as under:

   (a) The members who have registered their e-mail addresses with the Company/their depository can cast their vote through remote e-voting or through the e-voting during the AGM using the process mentioned below for e-voting through electronic system means.

(b) The members who are holding shares in physical form and who have not registered their e-mail ID with the Company, can write to evoting.investors@linkintime.co.in/ evoting@nsdl.co.in by providing their name and folio number for the purpose of e-voting in NSDL portal and exercise their vote either through remote e-voting or vote electronically during the AGM. The credentials will be provided to the members after verification of all details. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 19th April 2022 may follow step 1 i.e. "Access to NSDL e-Voting system" as mentioned below.

Detailed instructions for voting are contained in Point 14 below.

v. The Board of Directors of the Company has appointed Mr. Makarand M. Joshi, Practising Company Secretary (FCS 5533, CP 3662), or failing him, Ms. Kumudani Bhalerao, Practising Company Secretary (FCS 6667, CP 6690) as Scrutiniser for conducting the voting process of remote e-voting and e-voting during AGM in a fair and transparent manner.

vi. The Scrutiniser shall submit his/her report, to the Chairman or any person authorised by him, on the voting in favour or against, if any, within two working days from the conclusion of the Meeting.

vii. The results declared along with the consolidated Scrutiniser's Report and the recorded transcript of the meeting shall be placed on the website of the Company www.sanofiindialtd.com. The results shall simultaneously be communicated to the Stock Exchanges.

7. The Register of Directors and Key Managerial Personnel (KMP) and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in the Notice can be inspected in electronic mode by sending a request on e-mail to IGRC.SIL@sanofi.com.

8. The Register of Members of the Company shall remain closed from 16th April 2022 to 26th April 2022 (both days inclusive).

9. Payment of dividend as recommended by the Board of Directors, if approved at the meeting, will be made to those members whose names are on the Company's Register of Members on 15th April 2022 and those whose names appear as Beneficial Owners as at the close of the business hours on 15th April 2022 as per the details to be furnished by the Depositories, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

10. In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, with effect from 1st April 2020, dividend declared and paid by the Company is taxable in the hands of its members and the Company is required to deduct tax at source (TDS) from dividend paid to the members at the applicable rates. A separate e-mail will be sent at the registered e-mail ID of the members describing about the detailed process to submit the documents/declarations along with the formats in respect of deduction of tax at source on the dividend payout. Sufficient time will be provided for submitting the documents/declarations by the members who are desiring to claim beneficial tax treatment. The intimation will also be uploaded on the website of the Company www.sanofiindialtd.com.

11. Members holding shares in electronic form are advised to keep the bank details updated with the respective Depositories, viz. NSDL and CDSL. Member holding shares in certificate form are requested to update bank details with the Company's Registrar and Transfer Agents.

12. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Amendment Rules 2017 notified by the Ministry of Corporate Affairs, the Company is required to transfer all shares in respect of which dividend has not been paid or claimed by the members for seven consecutive years or more in the name of Investor Education and Protection Fund (IEPF) Suspense Account. Adhering to various requirements set out in the Rules, the Company has taken appropriate action for transferring the shares to the Demat Account opened by the IEPF Authority. The Company has also uploaded details of such members whose shares are transferred to IEPF Suspense Account on its website – www.sanofiindialtd.com.

The shares transferred to IEPF Suspense Account including all benefits accruing on such shares, if any, can be claimed by the members from IEPF Authority, after following the procedure prescribed under the Rules.

Pursuant to the provisions of Sections 124 and 125 of the Act, dividends which remain unclaimed for a period of seven years from the date of transfer to the unpaid dividend account are required to be transferred to IEPF established by the Central Government. The details of unpaid dividend are uploaded on the website of the Company www.sanofiindialtd.com.

During the year 2021, the Company transferred unclaimed dividend amounts of ₹ 2,393,265 and ₹ 832,530 from the Final Dividend for the year 2013 and Interim Dividend for the year 2014 respectively, to the IEPF.

Members who have not encashed their dividend warrants for last seven years are requested to write to the Company's Registrar and Transfer Agents and claim their dividends. The total amount of unclaimed dividend has been disclosed in the financial statements. Members are requested to note that the unclaimed dividends will be transferred to the IEPF after the below mentioned last date of claim which has been calculated by adding 37 days and 7 years in the date of declaration:

Dividend and Year	Dividend per Share (₹)	Date of Declaration	Last Date for Claim
Final Dividend 2014	35	29-04-2015	05-06-2022
Interim Dividend 2015	18	21-07-2015	27-08-2022
Final Dividend 2015	47	29-04-2016	05-06-2023
Interim Dividend 2016	18	22-07-2016	28-08-2023
Final Dividend 2016	50	05-05-2017	11-06-2024
Interim Dividend 2017	18	19-07-2017	25-08-2024
Final Dividend 2017	53	08-05-2018	14-06-2025
Interim Dividend 2018	18	25-07-2018	31-08-2025
Final Dividend 2018	66	07-05-2019	13-06-2026
Final and One Time Special Dividend 2019	349	07-07-2020	13-08-2027
Final and One Time Special Dividend 2020	365	27-04-2021	03-06-2028

13. Pursuant to Regulation 39 and Schedule V and VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) the Company has transferred unclaimed shares in its Unclaimed Suspense Account details of which are given below:

Particulars	No. of Records	No. of Shareholders	No. of Equity Shares
Aggregate number of shareholders/records and the outstanding shares in the Unclaimed Suspense Account	231	216	11,550
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	5	5	250
Number of shareholders/records whose shares were transferred from suspense account to the demat account of Investor Education and Protection Fund under the provisions of Section 124(6) of the Companies Act, 2013	7	7	350
Number of shareholders/records and aggregate number of shares transferred to the Unclaimed Suspense Account during the year	-	-	-
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on 31st December 2021	219	204	10,950

Voting rights on shares lying in the Unclaimed Suspense Account shall remain frozen till the rightful owner of such shares establishes his/her title of ownership to claim the shares.

14. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations the Company is pleased to offer e-voting facility which will enable the members to cast their votes electronically on all the Resolutions set out in the Notice. Please refer the instructions given below relating to voting through electronic means.

E-voting facility:

- The remote e-voting period will begin on 22nd April 2022 at 9.00 a.m. and will end on 25th April 2022 at 5.00 p.m. During this period members of the Company holding shares either in physical form or dematerialised form as on cut-off date, i.e. 19th April 2022 may exercise their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- A person whose name is recorded in the register of members or in the beneficial owners maintained by depositories as on the cut-off date i.e. 19th April 2022 shall be entitled to avail the facility of remote e-voting as well as e-voting system during the AGM. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/ beneficial owner (in case of shares held in dematerialised form) as on the cut-off date i.e. Tuesday, 19th April 2022.
- A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
- The voting during the AGM will begin on 26th April 2022 at 3.00 p.m. and will end on completion of 30 minutes from the time of the conclusion of the AGM. Within this period, all members who are present at the AGM through VC facility and who have not yet exercised their vote through remote e-voting, can exercise their vote electronically.
- The facility for e-voting during the meeting is available only to those members participating in the meeting through VC facility. If a member has exercised his/her vote during the AGM through e-voting but not attended the AGM through VC facility, then the votes casted by such members shall be considered invalid.
- The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April 2020, 13th April 2020 and 5th May 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
- In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.sanofiindialtd.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the EGM / AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
- AGM has been convened through VC / OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Friday, 22nd April 2022 at 09:00 a.m. and ends on Monday 25th April 2022 at 5:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i.e. 19th April 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 19th April 2022.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9th December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & E-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above-mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your e-mail ID is not registered, please follow steps mentioned below in **process for those shareholders whose e-mail IDs are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC / OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to scrutinisers@mmjc.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Ms. Pallavi Mhatre) at evoting@nsdl.co.in

Process for those shareholders whose e-mail IDs are not registered with the depositories for procuring user id and password and registration of e-mail IDs for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by e-mail to (evoting. investors@linkintime.co.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to evoting.investors@linkintime.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9th December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-Voting facility.

The instructions for members for e-voting on the day of the AGM are as under:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/shareholders, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

Instructions for members for attending the Egm / Agm through VC / OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC / OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC / OAVM link placed under Join General Meeting menu. The link for VC / OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

For any grievances connected with facility for e-voting members may contact:

Ms. Radhika Shah, Company Secretary
Address: Sanofi House, CTS No.117-B,
L&T Business Park, Saki Vihar Road, Powai,
Mumbai – 400 072, India.
Tel. No.: (022) 28032000
E-mail: IGRC.SIL@sanofi.com

15. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act, are requested to submit details to the Registrar and Transfer Agents of the Company, in the prescribed Form SH-13 for this purpose.
16. As required by Regulation 36(3) of the Listing Regulations and the Secretarial Standards on General Meetings (SS-2) as laid down by The Institute of Company Secretaries of India, additional information relating to the particulars of Directors who are proposed to be appointed/re-appointed are given below:

Agenda Item No.	3
Name	Mr. Cherian Mathew
Age	57
Qualifications	Graduated in Chemical Engineering from IIT Kharaghpur
Brief profile including expertise and experience	Mr. Cherian Mathew started his career in 1987 with Shaw Wallace and then had a brief stint with Ranbaxy Laboratories Limited. He joined Sanofi in 1993 (with the erstwhile Hoechst India Limited) as a Project Engineer. Over the last 26 years, he has held ever increasing responsibilities in India as well as with various other Sanofi affiliates across the world. He has been actively involved in the formulation of Sanofi's industrial strategy and in its implementation. Presently, Mr. Cherian Mathew is the Head of Group of Sites, International, Cluster Europe & International. Mr. Cherian Mathew was appointed Additional Director & Whole Time Director of the Company with effect from 29th July 2019.
Directorships in other companies in India	None
Committee Memberships and Chairmanships	He is member of Risk Management Committee of Sanofi India Limited.
Number of Board meetings attended during the year	In the year 2021, Mr. Cherian Mathew attended 8 out of 8 Board meetings.
Remuneration last drawn for the financial year 2021	Remuneration was paid as Whole Time Director of the Company as approved by the members at the Annual General Meeting of the Company held on 7th July 2020. Details are disclosed in the Corporate Governance section of the Annual Report. No change has been proposed in this re-appointment.
Remuneration sought to be paid	No change has been proposed.
Terms and conditions of appointment	As approved by the members at the Annual General Meeting of the Company held on 7th July 2020. No change has been proposed in the terms and conditions.
Relationship with other Directors and KMP	None
Date of first appointment on the Board	29th July 2019
Shareholding in Sanofi India Limited	Nil

EXPLANATORY STATEMENT

Explanatory Statement relating to the business mentioned in Item Nos. 4 & 5 in the accompanying Notice of the Annual General Meeting (AGM) is given below:

Item No. 4

Members of the Company had approved the appointment of M/s. Price Waterhouse & Co. Chartered Accountants LLP, Chartered Accountants, Mumbai (Firm Registration Number 304026E/E300009) as the Statutory Auditors at the Sixty-first AGM of the Company held on 5th May 2017 which is valid till Sixty-sixth AGM of the Company.

Pursuant to Section 139(2) of the Act, the Company can appoint an audit firm for a second term of five consecutive years. Accordingly, M/s. Price Waterhouse & Co. Chartered Accountants LLP, Chartered Accountants, are proposed to be re-appointed as Statutory Auditors of the Company for a second term of five consecutive years commencing from the conclusion of this AGM till the conclusion of Seventy-first AGM.

In accordance with the Act and on the recommendation of the Audit Committee and in the best interest of the Company, the Board of Directors have considered and recommended the proposed re-appointment of M/s. Price Waterhouse & Co. Chartered Accountants LLP as Statutory Auditors of the Company for another term of five years i.e. from the conclusion of this AGM till the conclusion of Seventy-first AGM. M/s. Price Waterhouse & Co. Chartered Accountants LLP have provided their consent and confirmed that their re-appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act, and Companies (Audit and Auditors) Rules, 2014, as amended from time to time.

They have further confirmed that they are not disqualified to be reappointed as statutory auditor in terms of the provisions of the Sections 139(1), 141(2) and 141(3) of the Act, and the provisions of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time.

The proposed remuneration to be paid to M/s. Price Waterhouse & Co. Chartered Accountants LLP, for the financial year 2022 is ₹ 4.72 million plus out of pocket expenses and applicable taxes. For the subsequent years, the Board of Directors will decide the remuneration based on recommendations of Audit Committee.

Brief profile of M/s. Price Waterhouse & Co. Chartered Accountants LLP, Chartered Accountants is as given below:

Price Waterhouse & Co., Chartered Accountants LLP, having a Firm Registration No. 304026E/E300009, is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. The Firm was established in the year 1991 and was converted into a limited liability partnership in the year 2014. The registered office of the Firm is at Plot No. Y 14, Block EP, Sector V, Salt Lake, Electronic Complex Bidhan Nagar, Kolkata – 700 091 and has ten branch offices in various cities in India. The Firm is primarily engaged in providing assurance and auditing services to its clients and is a member firm of Price Waterhouse & Affiliates, a network of firms registered with the Institute of Chartered Accountants of India having Network Registration No. NRN/E/14. Price Waterhouse & Affiliates is a network of eleven separate, distinct and independent Indian chartered accountant firms, each of which is registered with the Institute of Chartered Accountants of India. The Firm has more than 80 partners as of 1st July 2021.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this Resolution.

The Board, on the recommendation of the Audit Committee, recommends the resolution set forth in Item No. 4 of the notice for approval of the members.

Item No. 5

The Board of Directors, on the recommendation of the Audit Committee, approved the appointment of M/s. Kirit Mehta & Co., Cost Accountants, as Cost Auditors (Firm Registration No. 000353) to conduct the audit of the cost accounts maintained by the Company for the financial year ending 31st December 2022.

In accordance with the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors must be ratified by the members of the Company. Accordingly, consent of the members is sought for approval of the remuneration payable to the Cost Auditors for the financial year ending 31st December 2022.

The Board recommends the approval of the remuneration payable to M/s. Kirit Mehta & Co., Cost Accountants for conducting the cost audit and passing of the Ordinary Resolution set out at Item No. 5 of the Notice.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this Resolution.

By Order of the Board

Radhika Shah
Company Secretary
23rd February 2022

REPORT OF THE DIRECTORS

To the Members of the Company

Your Directors have pleasure in presenting the Audited Accounts of your Company for the financial year ended 31st December 2021.

₹ in million

Financial Results	2021	2020
Revenue from operations	29,566	29,019
Other income	744	898
Total income	30,310	29,917
Profit before exceptional items and tax	7,684	7,189
Profit before tax	12,576	6,772
Tax expense	3,132	1,996
Profit for the year	9,444	4,776
Other comprehensive income (Net of tax)	(33)	(88)
Total comprehensive income for the year	**9,411**	**4,688**

The financial results for the year ended 31st December 2021 are not comparable with that of year ended 31st December 2020 due to completion of the slump sale transaction on 29th May 2020, which resulted in transfer of Ankleshwar manufacturing facility and few products to Zentiva Private Limited.

During the previous year, on 29th May 2020, the Company closed the transaction of slump sale and transfer of its Ankleshwar manufacturing facility to Zentiva Private Limited. The final consideration after working capital adjustments was fixed at ₹ 3,001 million, out of which an amount of ₹ 2,728 million was received during the year 2020 and the balance ₹ 273 million has been received during the current year 2021 after full transfer of the products.

During the year, the Board of Directors of the Company at its meeting held on 27th July 2021 approved a transaction for the slump sale and transfer of the Company’s Nutraceuticals business, on a going concern basis to Universal Nutriscience Private Limited for a consideration of ₹ 5,870 million including debt like obligations, subject to customary working capital adjustments. The transaction was closed on September 30, 2021. Subsequent to the closing, the final consideration of ₹ 5,860 million (after working capital adjustments) has been received in full and during the year ended December 31, 2021, the Company has accounted for gain of ₹ 4,892 million (comprising debt like obligation taken over by the purchaser ₹ 196 million, intangible assets adjusted ₹ 827 million and transaction costs ₹ 337 million), which has been disclosed as an exceptional item.

The Nutraceuticals business of the Company comprised 16 brands and 30 SKUs. These along with related business assets and liabilities including contracts, intellectual property rights, inventory, and all employees associated with this business were transitioned to Universal Nutriscience Private Limited.

Transfer to Reserves

Your Company does not propose to transfer any amount in the general reserves of the Company.

Dividend

Your Directors at their meeting held on 23rd February 2022 has recommended payment of final dividend of ₹ 181 per equity share of ₹ 10 for the year ended 31st December 2021 and one-time special dividend of ₹ 309 per equity share of ₹ 10 for the year ended 31st December 2021, considering the sale of Nutraceutical business of the Company and the cash requirements of the Company. The dividend will be paid after approval of members at the ensuing Annual General Meeting (AGM) of the Company. The dividend, if approved by the members at the AGM scheduled on 26th April 2022, will result in cash outflow of ₹ 11,285 million.

Pursuant to the requirements of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), the Dividend Distribution Policy of the Company is available on the Company’s website link https://www.sanofiindialtd.com/en/investors/corporate-policies

Unpaid/Unclaimed Dividend

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016/Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001 (including amendments and modifications, thereof), ₹ 3.23 million of unpaid/unclaimed dividends were transferred during the year 2021 to the Investor Education and Protection Fund.

Divestment of Soframycin® and Sofradex® Businesses

During the year under review, the Sanofi Group decided to sell some of its old brands along with their trademarks. These included brands Soframycin® and Sofradex®, which were manufactured (through a third-party manufacturing arrangement) and distributed by your Company in India.

Sanofi Group entered into a transaction with Encube Ethicals Private Limited which involved transfer of the Soframycin® and Sofradex®, brands, trademarks and associated technical know-how/ manufacturing dossiers (registered IP) to Encube Ethicals Private Limited. As part of this transaction, the Company also sold certain assets namely marketing intangibles, customer lists/database, trade channel knowledge/wholesaler lists, vendor/supplier database, pharmacovigilance/medical database that are related to this distribution business conducted by the Company (collectively called unregistered IP) and product inventory to Encube Ethicals Private Limited, through an Asset Purchase Agreement, for a consideration of ₹ 1368.5 million. The Audit Committee of your Company approved the valuation and the Board approved the said transaction at their meetings held on 25th November 2021. The transaction was completed on 31st January 2022 and your Company has received the entire consideration.

Directors and Key Managerial Personnel (KMP)

During the year under review, Mr. Vaibhav Karandikar (DIN: 09049375) was appointed as Whole Time Director of the Company w.e.f. 23rd February 2021.

Further, Mr. Cyril Grandchamp-Desraux (DIN: 07719763) informed the Board vide his letter dated 24th November 2021, that he would like to resign as the Non-Executive Director of the Company due to personal reasons with immediate effect. The Board noted and accepted this resignation at its meeting held on 25th November 2021. The Board places on record its deep appreciation of his contribution in the development of the Company.

Mr. Rajaram Narayanan (DIN: 02977405) informed the Board vide his letter dated 12th January 2022, that he would like to step down as Managing Director of the Company effective close of business hours on 10th April 2022, to pursue an external opportunity. The Nomination and Remuneration Committee and the Board noted and accepted the resignation at the meeting(s) held on 13th January 2022. Mr. Rajaram Narayanan joined the Company in 2014 as General Manager and was later elevated as Country Lead & Managing Director. In these roles, he led the strategic reorientation of the Company, sharpening its focus on core areas, developing new business models, building future talent and driving digital transformation across all areas of the business. During his tenure as Managing Director, the Company has been recognised as a Top Employer for four consecutive years and has received several recognitions for its initiatives in HR practices, Communications, CSR (Corporate Social Responsibility) and Public health. The Board places on record immense appreciation for his contribution towards the growth of the Company.

Mr. Girish Tekchandani resigned as Company Secretary and Compliance Officer of the Company w.e.f. close of business hours on 31st August 2021. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 26th October 2021, appointed Ms. Radhika K. Shah as the Company Secretary and Compliance Officer w.e.f. 1st November 2021.

As on the date of this Report, Mr. Rajaram Narayanan, Managing Director; Mr. Vaibhav Karandikar, Whole Time Director & Chief Financial Officer; Mr. Cherian Mathew, Whole Time Director and Ms. Radhika K. Shah, Company Secretary & Compliance Officer are designated as the Key Managerial Persons of the Company.

Mr. Aditya Narayan, Chairman and Mrs. Usha Thorat, Chairperson of the Audit Committee and Nomination and Remuneration Committee, were re-appointed for their second term of five consecutive years, commencing from 30th April, 2021, at the Annual General Meeting held on 27th April, 2021.

The Company has received declarations from all Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 (the Act) and the Listing Regulations and they have registered themselves with the Independent Director's Database maintained by the IICA (The Indian Institute of Corporate Affairs). In the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

Mr. Cherian Mathew (DIN: 08522813) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors recommend his re-appointment to the members.

Management Discussion and Analysis

As required by Regulation 34(2) of the Listing Regulations, a Management Discussion and Analysis Report forms part of this Report.

The state of the affairs of the business along with the financial and operational developments has been discussed in detail in the Management Discussion and Analysis Report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in **Annexure – A** to this Report.

Cash Flow and Consolidated Financial Statements

As required under Regulation 34 of the Listing Regulations, a Cash Flow Statement is part of the Annual Report.

The Company does not have any subsidiaries and hence not required to publish Consolidated Financial Statements.

Subsidiaries, Associate Companies And Joint Ventures

Your Company does not have any subsidiaries, joint ventures or associate companies.

Corporate Governance Report

As required under Regulation 34 of the Listing Regulations, a Report on Corporate Governance along with a Certificate of Compliance from the Statutory Auditors is part of this Report.

Business Responsibility Report

The Business Responsibility Report for the year ended 31st December 2021, as stipulated under Regulation 34 of the Listing Regulations is given in **Annexure – B** to this Report.

Meetings of the Board

Eight meetings of the Board were held during the year. Dates of the meetings are given in the Report on Corporate Governance. The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Act and Listing Regulations.

Familiarisation Programme for Independent Directors

The Directors are regularly informed during meetings of the Board and Committees on the business strategy, business activities, manufacturing operations and issues faced by the pharmaceutical industry. The Directors when they are appointed are given a detailed orientation on the Company, pharmaceuticals industry, regulatory matters, business, financial matters, human resource matters and corporate social responsibility. The details of Familiarisation programmes provided to the Directors of the Company are mentioned in the Corporate Governance Report and on the Company's website link https://www.sanofiindialtd.com/en/investors/corporate-policies .

Preformance Evaluation of the Board

During the year under review, the performance evaluation of the Board, Committees and Directors was conducted based on the criteria, framework and questionnaires approved by the Nomination and Remuneration Committee and the Board. The details of the performance evaluation exercise conducted by the Company are set out in the Corporate Governance Report.

Nomination and Remuneration Policy & Remuneration of Directors, Key Managerial Personnel and Senior Management

The Nomination and Remuneration Policy of the Company is performance driven and is designed to motivate employees, recognise their achievements, and promote excellence in performance. The Policy provides guidance on selection and nomination of Directors to the Board of the Company; appointment of the Senior Management Personnel of the Company; and remuneration of Directors, Key Management Personnel and other employees. The remuneration paid to the Directors, Key Managerial Personnel and Senior Management is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Act and the Listing Regulations. Further details form part of the Corporate Governance Report and a Statement of Disclosure of Remuneration pursuant to Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided as **Annexure – C** to this Report.

The statement showing particulars of employees pursuant to Section 197 of the Companies Act, 2013 (the 'Act') read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report. However, the above-mentioned statement is not being sent to the Members along with this Annual Report in accordance with the provisions of Section 136 of the Act. Any person interested in receiving the said information may write to the Company Secretary stating their Folio No./ DPID.

Audit Committee

Details pertaining to composition of the Audit Committee are included in the Report on Corporate Governance. All the recommendations made by the Audit Committee were accepted by the Board.

Vigil Mechanism

As per the provisions of Section 177(9) of the Act and Regulation 22 of the Listing Regulations, the Company is required to establish a Vigil Mechanism. The Company's Code of Conduct, Whistle-blower and other Governance Policies lays out the defining principles of highest ethical standards. The details of the Whistle-blower Policy are provided in the Report on Corporate Governance forming part of this Report.

Related Party Transactions

All related party transactions which were entered into during the year under review were on arm's length basis and in the ordinary course of business. There were no materially significant related party transactions made by the Company with the Promoters, Directors and KMP which may have a potential conflict with the interests of the Company at large.

The Company has formulated a policy on materiality of related party transactions and also on dealing with related party transactions. The policy is available on the Company's website link https://www.sanofiindialtd.com/en/investors/corporate-policies. Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contracts / arrangements entered into by the Company with related parties referred to in sub section (1) of Section 188 of the Act including certain arm's length transactions under third proviso thereto are required to be disclosed in Form AOC–2.

The Form AOC–2 envisages disclosure of material contracts or arrangements or transactions at arm's length basis. The details of the material related party transactions in financial year ended 31st December 2021, as per the Policy on dealing with related parties adopted by the Company are disclosed in **Annexure – D** to this Report.

Your Company has entered into material related party transactions with sanofi-aventis Singapore Pte. Ltd. for the purchase and sale of products and services and with Sanofi Healthcare India Private Limited (SHIPL). These transactions were in the ordinary course of business and at arm's length duly certified by the third-party experts. The transactions were within the limits approved by the members.

In view of the prevailing interest rate scenario and overall reduction in bank rates, the Board at its meeting held on 23rd February 2021 approved reduction in interest rate payable by SHIPL from 7.5% to 5.5% per annum with effect from 15th April 2021. Further, the Board at its meeting held on 26th October 2021 revised the interest rates to 5.55% and also approved extension of tenure of loan to SHIPL till 15th April 2023 with all other terms remaining same including the continuation of the corporate guarantee by Sanofi group.

Your Company had originally entered into Related Party Transaction(s) with Sanofi Synthelabo (India) Private Limited (SASY) and Sanofi Pasteur India Private Limited (SPIPL), These existing Related Party Transactions with SASY and SPIPL were in the ordinary course of business and were at arm's length, as per the provisions of the Companies Act, 2013 and the rules made thereunder, and have been approved of by the Company's Audit committee. These transactions were not material related party transactions for purposes of the Listing Regulations.

The National Company Law Tribunal (NCLT) vide its Order dated 20th April 2021 approved the merger of SASY and SPIPL with SHIPL. The said merger was effective from 1st June 2021 and resulted in the transfer of all of the contracts/ arrangements originally entered into with each of SASY and SPIPL to SHIPL. As a result, the contracts/ arrangements originally entered into with SASY and SPIPL respectively, are now deemed to be contracts/ arrangements with SHIPL. The Company was not a party to the aforesaid merger, and the contracts / arrangements originally entered into with SASY and SPIPL have now been assigned to SHIPL due to operation of law (upon effectiveness of the above merger).

Individually, the value of transactions between Company with SASY and the Company with SPIPL was within the threshold limit of 10% of the Company's annual consolidated turnover as prescribed under the Regulation 23(1) of the Listing Regulations. However, due to the merger of the aforesaid entities, transactions which were originally entered into with SASY and SPIPL (Transferor Companies) have now been aggregated with transactions SHIPL (Transferee Company) as a result of operation of law, and as a result, the transactions of the Company with SHIPL, for FY 2021, have crossed the threshold limit of 10% of the Company's annual consolidated turnover as prescribed under the Regulation 23(1) of the Listing Regulations.

The Company has sought approval of members through Postal Ballot for the contracts/ arrangements/ transactions entered into for the FY 2021 and for entering into contracts/ arrangements/ transactions related to purchase, sale, transfer or receipt of products, goods, active pharmaceutical ingredients, materials, services or other obligations, if any, on such terms and conditions as may be mutually agreed upon between the Company and SHIPL a 'Related Party' as defined under Section 2(76) of the Act and the Listing Regulations, for an amount not exceeding in aggregate ₹ 10,000 million (Rupees Ten thousand million only) in each financial year for period of five years commencing from Financial Year 2022 to Financial Year 2026.

The aforesaid transactions have been approved by the Audit Committee and Board of Directors and are in the ordinary course of business and at arms' length.

The results of Postal Ballot along with the Scrutiniser's Report would be intimated to Bombay Stock Exchange Limited ("BSE") and National Stock Exchange of India Limited ("NSE") where the Equity Shares of the Company are listed.

Corporate Social Responsibility

The Board has constituted a Corporate Social Responsibility (CSR) Committee to monitor implementation of CSR activities of your Company. The details of the composition of the CSR Committee, CSR policy, CSR initiatives and activities undertaken during the year are given in the Annual Report on CSR activities in **Annexure – E** to this Report.

Risk Management

Your Company has implemented a mechanism for risk management and formulated a Risk Management Policy. The policy provides for creation of a risk register, identification of risks and formulating mitigation plans. Your Company has also constituted a Risk Management Committee, details of which are disclosed in the Corporate Governance Report. As per the governance process described in the Policy, the Risk Management Committee reviews the risk identification, risk assessment and minimisation procedures on quarterly basis and updates the Audit Committee and the Board on regular basis.

The key risks impacting the Company are discussed in the Management Discussion and Analysis section of the Annual Report.

Deposits from Public

Your Company has not accepted any deposits from the public and as such no amount of principal or interest on deposits from the public was outstanding as on the date of the Balance Sheet.

Loans, Guarantees or Investments

The particulars of the loan to Sanofi Healthcare India Private Limited (formerly known as Shantha Biotechnics Private Limited) are disclosed in Form AOC-2 which forms part of this Report.

Details of the loans made by your Company are also given in the notes to the financial statements.

Directors' Responsibility Statement

As required by Section 134(3) of the Act, your Directors, to the best of their knowledge and belief, confirm that:

1. in the preparation of the annexed accounts for the financial year ended 31st December 2021 all the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. your Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
3. your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the said accounts have been prepared on a going concern basis;
5. internal financial controls to be followed by the Company have been laid down and that internal controls are adequate and were operating effectively; and
6. proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems are adequate and operating effectively.

Cost Audit

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records. The accounts and records are made and maintained by the Company and are required to be audited. Your Directors have, on the recommendation of the Audit Committee, appointed M/s. Kirit Mehta & Co., Cost Accountants to audit the cost accounts maintained by the Company for the financial year ending 31st December 2022.

As required by the Act, the remuneration payable to the Cost Auditor is required to be placed before the members in General Meeting for their ratification. Accordingly, a resolution seeking ratification of the remuneration payable to M/s. Kirit Mehta & Co. as approved by the Audit Committee and Board is included in the Notice convening the Annual General Meeting of the Company.

Auditors

M/s. Price Waterhouse & Co. Chartered Accountants LLP (Firm Registration Number 304026E / E300009) were appointed as Statutory Auditors of your Company to hold office from the conclusion of the Sixty-first AGM held in the year 2017, until the conclusion of the Sixty-sixth AGM to be held in the year 2022.

Subject to the approval of members at the AGM, the Audit Committee at its meeting held on 22nd February 2022 and the Board at its meeting held on 23rd February 2022, recommended re-appointment of M/s. Price Waterhouse & Co. Chartered Accountants LLP for a further period of 5 years until the conclusion of the Seventy-first AGM to be held in 2027.

The Company has received written consent and certificate of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules issued thereunder, from of M/s. Price Waterhouse & Co. Chartered Accountants LLP. They have confirmed to hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the Listing Regulations.

The Audit Committee and the Board is of the opinion that continuation of M/s. Price Waterhouse & Co. Chartered Accountants LLP as Statutory Auditors will be in the best interests of the Company and therefore, the members are requested to consider their re-appointment as Statutory Auditors of the Company, for a term of five years, from the conclusion of the ensuing Annual General Meeting, till the Annual General Meeting to be held in the financial year 2027, at such remuneration mutually agreed and approved by the Board.

The resolution seeking re-appointment of M/s. Price Waterhouse & Co. Chartered Accountants LLP as Statutory Auditors for a period of 5 years until the conclusion of the Seventy-first AGM to be held in 2027 has been included in the Notice of the Sixty-sixth Annual General Meeting for approval of the members.

The Statutory Auditors have issued an unqualified audit report on the annual accounts of the Company for the year ended 31st December 2021.

Reporting of Fraud by Auditors

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Act, details of which needs to be mentioned in this Report.

Prevention of Sexual Harassment Policy

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year 2021, the Company did not receive any complaint of alleged sexual harassment. As on 31st December 2021 no complaints related to sexual harassment are pending for disposal.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Directors had appointed M/s. Makarand M. Joshi & Co., a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of your Company for the year ended 31st December 2021.

The Secretarial Auditors have issued an unqualified audit report for the year ended 31st December 2021.

Their report is annexed herewith as **Annexure – F** to this Report.

The Annual Secretarial Compliance Report has been submitted to the stock exchanges within 60 days of the end of the financial year.

Secretarial Standards

The Company has complied with Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

Annual Return

As required under Section 92(3) of the Act, Annual Return is hosted on the website of the Company www.sanofiindialtd.com.

Material Changes and Commitments after the Financial Year

No material changes and commitments have occurred after the closure of the financial year ended 31st December 2021 till the date of this Report, which would affect the financial position of your Company.

There has been no change in the nature of business of your Company.

Significant and Material Orders Passed by the Regulators / Courts / Tribunals

No significant or material orders were passed by the Regulators or Courts or Tribunals which impacts the going concern status and Company's operations in future.

Acknowledgements

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. In the period of extreme uncertainty due to the public-health and economic disruption created by the COVID-19, the employees and associates of your Company have extended splendid support and made significant contribution to ensure uninterrupted supply of medicines to needy patients.

The Board also places on record its appreciation for the support and co-operation that your Company has been receiving from the medical fraternity, suppliers, distributors, retailers, business partners, government departments both at central & state level and all other stakeholders.

By Authority of the Board

Aditya Narayan
Chairman
DIN: 00012084
23rd February 2022

ANNEXURE – A TO THE REPORT OF THE DIRECTORS

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Statement containing particulars pursuant to Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Report of the Directors for the year ended 31st December 2021.

On 29th May 2020, the Company completed the slump sale transaction for sale and transfer of Ankleshwar manufacturing facility, and few products to Zentiva Private Limited. The measures taken for energy conservations for Ankleshwar are not included in this report. Accordingly, the information in not comparable with the date for the financial year 2020.

A. *Conservation of Energy*

Energy conservation measures undertaken in 2021:

Goa factory

– HVAC energy optimisation project for Production-2 Building completed.

Energy conservation measures proposed to be taken in 2022:

Goa factory

2 MW Solar power system under evaluation (Opex model), this will reduce 22% CO_2 emission for Goa Site and will generate annual savings of ₹ 4.4 million for next 15 years.

Requisite data in respect of energy consumption:

Power & Fuel Consumption		Unit of Production	Year ended 31.12.2021	Year ended 31.122020	Reasons for Variation
1.	**ELECTRICITY**				
(a)	Purchased				
	Units	million kWh	12.451	18.044	Details for Ank plant for period Jan-May 2020 only, Change in product mix is also impacting consumption. 3% Rate Increase Govt. Electricity and 45% Increase on HSD for Goa
	Total Amount	**₹ million**	**87.49**	**120.10**	
	Rate/Unit	₹	7.027	6.656	
(b)	Own Generation				
(i)	Through Diesel Generator				
	Units	million kWh	0.501	0.604	Details for Ankleshwar plant for 29th Jan-May 2020 only. Due to less GED power outages lower generated units in GOA
	Units per litre of				
	Diesel Oil	kWh	3.824	3.658	
	Cost/Unit	₹	25.679	18.103	
(ii)	Through Steam Turbine/ Generator		Nil	Nil	
2.	**COAL**		Nil	Nil	
3.	**FURNACE OIL / LSHS**		Nil	Nil	
4.	**NATURAL GAS**				
	Quantity	m³		1,173,466	Details for Ankleshwar plant till 29th May 2020 only. No Natural gas available at Goa
	Total Amount	**₹ million**		**39.73**	
	Average Rate	₹		33.86	
5.	**BIOMASS**				
	Quantity	Tonnes	2122	2,421	Volume decrease
	Total amount	**₹ million**	**13.75**	**18.35**	
	Average Rate	₹	6.48	7.58	

Consumption per unit of production:

	Product	Unit of Production	Standards (if any)	Year ended 31.12.2021	Year ended 31.12.2020	Reasons for Variation
1.	**ELECTRICITY (kWh)**					Details for Ankleshwar plant till 29th May 2020 only
	Bulk drugs	Tonnes	None		13,653	
	Bulk drugs	K. Litre	None	Nil	Nil	
	Formulations	million units	None	3148	2,846	
2.	**FURNACE OIL / LSHS (K. LIT)**					
	Bulk drugs	Tonnes	None	Nil	Nil	
	Bulk drugs	K. Litre	None	Nil	Nil	
	Formulations	million units	None	Nil	Nil	
3.	**NATURAL GAS IN THOUSAND (M³)**					Details for Ankleshwar plant till 29th May 2020 only. No natural Gas in Goa
	Bulk drugs	Tonnes	None		0.737	
	Bulk drugs	K. Litre	None		Nil	
	Formulations	million units	None		0.012	

Technology absorption, adaptation and innovation:

1. Efforts, in brief towards technology absorption, adaptation and innovation: The Company interacted with its holding company who continued to provide the latest technology.
2. Benefits derived as a result of above: It has helped the Company to retain its market position.
3. Imported Technology: Technology imported, year of import and whether technology has been fully absorbed. Based on technology received from holding company, a number of products were taken up for manufacture and are in regular production. The technology for such products has been fully absorbed.

B. *Technology Absorption Research & Development (R & D)*

Specific areas in which R & D is carried out: None

Expenditure on R & D

a) Capital ₹ Nil
b) Revenue ₹ Nil
c) Total ₹ Nil
d) Total R & D expenditure as a percentage of total turnover: Not applicable

FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Total Foreign Exchange used ₹ 5,723 million
b) Total Foreign Exchange earned ₹ 3,856 million

Foreign Exchange Usage and Earning reduced considerably in the current year due to Slump sale and transfer of Ankleshwar Manufacturing facility to Zentiva Private Limited on 29th March 2020, it is not comparable with previous year 2020.

By Authority of the Board

Aditya Narayan
Chairman
DIN: 00012084
23rd February 2022

ANNEXURE – B TO THE REPORT OF THE DIRECTORS

Business Responsibility Report

Sanofi India Limited (the Company or Sanofi) has a comprehensive set of policies and guidelines that support its business activities. This framework not only meets the various regulatory requirements that apply to its business but exceeds them in certain cases. Sanofi's willingness to go beyond basic compliance reflects its desire to achieve the highest standards in its activities.

Business Responsibility is embedded into Sanofi's core business strategy, focused on patients at the centre of its activity. Sanofi's ambition is to play a wider role in enabling individuals to take control of their health by innovating and developing solutions that meet their needs, and by seeking to improve business performance and sustain its leadership in the pharmaceuticals sector in India.

This report highlights some of the business responsibility aspects of Sanofi.

SECTION A – GENERAL INFORMATION

1.	Corporate Identity Number (CIN) of the Company	L24239MH1956PLC009794
2.	Name of the Company	Sanofi India Limited
3.	Registered address	Sanofi House, CTS No.117-B, L&T Business Park, Saki Vihar Road, Powai, Mumbai – 400 072
4.	Website	www.sanofiindialtd.com
5.	E-mail ID	IGRC.SIL@sanofi.com
6.	Financial Year reported	1st January 2021 to 31st December 2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	21002: Manufacture and sale of pharmaceutical products
8.	List three key products/ services that the Company manufactures/ provides (as in balance sheet)	Drugs and Pharmaceuticals
9.	Total number of locations where business activity is undertaken by the Company: a) Number of International Locations b) Number of National Locations	 None Head Office at Mumbai and one factory Goa
10.	Markets served by the Company	India and 33 countries for exports for the year ended 31st December 2021

SECTION B – FINANCIAL DETAILS

1.	Paid up Capital (₹)	230.3 million
2.	Total Revenue from Operations (₹)	29,566 million
3.	Total profit after taxes (₹)	9,444 million
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of average Net profit of the Company for last 3 financial years (₹)	132.9 million (96.4 million spent in FY 2021, 36.5 million transferred to unspent CSR Account)
5.	List of activities in which expenditure in 4 above has been incurred	Supporting the community in tackling primary healthcare issues, particularly in the area of non-communicable diseases, Public Private partnerships for preventive healthcare programmes and employee volunteering (Refer CSR Report for details on CSR programmes)

SECTION C – OTHER DETAILS

1.	Does the Company have any subsidiary company/ companies?	No
2.	Do the subsidiary company/companies participate in the Business Responsibility initiatives of the parent company? If yes, then indicate the number of such subsidiary company(ies)?	NA
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the Business Responsibility initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company expects that all its third-party business partners adhere to business principles consistent with the Company. The Company has Responsible Sourcing Policy, which requires a detailed third-party compliance programme.

SECTION D – BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for Business Responsibility

a) Details of the Director/Director responsible for implementation of the Business Responsibility policy/ policies

DIN:Number	02977405
Name	Mr. Rajaram Narayanan
Designation	Managing Director

b) Details of the Business Responsibility Head

DIN:Number	02977405
Name	Mr. Rajaram Narayanan
Designation	Managing Director
Telephone number	+91 22 2803 2000
e-mail ID	IGRC.SIL@sanofi.com

2. Principle-wise Business Responsibility Policy/Policies (Reply in Y/N)

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3: Businesses should promote the well-being of all employees.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

Principle 5: Businesses should respect and promote human rights.

Principle 6: Businesses should respect, protect and make efforts to restore the environment.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8: Businesses should support inclusive growth and equitable development.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	(1)	(4)	(2)	(6)	(8)	(9)	(7)	(11)	(12)
4.	Has the policy been approved by the Board. If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
5.	Does the Company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	(3)	(5)	(13)	(7)	(3)	(10)	(3)	(6)	(13)
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

1. The policies are aligned to the Sanofi Group's Global Code of Ethics which defines the Company's expectations when conducting Sanofi business. It is provided as a resource to guide employees in dealing with issues, both inside and outside the Group that they may encounter as part of their day- to-day functional responsibilities. The Company adheres to the Indian laws and regulations, in cases where it is more stringent.
2. Standards and Policies adopted by the Company's global parent have been put in place in India.
3. https://www.sanofi.in/en/our-responsibility/ethics-and-transparency
4. The Policy is compilation based on different global standards including that of the United Nations and International Labour Organisation. Sanofi is a signatory to the UN Global Compact.
5. https://suppliers.sanofi.com/en/responsible-sourcing
6. Managed as per the provisions of the Act and Rules made thereunder.
7. https://www.sanofi.in/en/our-responsibility
8. Part of Sanofi Group's Global Code of Ethics.
9. ISO 14001 – EMS: Environment Management System.
10. https://www.sanofi.in/en/our-responsibility/Addressing-environmental-challenges
11. As per the requirements of the Act.
12. Sanofi Quality Policy is aligned with the International Standard ICH Q10: Pharmaceutical Quality System and ensures that the drugs are developed, manufactured and marketed observing applicable international regulatory standards. The life cycle management of the product is designed considering the international standards and requirements as laid down by the national legislations.
13. Internal documents. Not published on the website.

2a. If answer to Sr. No. 1 against any principle, is 'No', please explain why

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to Business Responsibility

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meets to assess the Business Responsibility performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year:

In line with Sanofi Code of Ethics, sustainability and business responsibility are the ongoing discussions during all Board level meetings and business meetings led by the Managing Director. The Directors and senior management members affirm compliance with the Code of Ethics on annual basis.

The Company publishes the Business Responsibility Report in its Annual Report.

The Corporate Social Responsibility (CSR) Committee of the Company is responsible for formulating, implementing and monitoring the CSR Policy of the Company under the guidance of the Board. Managing Director is a member of this Committee. The Committee meets at least twice a year to review progress on various CSR initiatives. The CSR Committee also approves Annual CSR Report as per the provisions of the Act. CSR Report is part of the Directors' Report. The HSE team meets regularly to assess the heath and sustainability aspects.

Does the Company publish a Business Responsibility or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This Business Responsibility Report is a part of the Annual Report and can be accessed on the website of the Company – www.sanofiindialtd.com.

SECTION E – PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Sanofi's Code of Ethics (http://www.codeofethics.sanofi/) lays out the defining principles that guide each employee of the Company on conducting business in line with the highest ethical standards. The employees of the Company are trained to use the Code of Ethics as a part of their day-to-day functional responsibilities. Key principles of Code of Ethics include:

A. Respect & protection of people and environment for a stimulating, creative & safe working environment.

B. Integrity in managing Company's information to protect and preserve competitiveness, image & reputation.

C. Integrity in business practices to maintain trust in relationships with the Company's stakeholders — patients, customers, shareholders, suppliers and other business partners, and members of the civil society — in which the Company operates.

Code of Ethics guides and inspires employees to make the right decisions even when situations they are facing are not governed by explicit rules, policies and procedures of the Company. The Ethics & Business Integrity Department, led by the Head of Ethics & Business Integrity, is dedicated to raising awareness on ethical conduct and to develop a range of resources – including the Code of Ethics and ensure everyone receives good training, to embed corporate ethics and strive for excellence. Towards this end in 2021, a handbook on 'Leading with Integrity' was developed and issued to senior leaders in the organisation helping them with information and practical tips on behaviours to be exhibited to demonstrate their commitment to Ethics and to lead their teams with integrity.

During the year, two special initiatives were undertaken to increase awareness, capability and empowerment amongst the employees and to keep the Company and all its stakeholders protected from unmanaged risks, thereby facilitating sustainable business operations.

1. Leveraging on Sanofi Global's push to encourage employees in showing ethical behaviours, during the year 2021, initiatives were rolled out in the Company to provide detailed education to the employees on risks that apply to pharmaceutical companies, measures within the Company to combat those risks, providing them with the tools and resources to do risk assessment of their initiatives, projects and campaigns, and created a single point cross functional forum for guidance and support.

2. Company's Legal and Ethics & Business Integrity department came together to conduct awareness sessions to help senior leaders of the Company understand and adopt the Thoughtful Risk-Taking approach in performance of their duties, so as to ensure that due amount of consideration is given to conscious and thoughtful risk management and right stakeholders are consulted to enable optimum risk taking with right amount of risk mitigating actions in various initiatives undertaken.

Besides training the employees in demonstrating right behaviours and considering the existence, nature and impact of risks in their area of operations, the employees are also trained through various online and offline means and encouraged to help the Company to identify areas and issues which may be exposing the Company to legal, reputational or sustainability risks.

If an employee believes that a law, regulation or one of the principles laid down in this Code of Ethics has been or is about to be violated, he or she is expected to inform his or her superior or the Ethics & Business Integrity Department or e-mail to Chairman. SILauditcommittee@sanofi.com of his or her concerns regarding possible illegal practices or ethical violations. To support this the Company also has established a 24x7 Compliance Helpline which can be accessed through Toll Free Number 0008004401286, or through webpage: https://wrs.expolink.co.uk/ (access code: sanofi) where employees can report incidents with complete anonymity. Ethics & Business Integrity Department also investigates the allegations reported, with support from other functions, where necessary. Any report that reveals fraud, a significant compliance breach or a significant internal control weakness is addressed by corrective action and/or disciplinary action and/or legal proceedings.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Sanofi aims to empower life of people by creating awareness and supporting people facing health challenges, so they can live life to its full potential. Through a wide range of products and services, Sanofi touches the lives of millions of patients every day. Quality and Safety have been implemented across the entire value chain of the Company, from raw materials supplies to product delivery.

Cost-competitive processes, along with quality are Sanofi's primary goals. A significant proportion of raw material, packaging material and excipients are sourced locally from third party manufacturers. Many of these have become suppliers who fully comply to the framework of Sanofi's standards which are often higher than those dictated by regulatory bodies.

Since counterfeit products present a risk to patient safety, the authenticity of the products is maintained by using suitable security seals on the packaging along with unique serialisation and QR Code. Over a period of time these security measures will be implemented on the whole portfolio of the Company.

During COVID-19 Pandemic, the Company faced minor interruptions in the procurement of raw material supplies and manufacturing operations. The Company has implemented a formal Business Continuity Planning (BCP) framework to de-risk procurement, manufacturing and distribution processes. Changes at manufacturing facilities were made to ensure productivity as well adherence to all safety and hygiene protocols. The Company is leveraging IT tools to ensure business continuity as well as to facilitate work from home for many functions.

Goa Site has taken up various initiatives related to the health Safety and Environment, (HSE). Various Health talks were conducted on COVID, and the benefits of being Vaccinated. Our Occupational health physician also conducted an awareness programme on the bad effects of high visceral fat in the body. Regular safety talks by site leadership team and monthly managerial safety visits have been conducted. All equipment risk assessments have been updated to ensure all risk are identified, and employees are trained accordingly.

The Water consumption meters have been installed at various location and based on the consumption Pattern observed, the Site has initiated water conservation initiatives.

Quantitative measurement of 3 API* and 2 CMR* conducted as per the groups requirement to access the exposure of the hazardous chemicals to the employees. Our existing ISO 14001 and 45001 certification is discontinued with ISOQAR agency, As per Sanofi's new Multi-site ISO 14001 initiative for the whole group has been implemented.

*API: Active Pharmaceutical Ingredient

**CMR: Carcinogenic, Mutagenic, Reprotoxic

Principle 3: Businesses should promote the well-being of all employees

As a company in the healthcare industry, Sanofi has always had a strong belief in the Duty of Care for our employees. The Company has strived to achieve that by providing good quality healthcare and giving our employees the motivation and the means to take care of their health as much as possible. We have been focusing on following a more holistic approach to well-being, which includes mental well-being and creating a more supportive working environment to help employees navigate through the uncertainty - knowing that their employer is there to support them and give them all the tools to be at their best. The need for constant change also drives the need for innovation, and at Sanofi we are conscious that there is no innovation without a diverse workforce. Building this diverse workforce and ensuring a truly inclusive culture, where employees feel valued no matter who they are, where they are coming from, and what their personal story and their personal beliefs are, has become one of the main priorities of Human Resources for Sanofi and a key component of our well-being strategy. Well-being for Sanofi is an ongoing journey where we are always looking at more innovative ways to make our employees feel good and empowered to focus on the ones who need us the most: our patients.

Sanofi's employees across India are motivated by a sense of purpose and pride, knowing that their work has an impact on patients' lives. In developing its multicultural workforce, the Company cultivates a rich source of talent, innovation, cooperation and competitive edge. Its challenge is to successfully prepare each individual for the healthcare sector's rapidly changing and highly competitive environment in a way that is consistent with Sanofi's values and it's 'People Development Principles.'

The HR processes that support Sanofi's people development policy through the 'One Sanofi, One HR' holistic model is even more effective because the Company taps the rich diversity of its workforce, giving it a remarkable opportunity to develop its creativity and better address the needs of patients all over the world.

One such initiative is HSEConnect, a toll-free Covid support service helpline for Sanofi employees and their dependants who are positive/ suspected positive/ in home quarantine/ experiencing COVID-19 symptoms. The 24-hour helpline which is manned by medical professionals. Helpline doctors were attending all such cases related to employees and their family members.

The Company also started COVID vaccination programme as per with Government of India guidelines. Tie ups were made with corporate hospital chains at different cities and employees, contractors and their dependent family members were inoculated in those camps. Depending upon the employees count in particular city as well as eligibility etc., in some cities multiple camps were organised. To the locations where organising caps were not feasible, they were given option to get inoculated and get reimbursed.

Sanofi is known for its "People first" philosophy with courage & respect embedded to your Company's core values, thus, we adopted the hybrid ways of working keeping safety of our People, HCPs partners & Customers first with a business continuity key to success. The National and the State wise task force blended with HR & Business leaders, led from the front, minutely reviewing each work locations, taking right decision on right time to support all employees and their family members with hospitalisations, lifesaving medicines and arranging of essentials, etc.

As on 31st December 2021, the Company had 2,505 employees. The Company also had 95 people on contractual basis. In the year 2021, the Company continued its focus on Gender Diversity in the sales employees in the field. In the year 2021, approximately 38% of new hires in the field were women employees. The organisation currently has 308 women employees in its workforce.

The medical representatives in sales and workforce in manufacturing facilities have constituted their internal unions.

There were no complaints relating to child labour, forced labour or involuntary labour in the financial year ended 31st December 2021.

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The information on complaints received under this policy is part of the Directors' Report.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

Sanofi is committed to working in collaboration with relevant stakeholders to increase access to healthcare and quality medicines designed to improve people's health within an economically sustainable framework that supports innovation. It aims to meet the needs of the greatest number of patients.

Sanofi has made a sustained contribution in meeting health challenges by manufacturing and distributing large portfolio of medicines for a wide range of diseases that threaten millions of lives. At the same time, it knows that providing health products and services is just one part of the solution. For this reason, its strategy spans the continuum of care, from prevention to diagnosis and treatment, including disease monitoring and long-term care. Its integrated approach begins with wellness and evolves throughout the patient journey as it seeks to continually contribute to the best possible healthcare experience and outcomes. Sanofi's expertise enables it to address different aspects of access to healthcare from innovation to availability, affordability, quality care and patient support.

Sanofi continued to take part in initiatives to strengthen healthcare systems through better disease management, education and awareness. These initiatives are the result of research and identifying knowledge gaps in the field while engaging with and listening to people living with Diabetes, as well as its partners.

Sanofi also engages with Government (for non- communicable diseases) and Not for Profit Organisations to implement programmes around the manufacturing sites in Goa. For further details on the projects, please refer the CSR Report for the year 2021 which is part of the Directors' Report.

Principle 5: Businesses should respect and promote human rights

Sanofi adheres to the principles of the Universal Declaration of Human Rights, the International Labour Organisation and the Organisation for Economic Co- operation and Development (OECD). Through its adherence to the United Nations Global Compact, it supports and applies the core principles relating to human rights, labour, environment, and anti-corruption.

Human Rights matter is also an important part of Code of Ethics as described under Principle-1.

Sanofi is particularly concerned that its contractors adhere to the fundamental principles of the International Labour Organisation, in particular those relating to child labour, forced labour, working hours, pay, freedom of expression and equality of opportunity. The Company has implemented policies for its third parties to achieve this objective and necessary confirmations are taken from the third parties before their engagement.

The complaint management is part of Code of Ethics as described under Principle-1.

Principle 6: Businesses should respect, protect and make efforts to restore the environment

The Company has a detailed Health, Safety and Environment policy that applicable to the Company's employees' and external partners. The management proactively runs programmes to build awareness and adoption of these practices. For environmental objectives, the Company has a dedicated programme called "Planet Mobilisation" which focuses on key environmental risks and gives suitable framework to manage the risk and opportunities. HSE management system has been implemented to identify and mitigate the risks proactively.

These policies and programmes focus on human health, environmental protection by taking measures on energy conservation i.e. water & waste management philosophy of 3R's (Recycling, Reprocessing and Reduction), indoor air quality, noise protection, energy efficient installations and has ongoing programmes on these topics for sustainable development.

As a responsible business, we have embarked upon an ambitious policy to limit the direct and indirect impacts of our operations and products on the environment. Our "Planet Mobilisation" roadmap to reflect the current and future issues, stakeholder concerns, and the risks and opportunities, in line with Sanofi's global strategy. The Planet Mobilisation roadmap sets out our environmental strategy, and the objectives set for our entire value chain.

Planet Mobilisation is built around five pledges:

- mitigate climate change and achieve carbon neutrality by 2050, and set Sanofi on a trajectory for limiting global warming to 1.5°C;
- limit our environmental footprint, and choose circular solutions that optimise the use and reuse of resources and reduce the impact of our emissions;
- improve the environmental profile of what we produce, by developing eco-innovative products that embody our eco-friendly ambitions and by favouring sustainable use of medicine;
- mobilise our people to support sustainable development, by promoting an eco-friendly culture in workplace routines and decision-making; and
- engage our suppliers in environmental initiatives, by practicing sustainable sourcing and leading by example.

To optimise on water efficiency and achieve "Zero liquid Discharge" an investment of ₹ 3 crores is planned by 2025 to provide Reverse osmosis plant and multi effect evaporator. A 2.1 MW solar power project is proposed to be installed, which will help to eliminate carbon emission by 2500 MT.

Sanofi requires clean water in enough amounts for its production activities, and it is aware of the critical challenge posed by the dwindling availability of vital freshwater resources. It also focuses attention on the challenge of preventing pharmaceuticals from entering the aquatic environment. Pharmaceuticals may end up in the environment due to effluents from manufacturing facilities, medicines consumed by patients and then excreted, and the improper disposal of unused and expired medicines. Rainwater harvesting management is also established at the manufacturing site.

Sanofi has a programme in place on Clean Development Mechanism. The Goa site has Zero Liquid Discharge facility and are reusing treated waste-water. The site is disposing the sludge generated during wastewater treatment facility, by co-processing at cement industries. Sanofi takes a multifaceted approach to waste management, designed to limit the quantities of waste generated by its activities and encourages appropriate sorting, reuse and recycling to minimise the need to extract additional natural resources. The focus is both on efforts to reduce the environmental and health impacts of waste as well as improving resource efficiency.

The Company has obtained registration from Central Pollution Control Board (CPCB) under the Plastic Waste (Management & Handling) Rules and recycled the plastic wastes to ensure environmental sustainability and compliance.

Sanofi discourages the use of Ozone Depletion substances. Industrial site is free from CFC compounds in all refrigeration units. All the CFC units are now replaced by non-CFC compounds.

HSE management system has been implemented across Sanofi operations, as per the with international standards. System is designed as per Plan-Do-Check-Act cycle of continual improvement. This management system framework is helping to take risk based proactive approach to handle the Health safety and environmental risks across the operations which includes the assessment of various risks e.g. workplace risks, Fire risk, Process safety, Ergonomics, Machinery risk, Occupational Health, Chemical risks etc. to provide adequate engineering controls. The framework also defines the role and responsibilities, includes training & capability building. Emergency preparedness and crisis response are part of the management framework. HSE leadership and cultural excellence is the backbone of the designed HSE management system, this includes specialised inhouse designed tools like Proactive+ (identification of unsafe acts, conditions, safe/unsafe behaviours), Managerial Safety Visits (MSV) are done by the site leadership team at regular interval.

Learning Experience (LEX) process is a unique system in built in the management framework to learn lessons from incidents occurred within Sanofi Industrial sites network. Manufacturing site operates with required consents/authorisations obtained from the regulatory authorities, in compliance with the conditions stipulated as per consents and permits.

Sanofi is having an inbuilt system related to process safety and occupational hygiene with technical and administrative control measures, as a part of accident and exposure prevention programme. Various HSE related trainings programmes are organised and conducted for employees to further strengthen the HSE practices and management system.

As per the directives of State Pollution Control Board (SPCB), manufacturing sites submit the reports regularly with the relevant authorities. No show cause/legal notices received from Central Pollution Control Board/SPCB are pending (i.e. not resolved to satisfaction) as at the end of the financial year ended 31st December 2021.

During COVID-19 pandemic, Sanofi ensured continuous supply of medicines as per the guideline provided by State and Central Government of India. To monitor the situation, the Company activated 'Business Continuity Plan' and 'Pandemic Preparedness Plan' under the leadership of the Managing Director. The Company organised various webinars on COVID-19 awareness and precautionary measure for employees, family members, hospitals teams and doctors. The Company extended moral and financial support to employees and family members who suffered from COVID-19 and helped employees with critical COVID-19 infections with hospital management across India. The Company provided 3-ply surgical masks, sanitisers to its employees, and emphasised on social distancing.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The pharmaceutical sector is a highly-regulated industry where government and administrative authorities determine the rules governing research, protection of intellectual property and reimbursement policies, as well as procedures to obtain marketing authorisation. Through its advocacy activities, Sanofi takes part in policy debates affecting the regulatory landscape and its business.

Sanofi engages in sustainable interactions with governments and other stakeholders to work towards the shared goal of improving access for the greatest number of patients to the best medicines and healthcare products; such interactions also contribute to health information while preserving incentives for research and innovation. It is transparent about its lobbying activities, conducted in compliance with the Sanofi Code of Ethics and Responsible Lobbying Policy.

The Company is member of the following trade associations:

a) Organisation of Pharmaceuticals Producers of India (OPPI)

b) Federation of Indian Chambers of Commerce and Industry (FICCI)

c) Confederation of Indian Industry (CII)

d) Indo French Chamber of Commerce and Industry (IFCCI)

e) The Associated Chambers of Commerce & Industry of India (ASSOCHAM)

f) US India Strategic Partnership Forum (USISPF)

g) EBG Federation Mumbai (EBG)

Sanofi works through the Trade Associations for matters related to public good. Some broad areas where it has worked include advocacy for improving access to affordable healthcare through sustainable business practices, predictable pricing policy, development of an eco-system that supports innovation & ethics.

Principle 8: Businesses should support inclusive growth and equitable development

Sanofi India's social impact strategy aims to build a healthier, more resilient country by ensuring access to quality healthcare for India's underserved population. Sanofi India is committed to improve access to prevention, care, and treatment of Non- Communicable Diseases (NCDs). By leveraging its core competencies and resources, it is building capacity and capability of sustainable healthcare systems to empower communities to lead better quality lives.

Sanofi has implemented a detailed CSR Policy which covers the three aspects:

a) Access to healthcare

b) Capacity building & awareness

c) Employee volunteering

The key initiatives under CSR programme were:

1. **Public Private Partnership with the Health Dept., Goa:**
   As per survey conducted with 14,957 students in the 5-15 age group screened in Haryana, Goa, Gujarat and Manipur, two in every 10 school children suffer from hypertension (https://timesofindia.indiatimes.com/city/delhi/2-in-every-10-schoolkids-suffer-from hypertension/articleshow/67507403.cms) indicating that the risk factors for Non- Communicable Disease (NCDs) are high.

   In February 2019, Sanofi signed a 3-year partnership with the Government of Goa to build awareness of Diabetes and its management, for a better quality of life. Through this Corporate Social Responsibility (CSR) collaboration, Sanofi's team of medical experts and diabetologists educate and upskill the State department's healthcare personnel serving the Rashtriya Bal Swasthya Karyakram (RBSK) department, and the Medical Officers of the Health and Wellness centers. Alongside, Directorate of Health Services also partnered Sanofi to run its international programme KiDS (Kids and Diabetes in Schools), to raise awareness of Diabetes amongst school children.

   The Public-Private Partnership between the State of Goa and Sanofi follows a two-pronged approach. One, where training on Diabetes management is conducted for the staff (doctors, counselors and Auxiliary Nurse Midwifes) at the RBSK cell and the Medical Officers of the Health and Wellness centres as a part of Ayushman Bharat. The other, where education and engagement about Diabetes amongst school children (10-15 years old), teachers and parents, will help curtail the overall disease burden on the State.

   In 2021, programmes – Sakhar Free Shukrawar and STEP were implemented to enable behaviour change.

2. **Type 1 Diabetes programme:**
   Type 1 diabetes mellitus (T1D) is also on increase like type 2 diabetes, even though not in the same proportion, but still with a trend of 3–5% increase/year.

   These patients (most often children) and their families need a lifetime of intensive diabetes education, multiple daily insulin injections, daily blood glucose monitoring, psychological support, and societal support rather than discrimination.

There is no standard procedure for counselling support. Also, there is a lack of standardised interventions for patient & family support, lack of trained health team, low level community awareness, accessibility to life supporting therapy, quality of services.

Sanofi has developed an Access to Healthcare programme for Type 1 Diabetes patients and has partnered with RSSDI (Research Society for the Study of Diabetes in India), PPHF (People to People Health Foundation) and other NGOs to deliver training for health care professionals; create education tools; and support identified Type 1 centers with training of diabetes educators, and support with free insulin, syringes, and blood glucose strips for eligible underprivileged patients.

3. **Training of Govt. NCDs (Non-communicable Diseases) HCPs in Maharashtra and Telangana and supporting the Govt. initiative of screening for NCDs:**
In October 2014, Sanofi initiated its 5-year partnership with the Government of Maharashtra to train medical officers, counsellors, and nurses across its entire Non-Communicable Disease cell, to help improve health outcomes for people with Diabetes, Hypertension and Cancer. Posters and hoardings on awareness about Diabetes and Hypertension in the local language help with the Do's and Don'ts.

As an extension of this partnership, Sanofi has supported the NGO People to People Health Foundation to enhance systems and capacity for delivery of quality NCD services in the state of Maharashtra. Reorientation of health care services are required for health promotion, disease prevention, early detection, and integrated care, particularly at the primary care level. Sanofi will support towards health systems strengthening for the early detection and management of NCDs and their risk factors. Actions under this area aim to strengthen health systems, particularly the primary health care system. Full implementation of actions in this area will lead to improved access to health-care services, increased competence of primary health care workers, referral mechanism, and empowerment of communities and individuals for self-care and treatment adherence.

In Telangana, Sanofi supported 52 Basti Davakhanas by training the HCPs and later implementation of screening for NCDs.

4. **Mobile Medical Units for NCDs screening and referral:**
In India, despite the National Health Mission and government new health schemes the primary health care services in rural areas and urban slums are still developing and facing challenges in terms of workforce, lack of resources, poor infrastructure, and quality of care.

Most people in rural India opt for government healthcare facilities because of monetary issues and transport options to the urban centres are not affordable and even the rural centres are at distances involving travel cost and time.

Only 11% of sub-centres, 13% Primary Health Centres (PHCs) and 16% Community Health Centres (CHCs) in rural India meet the Indian Public Health Standards (IPHS). The basic amenities in urban slums are compromised and health indicators are poor.

There is a need to address the primary health care needs of the population facing challenges in access to quality health care with a focus on NCDs, which often goes undetected in the absence of early screening services.

Sanofi India has supported Piramal Swasthya to deploy 21 mobile medical units (MMUs) in 12 districts of Maharashtra (7) and Telangana (5) for awareness, NCDs screening and timely referral to the nearest government health centre. Supported by a telemedicine hub to provide services to the communities. To promote health-seeking behaviour, awareness and communication will be created through activities in the communities.

5. **Awareness and treatments for cancer:**
Sanofi with its NGO partners is creating awareness on oral and cervical cancers in west Bengal and Telangana, and treatment, counselling for patients with head & neck cancers.

6. **Volunteering by employees:**
Employees of Sanofi show solidarity by contributing their time and effort for the development of the communities. In 2021, approx. 1140 Sanofi employees along with their families, across 117 locations participated in virtual volunteering for social causes.

The volunteering activities were organised under four main categories: Health, Education, Environment and Capacity Building.

7. **Solidarity for COVID support:**
Supporting COVID relief was a priority. The Company through its NGO partners put up infrastructure for COVID ICUs, made oxygen concentrators available and helped mobilise communities for COVID vaccination.

All the above programmes are undertaken internally by an in-house team and with the help of NGOs, implementing partners and the State Governments.

The direct contribution of the Company to these projects was ₹ 132.9 million in 2021.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sanofi regularly interacts with patients, healthcare professionals, authorities, suppliers, business partners and other stakeholders. Its approach to business ethics is both proactive and preventive: it has established and enforced clear rules in accordance with the legislative framework and implements rigorous in-house systems to prevent violations of internal rules.

Sanofi remains committed to provide accurate, complete and reliable information about its marketed products to physicians, pharmacists and other healthcare professionals. To ensure that its promotional practices respect the standards of ethics and comply with law, it has established specific measures and systems to support the marketing of its products.

The consumers of its products i.e. the patients receive the benefits of world-class products manufactured and distributed by Sanofi.

Patient safety is the primary focus of Sanofi's pharmacovigilance, quality and anti-counterfeiting teams. The pharmacovigilance department monitors the safety of its products, and ultimately contributes to the continuous assessment of their benefit-risk profile. The mission of pharmacovigilance is to safeguard patient safety, and the department is strongly committed to appropriate transparency and compliance with all applicable regulations and policies. Sanofi's approach involves guaranteeing quality at each phase of a product's life cycle, from the earliest steps of development to the distribution of products to sales channels. Appropriate product information over and above what is mandated as per local law is displayed on the product label. Lastly, because it is concerned about the threat to patient safety posed by counterfeit medicines, Sanofi is involved in assisting enforcement authorities to combat counterfeit drugs.

The Company took important steps in continued scientific interactions and activities through physical and digital connect as also contributed to launch a website for physicians (Sanofi Campus). The team has adapted to digital routes of education and, this year worked on podcasts and online medical newsletter for the Clexane portfolio. Toujeo TouStar pen launch in India was supported a scientific publication and presentation at International virtual congress, ATTD. Indian clinical data on Diabetes management, from the study LANDMARC to support timely insulinisation and LIVE INDIA study on Lantus was presented at National and International congresses. Allegra nasal duo launch was supported with innovative programmes including partnership with medical associations and international speakers. The challenges and solutions to management of ICU gram positive infections using Delphi technique by the Targocid team, has been published in the Indian Journal of Medical Microbiology. Amaryl saw three publications which were then disseminated through 20 National Amaryl Faculty forums; team also conducted International speaker programmes and certification programmes with international bodies like ADA. The Medical affairs team also published a paper on "Preparing for the Next Normal: Transformation in the Role of Medical Affairs following the COVID-19 Pandemic" in the Pharmaceutical medicine journal.

A dedicated system is in place in all entities to handle complaints received from patients, consumers and healthcare professionals, potentially indicative of quality defects or difficulties in handling or using its products. This system involves commercial affiliates, manufacturing sites, and other functions such as pharmacovigilance as needed, and aims at promptly analysing the complaints, and defining corrective and preventive actions if needed. Likewise, regulatory authorities are notified in a timely manner about defects, in compliance with regulatory requirements. Sanofi seeks to learn from complaints to design improvements that will make Sanofi products easier for patients to use, when needed and where technically possible. Receiving and responding to feedback from consumers and customers is a regular and ongoing process.

There were no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending at the end of financial year.

By Authority of the Board

Aditya Narayan
Chairman
DIN: 00012084
23rd February 2022

ANNEXURE – C TO THE REPORT OF THE DIRECTORS

Disclosure on Remuneration

Information pursuant to Section 134(3)(q) and Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st December 2021 and forming part of the Directors' Report for the said financial year.

A. Ratio of the remuneration of each Executive Director to the Median remuneration of the Employees of the Company and Percentage increase in remuneration of each Director, Chief Financial Officer (CFO), Chief Executive Officer and Company Secretary:

Name of Director / KMP	Designation at the end of the Financial Year	Ratio of remuneration of Director / Director / CFO / Company Secretary to median of remuneration	Percentage increase in remuneration (%)
Mr. Rajaram Narayanan	Managing Director	59:1	4
Mr. Cherian Mathew	Whole Time Director	38:1	0
Mr. Vaibhav Karandikar	Chief Financial Officer	25:1	0
Ms. Radhika Shah	Company Secretary	17:1	Note 1
Mr. Aditya Narayan	Chairman and Independent Director	4:1	Note 2
Ms. Usha Thorat	Independent Director	3:1	Note 2
Mr. Rahul Bhatnagar	Independent Director	3:1	Note 2
Mr. Marc-Antoine Lucchini	Non-Executive Director	Note 3	Note 3
Mr. Charles Billard	Non-Executive Director	Note 3	Note 3

Note 1: Ms. Radhika Shah was appointed as Company Secretary w.e.f November 1, 2021, during the year and hence increase in remuneration is not applicable.

Note 2: The Independent Directors of the Company are entitled to sitting fees and commission as per the statutory provisions. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report. Sitting fees is paid based on the number of meetings attended by an Independent Director and hence the % increase is not comparable.

Note 3: Non-Executive Directors who are employees of Sanofi group do not receive any sitting fees or commission.

Directors / KMP who resigned during the year have not been included in the above statement.

B. The percentage increase in the median remuneration of employees in the financial year: 6.34%

C. The number of permanent employees on the rolls of the Company as on 31st December 2020: 2,505

D. Average percentile increase already made in the salaries of the employees other than the managerial personnel in last financial year and comparison with percentile increase in the managerial remuneration and justification thereof:

The average increase in managerial remuneration was 8.8% and for employees other than managerial personnel was 6.8%.

E. Affirmation that the remuneration is as per Remuneration Policy of the Company:

It is hereby affirmed that the remuneration paid to the Directors and employees is as per the Remuneration Policy of the Company.

By Authority of the Board

Aditya Narayan
Chairman
DIN: 00012084
23rd February 2022

ANNEXURE – D TO THE REPORT OF THE DIRECTORS

Annual Report On Corporate Social Responsibility Activities

1. Brief outline on CSR Policy of the Company:

As a leading healthcare company, Sanofi believes in sharing the value it creates, by improving access to healthcare and making a positive contribution in our communities, focusing on important needs and on creating the most impact.

Corporate Social Responsibility (CSR) is a way of thinking and behaving that is woven into the fabric of how Sanofi operates as a Company every single day. It has the full commitment of the entire Company

The Company aims to partner projects in NCDs (Non-Communicable Diseases, namely Diabetes, Hypertension, Cardiovascular Disease and Cancer by sharing its expertise, resources and experience).

The Company believes that to make a meaningful impact, it needs to partner with the Government and like-minded organizations.

Accordingly, it engages in Public-Private Partnership (PPP) projects aimed at effectively and transparently implementing healthcare programs for the communities.

The Company has a strong governance which plans and monitors its CSR activities.

The policy on CSR is available on the Company website - https://www.sanofiindialtd.com/en/investors/corporate-policies.com

In a nation of multiple health challenges, Sanofi brings in its domain knowledge and resources to tackle some of these.

The Company's approach towards Corporate Social Responsibility (CSR) is to focus in areas where it can make a difference and have the most impact. The Company will leverage its expertise and resources to improve access to quality healthcare for people.

The Company aims to partner projects in Diabetes, Hypertension, Cardiovascular Disease and Cancer by sharing its expertise and experience. The Company believes that to make a meaningful impact, it needs to partner with the Government and like-minded organisations. Accordingly, it will engage in public-private partnership (PPP) projects aimed at effectively and transparently implementing healthcare programmes for marginalised communities.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Rahul Bhatnagar	Chairman, Independent Director	2	2
2.	Ms. Usha Thorat	Member, Independent Director	2	2
3.	Mr. Rajaram Narayanan	Member, Managing Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

https://www.sanofiindialtd.com/en/investors/board-of-directors-and-board-commitees

https://www.sanofiindialtd.com/en/investors/corporate-policies.com

https://www.sanofiindialtd.com/en/investors/disclosures/other-disclosures

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)- The Company as per the Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, shall initiate steps to conduct impact assessment of CSR projects through an Independent Agency from the Financial Year 2022 for applicable projects. There are no projects completed after 22nd January, 2021 for which impact assessment is applicable in this Financial year.

5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any. Not Applicable

6. Average net profit of the Company as per Section 135(5) – ₹ 6,643 million

7. (a) Two percent of average net profit of the Company as per Section 135(5) – ₹ 132.87 million
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. – NIL
   (c) Amount required to be set off for the financial year, if any – NIL
   (d) Total CSR obligation for the financial year (7a+7b-7c) – ₹ 132.87 million

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
96.4 million	36.5 million	29th January 2022	Not Applicable		

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project: State	(5) Location of the project: District	(6) Project duration	(7) Amount allocated for the project (in ₹) million	(8) Amount spent in the current financial Year (in ₹) million	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) million	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation – Through Implementing Agency: Name	(11) CSR Registration Number
1.	Meethi Baatein - Type 1 Diabetes project	i. promoting healthcare including preventive healthcare	Yes	Pan India		3 years	28.6	8.7	19.9	No	1. People to People Health Foundation 2. Diabesties Foundation	1. CSR00000068 2. CSR00002540
2.	PPP with the Government of Goa	i. promoting healthcare including preventive healthcare	Yes	Goa	North & South Goa	3 years	1.9	1.9	NA	Yes	-	-
3.	Mobile Medical Units – Telangana & Maharashtra	i. promoting healthcare including preventive healthcare	Yes	Telangana & Maharashtra	Medcha, Medak, Bhadradri, Kothagudem, Komaram, Bheem, Asifabad, Mulugu, Mumbai, Thane, Satara, Sindhudurg, Ratnagiri, Kolhapur, Jalgaon	3 years	30	29.42	0.58	No	Piramal Swasthya	CSR00000217
4.	Aspire – NCD programme	i. promoting healthcare including preventive healthcare	Yes	Telangana	Hyderabad	3 years	11	11	NA	No	People to People Health Foundation	CSR00000068
5.	Cancer awareness	i. promoting healthcare including preventive healthcare	Yes	West Bengal & Telangana	Pashchim Bardhaman, Howrah, Hoogly Rangareddy, Warangal Urban, Medchal	3 years	9	1	8	No	Indian Cancer Society	CSR00000792
6.	Cancer treatment, rehabilitation, and counselling	i. promoting healthcare including preventive healthcare	Yes	Maharashtra	Mumbai	3 years	10	2	8	No	Cancer Patients Aid Association	CSR00000926
7.	Employee Volunteering	i. promoting healthcare including preventive healthcare ii. promoting education, including special education and employment vocational skills and livelihood enhancement projects iii. ensuring environmental sustainability, ecological balance...	Yes	Pan India		Multiple years	0.9	0.9	NA	Yes	-	-
	TOTAL						91.4	54.92	36.48			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project: State	(5) Location of the project: District	(6) Amount spent for the project (in ₹) million	(7) Mode of implementation – Direct (Yes/No)	(8) Mode of implementation – Through implementing agency: Name	(8) CSR Registration Number
1.	COVID support	i. promoting healthcare including preventive healthcare	Yes	Pan India	-	34.9	No	1. Americares India Foundation 2. Sambhav Foundation	1. CSR00000791 2. CSR00000475
	TOTAL					34.9			

(d) Amount spent in Administrative Overheads – ₹ 6.6 million

(e) Amount spent on Impact Assessment, if applicable – Not applicable

(f) Total amount spent for the Financial Year – ₹ 96.42 million (8b+8c+8d+8e)

(g) Excess amount for set off, if any – Nil

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	132.87
(ii)	Total amount spent for the Financial Year	96.42
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any: Name of the Fund	Amount (in ₹)	Date of transfer	Amount remaining to be spent in succeeding Financial Years (in ₹)
1.							
	TOTAL			Not Applicable			

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) Sr. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project (in ₹)	(7) Amount spent on the project in the reporting Financial Year (in ₹)	(8) Cumulative amount spent at the end of reporting Financial Year (in ₹)	(9) Status of the project – Completed/ Ongoing
1.								
	TOTAL				Not Applicable			

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). – Not applicable

(a) Date of creation or acquisition of the capital asset(s) – Not applicable

(b) Amount of CSR spent for creation or acquisition of capital asset – Not applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc – Not applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). – Not applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) – Not applicable

The Company has allocated all amount to programmes and there is no failure to spend two percent of the average net profit as per Section 135 (5).

The unspent amounts allocated to the Ongoing Projects/ programmes have been transferred to the special Unspent CSR account created in accordance with the Companies CSR Rules and will be utilised for the designated programmes.

On behalf of Board of Directors

Rahul Bhatnagar
Chairman, CSR Committee
DIN:07268064

Mr. Rajaram Narayanan
Managing Director
DIN: 02977405

ANNEXURE – E TO THE REPORT OF THE DIRECTORS

Form No. Aoc-2: Material Related Party Transactions

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Act including certain arm's length transactions under third proviso thereto.

A. Details of contracts or arrangements or transactions not at arm's length basis during the year ended 31st December 2021:

None

B. Details of material contracts or arrangements or transactions at arm's length basis during the year ended 31st December 2021:

Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Act including certain arm's length transactions under third proviso thereto are required to be disclosed in Form AOC–2. The Form AOC–2 envisages disclosure of material contracts or arrangements or transactions at arm's length basis. The details herein are as per the policy on dealing with related party transactions adopted by the Company.

Sr. No.	Particulars	Details of Transaction – 1	Details of Transaction – 2
1.	Name(s) of the related party & nature of relationship	Sanofi-aventis Singapore Pte. Ltd.	Sanofi Healthcare India Private Limited (formerly known as Shantha Biotechnics Private Limited) (SHIPL)
2.	Nature of contracts/ Arrangements/ transaction	Purchase, sale, transfer or receipt of products, goods, active pharmaceutical ingredients, materials, services or other obligations, if any, for an amount not exceeding in aggregate ₹ 20,000 million in each financial year.	Loan up to ₹ 4,450 million
3.	Duration of the contracts/ Arrangements/ transaction	Ongoing	Up to 15th April 2023
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	On arm's length basis and in the ordinary course of business. The total value of the transactions in the financial year was ₹ 7,931 million	Loan given to SHIPL is at interest rate of 9.5% (till 14th April 2020, 7.5% from 15th April 2020, 5.5% from 15th April 2021 & 5.55% from 15th October 2021) per annum payable quarterly or at such rate of interest as may be mutually decided by the Board of Directors (on the approval of the Audit Committee) and SHIPL but not lower than the prevailing yield of Government security closest to the tenure of the loan. The total amount outstanding as on 31st December 2021 was ₹ 4,450 million.
5.	Date of approval by the Board	27th February 2017	5th May 2017, 31st October 2018, 12th November 2019, 25th February 2020, 27th October 2020, 23rd February 2021 & 26th October 2021.
6.	Amount paid as advances, if any	None	None

Note: The Company is in process of obtaining approval of members through Postal Ballot for entering into contracts/ arrangements/ transactions related to purchase, sale, transfer or receipt of products, goods, active pharmaceutical ingredients, materials, services or other obligations, if any, on such terms and conditions as may be mutually agreed upon between the Company and Sanofi Healthcare India Private Limited a 'Related Party' as defined under Section 2(76) of the Companies Act, 2013 and the Listing Regulations, for a maximum aggregate value up to ₹ 10,000 million for each Financial Year, for period of five years commencing from Financial Year 2022 to Financial Year 2026.

The aforesaid transactions have been approved by the Audit Committee and are in the ordinary course of business and at arms' length.

By Authority of the Board

Aditya Narayan
Chairman
DIN: 00012084
23rd February 2022

ANNEXURE – F TO THE REPORT OF THE DIRECTORS

FORM NO. MR. 3

Secretarial Audit Report

For The Financial Year Ended 31st December, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Sanofi India Limited
Sanofi House, CTS. No. 117-B,
L&T Business Park Saki Vihar Road, Powai,
Mumbai – 400 072

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sanofi India Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st December, 2021 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st December, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment **(External Commercial Borrowings and Overseas Direct Investment are not Applicable to the Company during the Audit Period)**;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not Applicable to the Company during the Audit Period)**;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the Audit Period)**;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period)**;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit Period)**;

(vi) **We further report that,** having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with the following law applicable specifically to the Company:

– Drugs and Cosmetics Act, 1940 & Rules thereto

– Drugs Price (Control) Order, 2013

– Drugs and Magic Remedies Act, 1954

– Narcotic Drugs and Psychotropic Substances Act, 1985

– Food Safety and Standards Act, 2006.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.(Here and after referred as 'Listing Regulations')

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards made thereunder.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Makarand M. Joshi & Co.
Company Secretaries

Makarand M. Joshi
Partner
FCS: F5533
CP: 3662
PR: 640/2019
UDIN: F005533C002663518

Date: 22nd February 2022
Place: Mumbai

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
Sanofi India Limited
Sanofi House, CTS. No. 117-B,
L&T Business Park Saki Vihar Road,
Powai, Mumbai – 400 072

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Makarand M. Joshi & Co.
Company Secretaries

Makarand M. Joshi
Partner
FCS: F5533
CP: 3662
PR: 640/2019
UDIN: F005533C002663518

Date: 22nd February 2022
Place: Mumbai

REPORT ON CORPORATE GOVERNANCE

Company's philosophy on Code of Governance

Sanofi India Limited (the Company) believes in and adheres to good corporate governance practices, implements policies and guidelines, communicates and trains all its stakeholders to develop a culture of compliance at every level of the organization. The Company's philosophy is aimed at assisting the management of the Company in the efficient conduct of the business and in meeting its obligations to all its stakeholders.

The Company is in compliance with the provisions of Corporate Governance specified in Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Board of Directors

The Board of your Company has a good, diverse, and optimum mix of Executive and Non-Executive Directors. With the number of Non-Executive and Independent Directors more than one-half of the total number of Directors, the composition is in line with the applicable provisions of Companies Act, 2013 ('the Act') and Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). As on the date of this Report, the Board consists of eight Directors comprising three Executive Directors, two Non-Executive Directors and three Independent Directors with the Chairman of the Board being an Independent Director. The composition of the Board represents optimum combination of the knowledge, experience and skills which are required by the Board to discharge its responsibilities effectively.

As on the date of this report, Mr. Aditya Narayan, Independent Director is the Chairman of the Board, Mrs. Usha Thorat, Independent Director is the Chairperson of the Audit Committee and Nomination and Remuneration Committee of the Board and Mr. Rahul Bhatnagar, Independent Director is the Chairman of the Corporate Social Responsibility Committee, Stakeholders Relationship Committee and the Risk Management Committee of the Board. Mr. Marc Antoine Lucchini and Mr. Charles Billard are the Non-Executive Directors of the Company. Mr. Rajaram Narayanan is the Managing Director, Mr. Vaibhav Karandikar is the Chief Financial Officer and the Whole Time Director and Mr. Cherian Mathew is the Whole Time Director of the Company.

Changes in Directorate:

During the year under review, Mr. Vaibhav Karandikar was appointed as Whole Time Director of the Company w.e.f. 23rd February 2021.

Further, Mr. Cyril Grandchamp-Desraux resigned as the Non-Executive Director of the Company, due to personal reasons with effect from 24th November 2021. The Board places on record appreciation to his contribution to the Company.

Mr. Rajaram Narayanan, resigned as the Managing Director of the Company and the Board accepted his resignation at the Board meeting held on 13th January 2022. Mr. Rajaram Narayanan will cease to be the Managing Director effective close of business hours on 10th April 2022, to pursue an opportunity outside of Sanofi. As the Managing Director of the Company, Mr. Rajaram Narayanan led the strategic reorientation of the organisation, sharpening its focus on core areas, developing new business models, building future talent and driving digital transformation across all areas of the business. The Company has received several recognitions for its initiatives in HR practices, Communications, CSR (Corporate Social Responsibility) and public health. The Board places on record appreciation for his immense contribution towards the growth the Company.

Mr. Aditya Narayan, Chairman and Mrs. Usha Thorat, Chairperson of the Audit Committee and Nomination and Remuneration Committee, were re-appointed for their second term of five consecutive years, commencing from 30th April 2021, at the Annual General Meeting held on 27th April 2021.

The Directors take active part in the deliberations at the Board and Committee Meetings by providing valuable guidance and advice to the management on various aspects of business, policy direction, governance, compliance, etc. and play a critical role on strategic issues and add value in the decision-making process of the Board of Directors.

The maximum tenure of Independent Directors is in compliance with Act and the Listing Regulations. All the Independent Directors have confirmed that they meet the criteria as mentioned in Regulation 16(1)(b) of the Listing Regulations and section 149(6) of the Act. The Independent Directors provide an annual confirmation that they meet the criteria of Independence. Based on the confirmations/disclosures received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfil the conditions specified in the Listing Regulations and are Independent of the management. There are no *inter se* relationships between the Directors of the Company.

As of 31st December 2021, none of the Directors of the Company hold shares or convertible instruments in the Company.

The Company has obtained certificate from M/s. Makarand M. Joshi & Co., Practicing Company Secretaries, confirming that none of the Directors on Board of the Company are debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs or any such authority. The certificate forms part of this Report.

Composition and Directorship(s)/ Committee Membership(s)/ Chairmanship(s) and number of other Board and Committees as on 31st December 2021 are given below:

Name	Category	No. of Directorships/ Committee Memberships/ Chairmanships (Including Sanofi India Limited) as on 31st December 2021				
		Directorships(1) under Section 165			Committee Memberships (2)	Committee Chairmanships (2)
		Public Companies		Private and Section 8 Companies		
		Listed	Unlisted			
Mr. Aditya Narayan DIN No. 00012084	Non-Executive Independent Director and Chairman	1	-	-	-	
Mr. Rajaram Narayanan DIN No. 02977405	Managing Director	1	1	1	1	-
Ms. Usha Thorat DIN No. 00542778	Non-Executive Independent Director	1	-	1	1	1
Mr. Rahul Bhatnagar DIN No. 07268064	Non-Executive Independent Director	3	1	-	5	4
Mr. Charles Billard DIN No. 08173583	Non-Executive Director	1	-	-	1	-
Mr. Marc-Antoine DIN No. 08812302	Non-Executive Director	1	-	-	-	-
Mr. Cherian Mathew DIN No. 08522813	Whole Time Director	1	-	-	-	-
Mr. Vaibhav Karandikar DIN No. 09049375 (from 23rd February 2021)	Whole Time Director & Chief Financial Officer	1	-	-	1	-

Notes:

1. Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.
2. Membership or Chairmanship in Audit Committee and Stakeholder Relationship Committee of all public limited companies as on 31st December 2021, including Sanofi India Limited.
3. As on 31st December 2021, no Director, other than Mr. Rahul Bhatnagar holds position of an Independent Director in any other listed company. Mr. Rahul Bhatnagar is also an Independent Director of Rossell India Limited and Whirlpool of India Limited.
4. The number of Directorship(s), Committee Membership(s)/Chairmanship(s) of all Directors is within respective limits prescribed under the Act and Listing Regulations as amended from time to time.
5. Directors attended all meetings through Video Conferencing/ Other Audio-Visual Means.

Details of Independent Directors' Familiarisation programme are part of the Directors' Report.

Board Meetings

During the year ended 31st December 2021, eight Board Meetings were held on 5th February 2021, 23rd February 2021, 18th March 2021, 27th April 2021, 27th July 2021, 26th October 2021, 25th November 2021 and 17th December 2021.

Attendance details of each Director at the Board Meetings during the financial year ended 31st December 2021 and the last Annual General Meeting are given below:

Name of Director	No. of Board Meetings held during the tenure of the Director	No. of Board Meetings attended	Attendance at last AGM held on 27th April 2021
Mr. Aditya Narayan	8	8	Yes
Mr. Rajaram Narayanan	8	8	Yes
Ms. Usha Thorat	8	8	Yes
Mr. Cyril Grandchamp-Desraux (up to 24th November 2021)	6	2	No
Mr. Charles Billard	8	7	Yes
Mr. Marc-Antoine Lucchini	8	7	Yes
Mr. Cherian Mathew	8	8	Yes
Mr. Rahul Bhatnagar	8	8	Yes
Mr. Vaibhav Karandikar (from 23rd February 2021)	6	6	Yes

The Chairpersons of the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee were present at the last Annual General Meeting.

A detailed agenda, setting out the business to be transacted at the meeting(s), supported by detailed notes and presentations, if any, is sent to each Director at least seven days before the date of the Board Meeting(s) and of the Committee meeting(s) except where meetings have been convened at a shorter notice to transact urgent business. Due to the ongoing COVID-19 pandemic and restrictions imposed, all the Committee and Board Meetings were held through Video Conferencing facility (VC) during the year under review. All Directors were provided VC facility to participate in the meetings of the Board and of Committees.

All material information is circulated to the Directors before the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of the Listing Regulations. The Board also, *inter alia*, periodically reviews strategy and business plans, annual operating and capital expenditure budget(s), investment(s), compliance reports of applicable laws, as well as steps taken by your Company to rectify instances of non-compliances, if any, minutes of the Committees of the Board, approval of quarterly/ half-yearly/ annual results, updates on labour issues, safety and risk management, transactions pertaining to purchase/ disposal of property(ies), divestments, etc. The Company has well-established framework for the meetings of the Board and its Committees to enable decision-making process at the meetings in an informed and efficient manner. The Directors have unrestricted access to all the information pertaining to the Company.

The Company Secretary attends the meetings of the Board and its Committees and is, *inter alia*, responsible for recording the minutes of such meetings. The draft minutes of the Board and its Committees are sent to the chairpersons and members for their comments in accordance with the Secretarial Standards. The Company adheres to the provisions of the Act, Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors, its Committees and the General Meetings of the members of the Company.

During the year, Mr. Girish Tekchandani resigned as Company Secretary and Compliance Officer of the Company w.e.f. close of business hours on 31st August 2021. Ms. Radhika Shah was appointed as Company Secretary and Compliance Officer w.e.f. 1st November 2021.

Meeting of the Independent Directors:

The Independent Directors of the Company meet without the presence of the Executive Directors and other Non-Executive Director or any other Management Personnel. These Meetings are conducted to enable the Independent Directors to, *inter alia*, discuss matters pertaining to review of performance of Executive and Non-Independent Directors and the Board of Directors as a whole, assess the quality, quantity, and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to perform their duties effectively. During the year ended 31st December 2021, the Independent Directors met once on 23rd February 2021. Mr. Aditya Narayan, chaired the meeting.

Familiarisation of Directors:

Familiarisation Programmes are conducted for Independent Directors to enable them to understand their roles, rights and responsibilities. Presentations are also made at the Board meetings which facilitates them to clearly understand the business of the Company and the environment in which the Company operates. Regulatory updates are provided with necessary documents required for them to have a good understanding of Company's operations, businesses and the industry as a whole. Further, they are periodically updated on material changes in regulatory framework and its impact on the Company. When a director is inducted on the Board, a detailed induction Programme is conducted including organisation structure, ethics and compliance practices, key therapies and products in which the Company operates, human resources overview like talent acquisition initiatives, performance management, succession planning, company policies, etc.

The details of such Familiarisation programmes for Independent Director(s) are put up on the website of the Company and can be accessed through the following link: https://www.sanofiindialtd.com/en/investors/corporate-policies.

The Board has constituted Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and the Risk Management Committee. Each of the Committees deal with matters as mandated by the statutory regulations and play a very crucial role in the overall governance structure. All the Committees have specific terms of reference approved by the Board which outlines the composition, scope, powers & duties and responsibilities. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee meetings. The minutes of the meeting of all Committees are placed before the Board for review. During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board.

Following are the Committees of the Board:

Audit Committee

The Audit Committee comprises three Directors, two Independent Directors and one Non-Executive /Non-Independent Director, with the Chairperson being an Independent Director. All the members of the Committee have relevant experience in financial matters.

The terms of reference of the Audit Committee are wide and cover all the matters specified for Audit Committees under Regulation 18 read with Part C of Schedule II to the Listing Regulations and the Act.

The terms of reference of the Audit Committee include *inter alia*, overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible; reviewing and examining with management the quarterly and annual financial results and the auditors' report thereon before submission to the Board for approval; reviewing management discussion and analysis of financial condition and results of operations; reviewing, approving or subsequently modifying any related party transactions in accordance with the Company's policy on Related Party Transaction; recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services; reviewing and monitoring the auditor's independence and performance and effectiveness of audit process; reviewing management letters/letters of internal control weaknesses issued by the Statutory Auditors; reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems; reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues; evaluating internal financial controls and risk management systems; reviewing the functioning of the Code of the Company and Whistle-Blowing Mechanism; and review of internal controls pertaining to compliances under the Insider Trading Regulations. The Audit Committee at its meeting held on 22nd February 2022 and Board at its meeting held on 23rd February 2022 approved amendment to the terms of reference of the Audit Committee to include the role of considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 effective from 6th May 2021.

In addition to quarterly meetings for consideration of financial results, special meetings of the Audit Committee are convened for approving related party transactions, valuation reports of assets/businesses, risk assessment, controls and internal audit reports pertaining to the Company.

The meetings of the Audit Committee are also attended by the Head of Accounts, the Statutory Auditors, the Internal Auditors and the Company Secretary. The Audit Committee also holds a separate meeting with Statutory Auditors in absence of the management.

During the year ended 31st December 2021, six Audit Committee Meetings were held on 22nd February 2021, 26th April 2021, 26th July 2021, 25th October 2021, 25th November 2021 and 17th December 2021.

The constitution of the Audit Committee and attendance details during the financial year ended 31st December 2021, are given below:

Name of Director	Category	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings attended
Ms. Usha Thorat	Chairperson of the Committee, Independent Director	6	6
Mr. Rahul Bhatnagar	Member, Independent Director	6	6
Mr. Charles Billard	Member, Non-Executive Director	6	5

The Company Secretary acts as Secretary to the Committee.

Nomination and Remuneration Committee

The Nomination & Remuneration Committee comprises three Non-Executive Directors, of which two are Independent Directors and one Non-Independent Director.

During the year under review, the terms of reference of the Committee were amended by the Board and Committee to include the changes notified under the SEBI (Listing and Obligations Disclosure) Amendment Regulations dated 3rd August 2021. The following terms of reference are in line with the requirements of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations and include:

1. Formulate and recommend Nomination and Remuneration Policy to the Board.
2. For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   a) use the services of an external agencies, if required;

   b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

   c) consider the time commitments of the candidates.
3. Identify the candidates who are qualified to become Directors.
4. Identify the persons who are qualified to become Senior Management in the Nomination and Remuneration Policy.
5. Recommend to the Board the appointment and removal of the Directors and Senior Management.
6. Review and approve the remuneration policies and annual payments to Directors; make sure that the remuneration to senior management and other employees are as per the remuneration policy.
7. Recommend to the Board, all remuneration, in whatever form, payable to senior management.
8. Lay down the process for evaluation of the performance of Board, its Committees and individual Director and review its implementation and compliance.
9. Devise and review Board Diversity Policy
10. Review the succession policies and plans for Directors and senior management.
11. Decide whether to extend or continue the term of appointment of the independent director, on the basis of the report performance evaluation of independent directors.

During the year ended 31st December 2021, three Nomination and Remuneration Committee Meetings were held on 23rd February 2021, 18th March 2021 and 26th October 2021.

The constitution of the Nomination and Remuneration Committee and attendance details during the financial year ended 31st December 2021, are given below:

Name of Director	Category	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings attended
Ms. Usha Thorat	Chairperson of the Committee, Independent Director	3	3
Mr. Rahul Bhatnagar	Member, Independent Director	3	3
Mr. Marc-Antoine Lucchini	Member, Non-Executive Director	3	3

The Company Secretary acts as Secretary to the Committee.

Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the Company is performance driven and is designed to motivate employees, recognise their achievements, and promote excellence in performance.

The Policy provides guidance on:

1. Selection and nomination of Directors to the Board of the Company;
2. Appointment of the Senior Management Personnel of the Company; and
3. Remuneration of Directors, Key Management Personnel and other employees.

The Policy is available on Company's website https://www.sanofiindialtd.com/en/investors/corporate-policies.

Board Selection Criteria/ list of core skills/ expertise/ competencies identified in the context of the business:

The Nomination and Remuneration Committee has approved the Nomination and Remuneration Policy which sets out criteria for inducting Board members:

- The candidate shall have appropriate skills and experience in one or more fields of management, sales, marketing, medical, finance, HR, law, public administrative services, research, corporate governance, technical operations or any other disciplines related to the Company's business.
- The Committee shall keep Board diversity policy in mind while recommending a candidate for appointment as Director.
- The number of companies in which the candidate holds directorship should not exceed the number prescribed under Companies Act, 2013 or under the Listing requirements.
- The candidate should not hold Directorship in any of the competitor companies and should not have any conflict of interest with the Company.
- The candidate proposed to be appointed as Independent Director, should not have any direct or indirect material pecuniary relationship with the Company and must satisfy the requirements imposed under Act or under the Listing requirements.
- The candidate should also have the ability to exercise sound business judgement, demonstrate leadership or prominence in a specified field, willingness to devote the required time and possess integrity and moral reputation.

In terms of requirement of Listing Regulations, the Board has identified the following skills/ expertise/ competencies of the Directors as given below:

Name of Director	Mr. Aditya Narayan	Mr. Rajaram Narayanan	Ms. Usha Thorat	Mr. Rahul Bhatnagar	Mr. Charles Billard	Mr. Marc Antoine	Mr. Cherian Mathew	Mr. Vaibhav Karandikar
Skills & Description								
Strategy Development and Insight: Developing long-term strategies to sustainably grow business, profitably and competitively, in a highly regulated and fast changing environment.	√	√	√	√	√	√	√	√
Business Leadership and management: Leading complex organisations with understanding of changes in external environment, business development and competitive landscape. All Directors have these competencies.	√	√	√	√	√	√	√	√
Pharma Business: Expertise on pharma business matters including unmet medical needs of patients/ healthcare systems/ healthcare professionals, competitive landscape in pharma business, pharma regulations, emerging business opportunities and risks.		√			√	√	√	√
Finance and Accounts: Understanding of accounting and financial statements.	√	√	√	√	√	√	√	√
Governance, Risk and Compliance: Governance, Risk and Compliance: Understanding of the governance principles, Board accountability, internal control and regulatory environment, risk management including ESG related risks in a large complex organisation and emerging local and global trends.	√	√	√	√	√	√	√	√

Remuneration to Executive Directors

The Nomination and Remuneration Committee recommends to the Board the remuneration payable to the Managing Director, Whole Time Directors and the Key Managerial Personnel. The elements of remuneration package include salary, benefits, retirals, Performance Linked Incentives, etc. and is decided based on the performance, company policy and benchmarks.

Annual increments are recommended by the Nomination and Remuneration Committee to the Board for approval within the salary range approved by the shareholders. The Executive Directors are entitled to Performance Linked Incentives with target payouts fixed and payout ranges of 0% to 200% of the target amounts to be paid at the end of the financial year as may be determined by the Board and are based on certain pre-agreed performance parameters. PLI is computed on the basis of specific targets for the Managing Director and each of the Whole Time Directors.

The details of remuneration paid to the Managing Director and the Whole Time Directors during the financial year ended 31st December 2021 are given below:

Names of Executive Director	Salary and Allowances (₹ million)	Perquisites and Allowances as per Income Tax Rules (₹ million)	Company's contribution to the Funds	Performance Linked Incentive (₹ million)	Total (₹ million)	Contract Period
Mr. Rajaram Narayanan	22.64	5.10	1.90	12.16	41.80	5 years w.e.f. 1st January 2018
Mr. Vaibhav Karandikar	11.06	2.32	0.69	3.60	17.67	5 years w.e.f. 23rd February 2021
Mr. Cherian Mathew	18.19	1.06	0.99	6.21	26.45	5 years w.e.f. 29th July 2019

1. Mr. Rajaram Narayanan has resigned as the Managing Director of the Company and will cease to be the Managing Director with effect from close of business hours of 10th April 2022.
2. The above excludes provision for leave encashment, gratuity, long service award and pension which are determined on the basis of actuarial valuation done on an overall basis for the Company.
3. Notice period applicable to each of the Whole-time Directors is three months. The Whole-time Directors are not entitled to any severance pay on termination of their respective contract.
4. The Performance Linked Incentive is calculated on the basis of provisions in the books of accounts.

The Company does not have a scheme for grant of stock options. However, the Managing Director and the Whole Time Directors and some Senior Executives of the Company are granted stock options/performance shares of the ultimate holding company, Sanofi. The amounts accrued in the financial statements for the year ended 31st December 2021 for stock options / performance shares granted to Mr. Rajaram Narayanan, Mr. Cherian Mathew and Mr. Vaibhav Karandikar are ₹ 11 million, ₹ 4 million and ₹ 2 million respectively.

Remuneration to Non-Executive Directors

The Non-Independent Directors are paid remuneration in the form of sitting fees and commission. During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors apart from sitting fees and commission.

Non-Executive Directors who are employees of Sanofi group do not receive any commission or sitting fees from the Company. Independent Directors are paid sitting fees for attending Board and Committee Meetings.

Pursuant to the approval of the members at the Annual General Meeting of the Company held on 7th May 2019, the Non-Executive Directors who are not employees of Sanofi group also receive commission on the net profits of the Company, as may be determined by the Board from time to time, subject to a ceiling of one per cent of the net profits of the Company.

The sitting fees paid and commission payable to such Directors for the financial year ended 31st December 2021 is given below:

Names of Director	Sitting Fees paid (₹ million)	Commission Payable (₹ million)	Total (₹ million)
Mr. Aditya Narayan (Chairman)	0.81	2.13	2.94
Ms. Usha Thorat	1.39	1.09	2.48
Mr. Rahul Bhatnagar	1.48	1.09	2.57

Performance Evaluation of the Board/ Committees/ Directors:

The Company follows a assessment process for evaluation of performance of the Board, Committees of the Board and individual performance of each Director including the Chairman based on the criteria approved by the Nomination and Remuneration Committee. The Chairman of the Board leads the exercise of the Performance Evaluation with the Company Secretary assisting him.

The evaluation is based on parameters like level of participation of the Directors, understanding of the roles and responsibilities of Directors, understanding of the business and competitive environment in which the Company operates, understanding of the strategic issues and challenges for the Company, etc. The performance of the Independent Directors is also evaluated taking into account the time devoted, strategic guidance to the Company, advice given for determining important policies, external expertise provided and independent judgement that contributes objectively to the Board's deliberation.

The performance evaluation of the Board is carried out taking into account the various parameters like composition of Board, process of appointment to the Board, common understanding amongst Directors of their role and responsibilities, timelines and content of Board papers, strategic directions, advice and decision-making, etc. The Board also notes the actions undertaken, pursuant to the outcome of previous evaluation exercises. Each Committee's self-assessment is carried out based on the degree of fulfillment of the key responsibilities as outlined by its terms of reference.

For the year ended 31st December 2021, Evaluation Forms were circulated to the Board members. Each Director completed the Evaluation Form and shares feedback. The feedback scores as well as qualitative comments were then shared with the Nomination and Remuneration Committee and presented by the Chairman to the Board. The feedback on Committee Evaluation was shared by the Committee Chairperson(s) with the respective Committee members. Nomination and Remuneration Committee was convened to discuss the outcome of Performance Evaluation exercise. The Chairman of the Board and the Chairperson of the Nomination and Remuneration Committee briefed the Board on the overall outcome.

The evaluation of individual Directors was on parameters such as attendance, contribution and independent judgement.

The outcome of the exercise was positive and action points were discussed by the Board in February 2022.

Stakeholders Relationship Committee

The role of the Stakeholders Relationship Committee includes:

1. Resolving the grievances of security holders of the Company.
2. Reviewing the measures taken for effective exercise of voting rights by shareholders.
3. Reviewing of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent (RTA).
4. Reviewing various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company.

During the year ended 31st December 2021, one Stakeholders Relationship Committee Meeting was held on 25th October 2021.

Constitution of the Stakeholders Relationship Committee and attendance details during the financial year ended 31st December 2021, are given below:

Name of Director	Category	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings attended
Mr. Rahul Bhatnagar	Chairman of the Committee, Independent Director	1	1
Mr. Rajaram Narayanan	Member, Managing Director	1	1
Mr. Vaibhav Karandikar (w.e.f. 23rd February 2021)	Member, Whole Time Director	1	1

The Company Secretary acts as Secretary to the Committee.

At the Board meeting held on 23rd February 2021, Mr Vaibhav Karandikar, Whole Time Director & Chief Financial Officer was appointed as member of the Stake Relationship Committee with immediate effect in place of Mr. Charles Billard, Non-Executive Director.

During the financial year, fifteen complaints were received from shareholders. All these were attended / resolved. There were no pending complaints from shareholders as on 31st December 2021.

Corporate Social Responsibility (CSR) Committee

The CSR Committee provides guidance on various CSR activities to be undertaken by the Company and monitors its progress.

The terms of reference for the CSR Committee include:

1. Formulate, review, amend and recommend CSR Policy to the Board for approval
2. Review the Annual CSR Action Plan and the CSR budget and give recommendations to the Board for its approvals
3. Monitor the CSR programs from time to time as per CSR Policy, provide update to the Board to help Board in monitoring the implementation of CSR programs
4. Review the impact assessments on CSR programs and provide update to the Board as part of CSR Report.

During the year ended 31st December 2021, two CSR Committee Meetings were held on 22nd February 2021 and 25th October 2021.

The constitution of the CSR Committee and attendance details during the financial year ended 31st December 2021 are given below:

Name of Director	Category	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings attended
Mr. Rahul Bhatnagar	Chairman, Independent Director	2	2
Ms. Usha Thorat	Member, Independent Director	2	2
Mr. Rajaram Narayanan	Member, Managing Director	2	2

The Company Secretary acts as Secretary to the Committee.

Details on the CSR activities forms part of the Directors' Report.

Risk Management Committee

The role of Risk Management Committee includes the implementation of Risk Management Systems and Framework, review the Company's financial and risk management policies, assess risk and procedures to minimise the same.

During the year under review, the terms of reference of the Risk Management Committee were modified to reflect the changes made by SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f.. 5th May 2021. The revised terms of reference for the Risk Management Committee are as follows:

1. Formulate a detailed risk management policy which shall include:
   a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   c) Business continuity plan.
2. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. Keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. Review appointment, removal and terms of remuneration of the Chief Risk Officer (if any).

During the year ended 31st December 2021, three Risk Management Committee Meetings were held on 2nd February 2021, 8th April 2021 and 5th October 2021.

The constitution of the Risk Management Committee and attendance details during the financial year ended 31st December 2021 are given below:

Name of Director	Category	No. of Committee Meetings held during the tenure of the Director/ Member	No. of Committee Meetings attended
Mr. Rahul Bhatnagar (w.e.f. 28th July 2021)	Chairman, Independent Director	1	1
Mr. Rajaram Narayanan	Chairman, Managing Director	3	3
Mr. Cherian Mathew	Member, Whole Time Director	3	3
Mr. Vaibhav Karandikar	Member, Chief Financial Officer	3	3

At the Board meeting held on 27th July 2021, Mr. Rahul Bhatnagar was appointed as Chairman of the Committee w.e.f. 28th July 2021.

Code of Conduct and Business Ethics

The Company has adopted a Code of Conduct and Business Ethics for Directors and Senior Management of the Company, as required under Regulation 17(5)(a) of the Listing Regulations. The Company has received confirmations from the Directors and Senior Management regarding compliance with the Code for the year ended 31st December 2021. A certificate from the Managing Director to this effect is attached to this Report.

The Code has been displayed on the Company's website https://www.sanofiindialtd.com/en/investors/corporate-policies.

Whistle-Blower Policy

The Vigil Mechanism as envisaged in the Act and the Rules prescribed thereunder and the Listing Regulations is implemented through the Code of Conduct, Whistle-blower and other Governance Policies of the Company. Sanofi's Code of Ethics (http://www.codeofethics.sanofi/) lays out the defining principles of highest ethical standards.

Sanofi employees are trained to use the Code of Ethics as a part of their day-to-day functional responsibilities. The Company has established a 24x7 Compliance Helpline which can be accessed through Toll Free Number 0008004401286, or through webpage: https://wrs.expolink.co.uk/ (access code: sanofi) where employees can report incidents with complete anonymity. As required under Listing Regulations, the Company has a Whistle-Blower Policy which has been displayed on its website, https://www.sanofiindialtd.com/en/investors/corporate-policies.

No personnel have been denied access to the Audit Committee.

Code of Conduct for Prevention of Insider Trading

As required by the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted Sanofi India Limited – Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The Company Secretary acts as the Compliance Officer. The Code of Conduct is applicable to all Directors and designated persons of the Company who are expected to have access to unpublished price sensitive information relating to the Company. The Code of Conduct lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with securities of the Company and cautions them of the consequences of violations.

Related Party Transactions

During the year under review, there were no material transactions or arrangements entered into between the Company and its Promoters, Directors or their Relatives or the Management, Subsidiaries, etc. that may have potential conflict with the interests of the Company at large.

All the Related Party Transactions were in the ordinary course of business and at arm's length, approved by the Audit Committee and Board in line with the Company's policy Related Party Transactions. Policy on transactions with related parties has been displayed on the Company's website https://www.sanofiindialtd.com/en/investors/corporate-policies. The Audit Committee has granted omnibus approval for related party transactions in the ordinary course of business. The same are reviewed on a quarterly basis by the Audit Committee. Transactions with related parties, including the promoter/promoter group which hold(s) more than 10% shareholding in the Company, have been disclosed in the Annual Accounts. All Material Related Party Transactions defined as per the Listing Regulations were approved by the shareholders of the Company.

The details of related party transactions are presented in Note No. 40 to Annual Accounts in the Annual Report.

In addition, as per the Listing Regulations, your Company has also submitted within 30 days from the date of publication of financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results and also published it on the website of the Company.

General Body Meetings

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
January – December 2018	7th May 2019	3.00 p.m.	Hall of Culture, Nehru Centre, Mumbai
January – December 2019	7th July 2020	3.00 p.m.	At Registered Office – through Video Conferencing facility
January – December 2020	27th April 2021	3.00 p.m.	At Registered Office – through Video Conferencing facility

All the resolutions set out in the respective Notices were passed by the Shareholders.

During the previous three Annual General Meetings, following resolutions were passed as Special Resolutions:

AGM Date	Special Resolutions
7th May 2019	None
7th July 2020	None
27th April 2021	Re-appointment of Mr. Aditya Narayan as Independent Director for a second term of five consecutive years from 30th April 2021 to 29th April 2026. Re-appointment of Ms. Usha Thorat as Independent Director for a second term of five consecutive years from 30th April 2021 to 29th April 2026.

Postal Ballot

The Company is in process for obtaining approval of members through postal ballot for entering into contracts/ arrangements/ transactions related to purchase, sale, transfer or receipt of products, goods, active pharmaceutical ingredients, materials, services or other obligations, if any, on such terms and conditions as may be mutually agreed upon between the Company and Sanofi Healthcare India Private Limited a 'Related Party' as defined under Section 2(76) of the Companies Act, 2013 and the Listing Regulations, for a maximum aggregate value up to ₹ 10,000 million for each Financial Year, for period of five years commencing from Financial Year 2022 to Financial Year 2026.

The aforesaid transactions have been approved by the Audit Committee and are in the ordinary course of business and at arms' length.

The results of Postal Ballot along with the Scrutiniser's Report would be intimated to Bombay Stock Exchange Limited ("BSE") and National Stock Exchange of India Limited ("NSE") where the Equity Shares of the Company are listed.

Other Disclosures and Affirmations:

a) There were no instances of non-compliance nor have any penalties, strictures been imposed by Stock Exchanges or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.

b) Company has not obtained any credit rating for the financial year ended 31st December 2021.

c) Company has not raised any funds through preferential allotment or QIP in the financial year ended 31st December 2021.

d) The Company has paid ₹ 4.72 million as total fees for all services provided by M/s. Price Waterhouse & Co Chartered Accountants LLP and all entities in the network firm in the financial year ended 31st December 2021.

e) During the year 2021, the Company did not receive any complaint of alleged sexual harassment.

f) As required by Regulation 17(8) of the Listing Regulations, the Managing Director and the Chief Financial Officer have submitted a Certificate to the Board in the prescribed format for the financial year ended 31st December 2021. The Certificate has been reviewed by the Audit Committee and taken on record by the Board.

g) The Company has also adopted a discretionary requirement of the Listing Regulations and confirm that the Financial Statements of the Company are unqualified.

Means of Communication

Quarterly, Half-Yearly and Annual Results of the Company are published in newspapers, Business Standard and Sakal. These results are promptly submitted to the Stock Exchanges facilitating them to display the same on their website.

The Company's results and press releases are available on the Company's website https://www.sanofiindialtd.com/en/investors/disclosures.

During the year, a presentation was made to analysts /investors on 17th March 2021.

Management Discussion and Analysis Report forms a part of this Annual Report.

General Shareholder Information

AGM Date, Time and Venue	Tuesday, 26th April 2022 at 3.00 p.m. through Video Conferencing / Other Audio-Visual Means (VC /OAVM)
Financial Year	January to December
First Quarter Results	2nd Fortnight of April 2022
Half Yearly Results	2nd Fortnight of July 2022
Third Quarter Results	2nd Fortnight of October 2022
Fourth Quarter and Annual Results	2nd Fortnight of February 2023
Dates of Book Closure:	16th April, 2022 to 26th April 2022 (both days inclusive)
Dividend payment date:	On or after 4th May 2022, if declared at Annual General Meeting on 26th April 2022.
Listing on Stock Exchanges:	The Company's Shares are listed on the Stock Exchanges mentioned below and the Company has paid the Listing Fees to them for 2021-22. BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. The National Stock Exchange of India (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
Stock Code:	500674 on BSE and SANOFI on NSE
ISIN Number for NSDL & CDSL:	INE058A01010

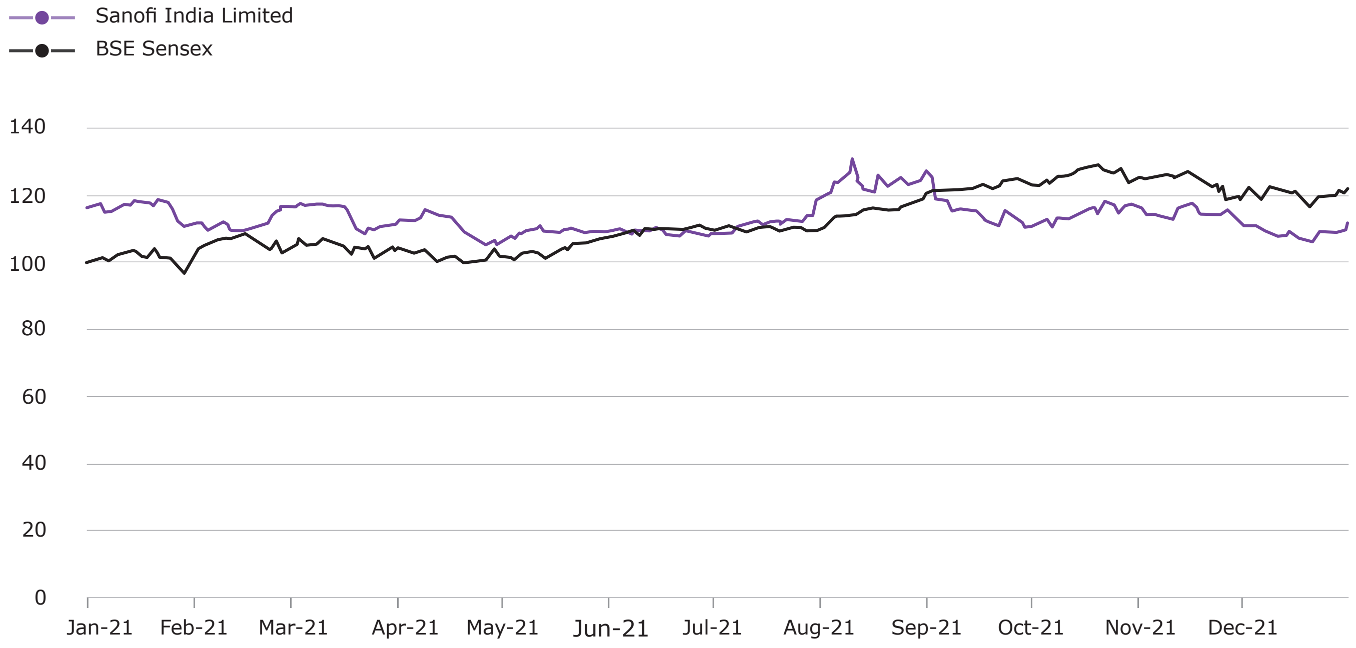
Market Price Data

High/ Low during year/ month in the financial year. Share Price on BSE and NSE (Face Value ₹ 10 each)

Months	BSE		NSE	
	High ₹	Low ₹	High ₹	Low ₹
Jan-21	8,524.55	7,795.00	8,525.00	7,786.25
Feb-21	8,354.00	7,750.00	8,354.70	7,750.00
Mar-21	8,399.90	7,630.00	8,400.00	7,620.00
Apr-21	8,254.95	7,427.75	8,259.95	7,424.00
May-21	7,879.00	7,510.60	7,890.00	7,500.05
Jun-21	7,903.95	7,450.10	7,905.00	7,511.55
Jul-21	8,400.00	7,648.05	8,377.00	7,640.00
Aug-21	9,300.00	8,400.00	9,285.00	7,056.55
Sep-21	9,079.95	7,709.30	9,082.30	7,707.00
Oct-21	8,428.25	7,784.05	8,449.00	7,778.80
Nov-21	8,363.50	7,900.00	8,400.00	7,900.00
Dec-21	8,200.00	7,344.00	8,045.95	7,435.25

(Source: Websites of BSE and NSE)

Stock Performance in comparison to broad based indices such as BSE Sensex



Note: The daily closing prices of the BSE Sensex and Sanofi equity shares have been indexed to 100 as on 1st January 2021.

Registrars & Transfer Agents
Link Intime India Private Limited,
C-101, 247 Park, L B S Marg,
Vikhroli West, Mumbai 400 083.
Contact person: Ms. Sujata Poojary
Telephone No.: (022) 49186270
Fax No.: (022) 49186060
E-mail: rnt.helpdesk@linkintime.co.in

Share Transfer System

The Board has delegated the authority for approving transfer, transmission, issue of duplicate shares, name deletion and such other related matters to the Share Transfer Committee.

During the year, all share transmission, issue of duplicate shares, name deletion and such other related matters were approved by the Share Transfer Committee within prescribed timelines. There is no set frequency of the Share Transfer Committee meetings and transactions are approved as and when received.

A summary of transactions so approved by the Committee is placed at the Board Meeting held quarterly. The Company obtains a certificate from Practicing Company Secretaries as per the requirement of Regulation 40 (9) of Listing Regulations and the same is filed with the Stock Exchanges.

Transfer of shares to Ministry of Corporate Affairs INVESTOR EDUCATION AND PROTECTION FUND ('IEPF') Account

Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Amendment Rules 2017 notified by the Ministry of Corporate Affairs, the Company is required to transfer all shares in respect of which dividend has not been paid or claimed by the members for seven consecutive years or more in the name of Investor Education and Protection Fund (IEPF) Suspense Account. Adhering to various requirements set out in the Rules, the Company has taken appropriate action for transferring the shares to the Demat Account opened by the IEPF Authority. The Company has also uploaded details of such members whose shares are transferred to IEPF Suspense Account on its website – https://www.sanofiindialtd.com/en/investors/transfer-of-shares-to-iepf.

The shares transferred to IEPF Suspense Account including all benefits accruing on such shares, if any, can be claimed by the members from IEPF Authority, after following the procedure prescribed under the Rules.

Pursuant to the provisions of Sections 124 and 125 of the Act, dividends which remain unclaimed for a period of seven years from the date of transfer to the unpaid dividend account are required to be transferred to IEPF established by the Central Government. The details of unpaid dividend are uploaded on the website of the Company https://www.sanofiindialtd.com/en/investors/unclaimed-dividends.

Members who have not encashed their dividend warrants for last seven years are requested to write to the Company's Registrar and Transfer Agents and claim their dividends. The total amount of unclaimed dividend has been disclosed in the financial statements. Members are requested to note that the unclaimed dividends will be transferred to the IEPF after the below mentioned last date of claim which has been calculated by adding 37 days and 7 years in the date of declaration:

Dividend and Year	Dividend per Share (₹)	Date of Declaration	Last Date for Claim
Final Dividend 2014	35	29/04/2015	05/06/2022
Interim Dividend 2015	18	21/07/2015	27/08/2022
Final Dividend 2015	47	29/04/2016	05/06/2023
Interim Dividend 2016	18	22/07/2016	28/08/2023
Final Dividend 2016	50	05/05/2017	11/06/2024
Interim Dividend 2017	18	19/07/2017	25/08/2024
Final Dividend 2017	53	08/05/2018	14/06/2025
Interim Dividend 2018	18	25/07/2018	31/08/2025
Final Dividend 2018	66	07/05/2019	13/06/2026
Final and One Time Special Dividend 2019	349	07/07/2020	13/08/2027
Final and One Time Special Dividend 2020	365	27/04/2021	03/06/2028

Transfer of shares to Unclaimed Suspense Account

Pursuant to Regulation 39 and Schedule V and VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) the Company has transferred unclaimed shares in its Unclaimed Suspense Account details of which are given below:

Particulars	No. of Records	No. of shareholders	No. of Equity Shares
Aggregate number of shareholders/records and the outstanding shares in the Unclaimed Suspense Account	231	216	11,550
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	5	5	250
Number of shareholders/records whose shares were transferred from suspense account to the demat account of Investor Education and Protection Fund under the provisions of Section 124(6) of the Companies Act, 2013	7	7	350
Number of shareholders/records and aggregate number of shares transferred to the Unclaimed Suspense Account during the year	-	-	-
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on 31st December 2021	219	204	10,950

Voting rights on shares lying in the Unclaimed Suspense Account shall remain frozen till the rightful owner of such shares establishes his/her title of ownership to claim the shares.

Distribution of Shareholding as on 31st December 2021

Sr. No.	Range of the number of shares	No. of Shareholders	% of Shareholders	No. of shares held	% of shareholding
1	1 to 100	49,832	95.1973	1,000,900	4.35
2	101 to 200	1,299	2.4816	205,879	0.89
3	201 to 300	413	0.789	106,233	0.46
4	301 to 400	168	0.3209	61,582	0.27
5	401 to 500	142	0.2713	66,776	0.29
6	501 to 1000	207	0.3954	151,054	0.66
7	1001 to 2000	87	0.1662	123,737	0.54
8	2001 to 3000	50	0.0955	122,370	0.53
9	3001 to 4000	16	0.0306	579,53	0.25
10	4001 to 5000	9	0.0172	414,42	0.18
11	5001 to 6000	6	0.0115	322,10	0.14
12	6001 to 7000	12	0.0229	780,26	0.34
13	7001 to 8000	7	0.0134	524,50	0.23
14	8001 to 9000	4	0.0076	343,41	0.15
15	9001 to 10000	1	0.0019	10,000	0.04
16	10001 & above	93	0.1777	20,885,669	90.69
Total		**52,346**	**100.00**	**23,030,622**	**100.00**

Shareholding Pattern as on 31st December 2021

Category	No. of shares held	% of shares held
Promoters	13,909,587	60.40
Mutual Funds	2,458,112	10.67
Financial Institutions/Banks	533	0.00
Insurance Companies	1,925,085	8.36
Foreign Institutional Investors	2,123,106	9.22
Bodies Corporate	557,712	2.42
Body Corporate – Limited Liability Partnership	71,187	0.31
Overseas Corporate Bodies	500	0.00
Trusts	290	0.00
Clearing Members	3,661	0.02
NBFCs registered with RBI	504	0.00
Hindu Undivided Family	608,53	0.26
Resident Individuals	1,614,182	7.01
Non-Resident Indians	254,155	1.10
Foreign Nationals	50	0.00
Unclaimed Suspense Account	10,950	0.05
Alternate Investment Funds – III	4,160	0.02
IEPF	35,995	0.16
Total	**23,030,622**	**100.00**

Dematerialisation of shares and liquidity

As on 31st December 2021, 99.53% of the paid-up share capital had been dematerialised .

Outstanding GDRs/ ADRs/ warrants or any Convertible instruments, Conversion date and likely impact on equity

Not applicable.

Commodity price risk or foreign exchange risk and hedging activities

The Company classifies this risk as market risk. This risk comprises three types of risks namely interest rate risk, currency risk and other price risk, such as commodity risk. The Company is not exposed to interest rate risk and commodity price risk.

Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates and arises where transactions are done in foreign currencies. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies including use of derivatives like foreign exchange forward contracts to hedge foreign currency risk.

The exposure to currency risk is explained in detail in the notes to the financial statements.

Plant location

GIDC, Plot No. L- 121, Phase III, Verna Industrial Estate, Verna, Goa– 403 722

Address for correspondence

Shareholder correspondence should be addressed to the Company's Registrars, Link Intime India Private Limited, C– 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083.

Investors may also write to or contact the Company Secretary and Compliance Officer, Ms. Radhika Shah at the Registered Office for any assistance that they may need. Telephone No.: (022) 28032000; Fax No.: (022) 28032939; E-mail: IGRC.SIL@sanofi.com.

Shareholders holding shares in dematerialised form should address all their correspondence (including change of address, nominations, ECS mandates, bank details to be incorporated on dividend warrants, powers of attorney, etc.) to their Depository Participant.

COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

In accordance with Regulation 17(5)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and Senior Management Personnel of the Company have confirmed compliance with the Code of Business Conduct and Ethics for the financial year ended 31st December 2021.

For Sanofi India Limited

Rajaram Narayanan
Managing Director
16th February 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34 (3) and Schedule V Para C Clause (10) (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Sanofi India Limited
Sanofi house, CTS no.117-b, L&T
Business Park, Saki Vihar road,
Powai, Mumbai, MH-400072

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) of **SANOFI INDIA LIMITED** having CIN L24239MH1956PLC009794 and having registered office at Sanofi House, CTS No.117-B, L&T Business Park, Saki Vihar Road, Powai, Mumbai, MH-400072 (hereinafter referred to as 'the Company') for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and documents available on the website of the Ministry of Corporate Affairs and Stock Exchanges as on 31st December, 2021, and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and based on the disclosures of the Directors, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Table A

Sr. No.	Name of the Directors	Director Identification Number	Date of appointment in Company
1.	Mr. Aditya Narayan	00012084	30/04/2016
2.	Ms. Usha Thorat	00542778	30/04/2016
3.	Mr. Rajaram Narayanan	02977405	09/05/2016
4.	Mr. Rahul Bhatnagar	07268064	29/07/2020
5.	Mr. Charles Alexis Maxime Billard	08173583	25/07/2018
6.	Mr. Cherian Mathew	08522813	29/07/2019
7.	Mr. Marc Antoine Lucchini	08812302	29/07/2020
8.	Mr. Vaibhav Vinayak Karandikar	09049375	23/02/2021

For Makarand M. Joshi & Co.
Practicing Company Secretaries

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690
UDIN : F006667C002377123
Place : Mumbai
Date : 2nd February, 2022

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of Sanofi India Limited

We have examined the compliance of conditions of Corporate Governance by Sano:fi India Limited, for the year ended December 31, 2021 as stipulated in Regulations [17, 17A, 18, 19, 20, 21, 22, 23, 24-A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V] of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Asha Ramanathan
Partner
Membership Number: 202660
UDIN: 22202660ADKCEJ2447
Place: Pune
Date: February 23, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

A. Economic Outlook

India is expected to be among the fastest growing economies in 2022. Economic activity has gradually inched towards normalcy, after the Second Covid wave, driven by unlocking of the economy, waning covid cases and significant progress in vaccination.

The Indian economy has shown strength and resilience with key indicators pointing to a robust economic revival driven by the release of pent-up demand, stable financial policies, government's push for capital expenditure, and a normal monsoon. The faster resumption of contact-intensive services has also brightened near-term prospects for the economy.
The continuous increase in vaccination coverage has aided recovery and built confidence.

Improved Bank and corporate balance sheets, low and stable interest rates, an accommodative monetary policy, competitive corporate tax rates and fresh reforms undertaken by the government could help kick-start the investment cycle.

The GDP growth outlook for India for 2021-22 at around 9.2% is above the level of GDP in 2019-20, driven by the government's thrust on capital expenditure and exports which are expected to enhance productive capacity and strengthen aggregate demand. This would in turn encourage more private investment. The conducive financial conditions engendered by the RBI's policy actions will provide impetus to investment activity.
The surveys done by the RBI reveal that capacity utilisation is rising, and the outlook on business and consumer confidence remain in optimistic territory. The prospects for agriculture have brightened on good progress of winter crop sowing. However, private consumption continues to trail its pre-pandemic level.

The outlook on the Rupee is fairly stable with mild depreciation as RBI is expected to remain proactive with its FX interventions to prevent excess volatility.

However, there is some amount of risk in the near term due to adverse global factors. The persistent increase in international commodity prices, global supply bottlenecks geopolitical tensions and the volatility of global financial markets can exacerbate risks to the outlook.

The hardening of crude oil prices presents a major risk to the outlook on inflation. RBI has maintained its CPI projection of 5.3% for FY22 and has estimated 5% for H1 FY23 with risks broadly balanced, However, a gradual rise in CPI, and double digit WPI remain areas of concern.

B. Industry Update

The average growth of the pharmaceutical industry was around 10% (until 2019).
The industry growth plummeted to 4% in the period January-December 2020, due to the unprecedented impact of COVID-19.
From January-December 2021, however, the growth has bounced back to 18%, with a sharp increase in the demand for acute care therapies (anti-infectives, respiratory, gastro and pain), and also COVID-related medicines.
The demand for medicines for most Chronic therapies like Diabetes and Cardiovascular treatments remained relatively steady.

The IQVIA Prognosis Report (September 2021) projects that the Indian Pharmaceuticals Market is expected to grow at CAGR ~10.4% (+/-2%) between 2020-25 and estimated to reach a size of ₹ 2,630 billion by 2025. Much of this growth will be driven by improved access to healthcare, increase in awareness and diagnosis of non-communicable diseases, new product launches and an expansion of hospital infrastructure. Growth is also expected from new co-marketing agreements, introduction of OTC regulations, expansion of pharmacy chains, and emergence of online pharmacies. Branded generics, which contribute to over 80% of the market are also expected to play a relevant role in driving market growth.

While the Indian healthcare system battled with multiple challenges like shortage of trained health professionals, poor infrastructure and lack of access to medical care, for several poor patients, new business models have emerged during the pandemic period offering innovative solutions and creating new opportunities.

Acceleration in e-pharmacy sales continued with big players entering the space. This sector has witnessed consolidation in the recent past. The upsurge in this sector was seen more in the urban areas, particularly in chronic therapies like cardiology and diabetes, driving the trend for e-purchases, both during and post-lockdown. The medical fraternity embraced new ways of working to manage patients and engage with pharmaceutical companies. This led to an acceleration in online engagement, with e-patient consultation gaining more acceptance, and rapidly paving the way towards complete digitisation, and transformation of the healthcare eco-system.

C. Financial Review

During the year ended 31st December 2021, the Company registered Revenue from Operations of ₹ 29,566 million as against ₹ 29,019 million in the previous year, representing growth by 1.88%.

Net revenue from India, which constituted 86.37% of Net Revenue from Operations, increased from ₹ 22,922 million in 2020 to ₹ 25,535 million in 2021, reflecting a growth of 11.40%.

The Profit before Tax increased from ₹ 6,772 million to ₹ 12,576 million, representing a growth of 85.71% for the year ended 31st December 2021.

The Profit after Tax increased from ₹ 4,776 million to ₹ 9,444 million, representing a growth of 97.74% for the year ended 31st December 2021.

Details of changes in key financial ratios are explained in the table below:

Sr. No.	Particulars	2021	2020
1	Operating profit margin (%)	23.92	22.15
2	Net profit margin (%)	31.94	16.46
3	Debtors turnover ratio	20.69	19.61
4	Current ratio	2.85	2.67
5	Inventory turnover ratio	7.53	7.89
6	Interest coverage ratio	NA	NA
7	Debt equity ratio	NA	NA
8	Return on Net Worth (%)	42.43	22.54

The financial results for the year 2021 are not comparable with that for the year 2021 due to completion of slump sale transaction relating to the nutraceutical business and Ankleshwar plant and impact of COVID-19 pandemic.

During the previous year i.e. on 29th May 2020, the Company closed the transaction of slump sale and transfer of its Ankleshwar manufacturing facility to Zentiva Private Limited. The final consideration after working capital adjustments was fixed at ₹ 3,001 million, out of which an amount of ₹ 2,728 million was received during the year 2020 and the balance ₹ 273 million is received during the current year 2021 after full transfer of the products. During the previous year ended 31st December 2020, the Company has accounted for an impairment charge and other incidental expenses aggregating ₹ 417 million on account of the maintenance capital that was immediately impaired and information technology services costs, legal & professional services costs and government taxes, which have been disclosed as an exceptional item in the previous year.

During the year, the Board of Directors of the Company at its meeting held on 27th July 2021 approved a transaction for the slump sale and transfer of the Company's Nutraceuticals business, on a going concern basis to Universal Nutriscience Private Limited for a consideration of ₹ 5,870 million including debt like obligations, subject to customary working capital adjustments. The transaction was closed on September 30, 2021. Subsequent to the closing, the final consideration of ₹ 5,860 million (after working capital adjustments) has been received in full and during the year ended December 31, 2021, the Company has accounted for gain of ₹ 4,892 million (comprising debt like obligation taken over by the purchaser ₹ 196 million, intangible assets adjusted ₹ 827 million and transaction costs ₹ 337 million), which has been disclosed as an exceptional item.

D. Company Performance – Domestic (India Business)

Over the last 75 years, Sanofi has been at the forefront in supplying innovative and affordable medicines for patients in India. The Company offers a wide array of medicines and supplements for treatment of diabetes (both insulins, and orals), cardiology, thrombosis, epilepsy, allergies, and infections.

As per IQVIA (TSA MAT December 2021), three Sanofi brands viz. Lantus®, Allegra® and Combiflam® feature in the top 100 pharmaceutical brands in India.

Given below are the key highlights and developments in the business of the Company during the year 2021. The value and volume growth of various products mentioned in this section are as per IQVIA data (TSA MAT December 2021.)

Insulin for managing diabetes

As per the latest estimates of the International Diabetes Federation, India has over 75 lakh adults affected by diabetes. Sanofi, through its wide range of quality medicines and patient support programmes, has been committed to improving lives of people with diabetes.

The insulin portfolio of the Company continued to grow in strong double digits in 2021. Currently ranked #3 in the Indian Pharmaceuticals Market, giving stiff competition to the #2 brand, 'Lantus®'- the flagship brand of the Company touched lives of more than 7.3 lakhs patients during the year, and further strengthened its position as the leading analogue insulin.

In July 2021, we launched a unique Toustar pen along with dedicated Toujeo™ cartridges addressing the need for a re-usable delivery device. The concept of a dedicated cartridge is unique and was pioneered in India by Sanofi. This has augmented the current insulin portfolio, offering an advanced standard of care contributing to the overall growth of the Company. During the year, 2021 was also the centennial year of the discovery of insulin. Commemorating #100YearsOfInsulin, Sanofi India localised its global campaign and launched #100InsulinStories, a 4-month long Twitter campaign that engaged with the Twitterverse, covering various topics like insulin discovery, the benefits and use of insulin, inspirational patient-transformation stories, and much more, to inculcate better diabetes management. Through our customer - awareness initiative 'INTOLIFE' (www.intolife.in), we activated a series of programmes in social media to educate people about various aspects of diabetes management

The Company also participated in 'World Diabetes Day 2021' – a campaign targeted towards Access to Diabetes care.

Some of our diabetes-focus-driven campaigns were targeted at improving the capability of Healthcare Professionals. We are learning the new hybrid way of working and are actively leveraging digital mediums to stay engaged and connected with key stakeholders.

This was done in line with the International Diabetes Federation (IDF) as theme for this year, which helped bolster our presence in terms of creating awareness to patients.

Thrombosis

In the anti-coagulant space, Clexane® continued to strengthen its leadership position led via the vision of 'VTE free India'. The impactful work done towards raising awareness for the risk of Venous Thromboembolism (VTE) led to a significant uptake in VTE prophylaxis rates among hospitalised patients. The brand's effort is focussed on improving VTE management practices and protocols in hospitals, to help improve outcomes for patients.

Oral diabetics

The oral anti-diabetic drug portfolio continued to grow in volumes led by Amaryl. The newest line extension, Amaryl MV recorded market-beating growth. Dedicated efforts were undertaken towards conducting medico-marketing initiatives through differentiated e-Scientific Information Events (eSIEs) with case studies on newer and relevant topics, reaching about 20,000 healthcare professionals. The 'Safe & Smart Digital Workshop' involving leading experts continues to be the signature activity for the division.

E-certification programmes with key stakeholders on use of Glimepiride, and collaborations with reputed bodies like RSSDI and EASD (on the occasion of World Heart Day), served as key touchpoints with the medical community, which helped bolster our presence, and trigger hundreds of digital downloads and impressions.

Cardiology

The flagship brand in cardiology, Cardace® group, continues to be the leading Angiotensin Converting Enzymes (ACE) inhibitor prescribed by cardiologists, diabetologists and consulting physicians alike.

A layered multi-channel engagement campaign through remote calling, brand e-detailing, representative triggered e-mails, e-Scientific Information Event (eSIEs), and e-RTMs, and so on, led to greater brand preference for Cardace. The brand message has been focussed on going beyond blood pressure (BP) control for better cardiovascular outcomes and addressing underutilisation of ACE inhibitors in post Myocardial Infarction patients.

Antibiotics

In the resistant Gram+segment, sales of the leading anti-infective brand Targocid® is backed by real life experience of over 20 years in the country, while being committed towards superior patient safety and convenience. The brand continued to deliver strong growth in 2021 by strategically focusing upon early initiation of antibiotics to reduce mortality among hospitalised patients.

Central Nervous System (CNS)

CNS Epilepsy portfolio recorded good growth during the year, with Frisium registering a double-digit growth. Frisium® continues to be the most prescribed brand across all anti-convulsants in India. The CNS portfolio maintained its market share in epilepsy, through regular digital customer connects, market-shaping activities and academic engagements, including international speaker programmes (ISPs), digital e-Continuous Medical Education (e-CMEs), and digital round table meets (eRTMs). A world-class HCP education and certification programme was developed in collaboration with the internationally renowned Thomas Jefferson University.

Despite being the 2nd most common neurological condition and India being home to 1 out of 6 people suffering with epilepsy worldwide, epilepsy awareness in India is fairly limited. Keeping this in perspective, the Company launched a mega public awareness initiative:

DARE (Drive for Awareness & Right information on Epilepsy), coinciding with the 'National Epilepsy Awareness Month' (November 2021), and partnered with leading neurologists and the cricket legend, Jonty Rhodes to spread awareness about the ailment via digital and radio channels. The National Epilepsy Awareness Campaign with Jonty Rhodes won two prestigious awards: the Gold in the 'Best Integrated digital campaign of the year' category by the Velocity awards 2021, and the Bronze at the coveted ICMA Awards for the category 'Acted in the interest of patients and customers.'

On World Mental Health Day, Sanofi partnered with leading psychiatrists to encourage dialogue on mental health conditions, including anxiety- an ailment that recorded a staggering 166% increase during the pandemic times. We ran a social media campaign- 'Karo Dimaag Ki Baat,' to break the silence on mental health and destigmatise anxiety.

Allergy

The Company's product group with the flagship brands Allegra and Avil lead in the allergy category, with a strong 14% market share, registering strong growth in another COVID-19 affected year. The brand Allegra further strengthened its portfolio with the launch of Allegra Nasal Duo, a unique offering with significantly superior patient experience.

As the burden of allergies increased, Allegra dialled up the effort to educate patients, and assist doctors in delivering accurate information to help manage allergies. Our '#AllergyFree clinics' initiative was scaled too over 1,000 clinics with Wi-fi enabled contactless patient education content available at a single-click. Keeping with our philosophy of partnering HCPs deliver better care, Allegra played a leadership role in driving continued medical education during the COVID-19 lockdown, particularly establishing the role of fexofenadine and montelukast in managing allergies.

Pain care

The oral pain market grew by 23% in 2021 due to COVID-19-associated demand. Strategic trade inputs supported with strong distribution fuelled the growth of Combiflam in FY 2021.

Nutritional health

DePURA registered a strong double-digit growth, delivering a market-beating performance. The brand focused its communication on the plank of importance of Vitamin D sufficiency with clinical studies to support DePURA's delivery of the same via-a-vis conventional Vitamin D alternatives.

E. *Manufacturing Operations*

Post the sale of the Ankleshwar facility, the Company supplies its locally manufactured products from its facility in Goa or from third-party contract manufacturers. The Goa manufacturing site has successfully transferred-in the Company's products that were earlier manufactured at Ankleshwar.

The Goa manufacturing site has focused on the safer, healthier and environment-friendly working ways. It has robust quality systems to ensure the highest standards for all products. The manufacturing operations are heavily regulated by governmental health authorities around the world, including Regierungspräsidium Darmstadt – Germany, USFDA, Australia - TGA, WHO, Health Canada, NMRA – Sri Lanka and by many regulatory approvals as per the Indian legislations. These regulations endorse the quality and safety of the products manufactured. We incorporate various digital capabilities for data integrity through automation of manufacturing process, removal of physical leaflets and implementation of the QR Code.

An initiative to install solar power at the Goa premises to take care of the power load is being undertaken. This is in line with the Sanofi group's view to be carbon neutral in future, and to rely increasingly on renewable energy. This is in continuation of earlier initiatives in green energy, where the plant had installed and operated boilers using agro wastes as fuel.

As part of the planet mobilisation initiative, various water conservation drives, like rainwater harvesting, and reduction in water usage for equipment cleaning, have been in place since 2021. The site is also undertaking modification to be in line with the latest CGMP requirements.

The older facility of the site (built in the mid-1990s) is now being upgraded to meet the most recent norms in the pharma manufacturing and Good Manufacturing Practice (GMP). The project is spread over 2-3 years to meet the current supply requirements from the site and to reduce the number of plant shutdowns.

The site at Goa is a strategic sourcing site for the Sanofi group and is continuously assessed for newer sourcing opportunities in the area of tablet formulations.

Despite the second wave of COVID-19 and its related lockdowns, the product supplies were largely unaffected, and the Company's products were made available without any disruption. The Company undertook a vaccination drive for all the employees on the site, including contractors and ensured the highest level of customer service.

The Company continues to consolidate the network of CMOs (Contract manufacturing Organisations) for better cost efficiency and management of third-party sites. These third-party manufacturers are qualified at the same level as the owned sites of the Company, in terms of customer service, quality systems and safety. They are regularly audited and supported by a team of specialists.

For environmental sustainability, there is a constant emphasis on reducing waste and conservation of resources across manufacturing sites. The Goa site had two reportable incidents in 2021. The site has also successfully completed a compliance audit by Bureau Veritas, a safety audit from a government-approved third-party, and the Sanofi Global HSE audit. The plant strictly adheres to global safety and environmental norms and holds ISO 14001 and BS OHSAS 18001 certifications.

F. *Medical Affairs*

The Company took important steps in continued scientific interactions and activities through physical and digital engagements in addition to test launching a website for physicians (Sanofi Campus). The team has adapted to digital modes of education and worked on new formats like podcasts and online medical newsletters. Indian clinical data on Diabetes management, from the study LANDMARC to support timely insulinisation. New launches like the Toujeo TouStar pen launch and Allegra Nasal Duo were supported with international speakers, partnerships with medical associations, scientific publications and presentations at International congresses. To meet the requirements arising from the pandemic the Medical affairs team also published a paper on "Preparing for the Next Normal: Transformation in the Role of Medical Affairs following the COVID-19 Pandemic" in the Pharmaceutical medicine journal.

G. *Environment, Health and Safety, and Corporate Social Responsibility*

The Company has a detailed Health, Safety and Environment policy that is applicable to the Company's employees' and external partners. The management proactively runs programmes to build awareness and adoption of practices in this area. The Company has a dedicated programme called 'Planet Mobilisation,' which focuses on key environmental risks, and provides a suitable framework to manage risks and opportunities. During the pandemic several programmes were implemented to ensure the safety, health and wellbeing of all employees. A national vaccination drive was conducted to ensure that all employees and their families were able to avail of the free vaccination facility provided by the Company through tie ups with various hospitals across the country. In addition, the Company has a 24x7 helpline available for all employees and their families, which provides advice and prompt attention in case of any medical emergency.

The Company also has a well-defined framework to guide its Corporate Social Responsibility (CSR) programmes. It is committed to working in collaboration with relevant stakeholders to increase access to healthcare and quality medicines, designed to improve people's health within an economically sustainable framework that supports innovation. The details of the Company's CSR programme have been discussed in the CSR Report annexed to the Directors' Report.

H. *Human Resources*

The Company had 2,505 employees as on 31st December 2021.

The overall industrial relations atmosphere continued to be cordial.

We are committed to an inclusive workplace that brings out the best in all of us. We respect all employees for their unique expertise, and we welcome the ideas they bring from their individual experiences, education and training. We continually strive to make our operations more efficient, while creating a respectful work environment for each member of our team.

2021 was a year that saw a strong increase in employee coverage through various learning interventions and also enabled us to support learning requirements (both, skill-based and culture-specific) aligned to our company strategy.

I. *Internal Control Systems and their Adequacy*

The internal control systems of the Company which are configured in the ERP (SAP) are adequate and commensurate with the size of operations and are well fortified with a combination of standard operating procedures, delegation of authority for approval and segregation of duties in critical activities. These controls are regularly reviewed by the Internal Audit department, the recommendations of which are presented to the Audit committee and are followed up regularly with respect to implementation for necessary remediation.

In addition, quarterly testing of key mandatory controls is undertaken which includes the financial control framework (FCF).

These controls ensure that transactions are authorised, recorded and reported on time. They ensure that assets are safe guarded and protected against loss or unauthorised disposal. It is important to highlight that the Internal Audit department adapted to the challenging times of Covid to continue with remote/virtual auditing to provide assurance to management that all key controls were operating in line with the Company's guidelines. Furthermore, no mandatory controls/processes were diluted during COVID period

Along with a strong focus on internal controls, efforts have been directed towards automation of monitoring controls in the business using robotic process automation (RPA). By automating repetitive and manual tasks, employee time and attention can now be redirected towards achieving strategic goals of the Company, thereby improving productivity substantially. The Audit Committee of the Board of Directors reviews quarterly the audit findings identified by the Internal Audit department and the audit programme which encompasses all risks including operational, financial, strategic and technological.

The Internal Auditor presents the Internal Audit and Remediation Status report on a quarterly basis to the Audit Committee and satisfactorily addresses the queries/clarifications sought by the Committee.

As a way of reinforcing its compliance culture, your Company has identified colleagues as "Compliance Champions" who act as ambassadors for the compliance team to spread messages to different parts of the Company, through peer-to-peer interactions, using a common language.

J. *Opportunities and Risks*

The Company believes that the Indian pharmaceutical market would continue to grow due to factors such as improved healthcare access, awareness and diagnosis around non-communicable diseases, and government interventions to expand healthcare infrastructure. Digital health will emerge as a key enabler of demand and delivery. There is a large opportunity to have more efficient supply chain operations, after the implementation of GST. The Company is working on harnessing efficiencies in this area. The business of the Company is also exposed to few risks. Some of the key risks are listed below:

- In past few years, the Government of India has made frequent changes in regulations covering drug pricing, trade margins and other laws which impact the Industry. Any adverse changes in government policies with respect to pricing or trade margins with respect to the Company's products may impact the performance of the Company.
- The Company is present in therapy areas such as Diabetes, Cardiology, Thrombosis, Anti-infectives, Central Nervous System and Allergy and Vitamins, Minerals & Supplements. The Company depends on the research and development conducted by Sanofi group for new product commercialisation. The future research and product pipeline strategy of the Sanofi group may not always be in these therapy areas. This may impact growth of the Company in the long-term.
- The prices of Active Pharmaceutical Ingredients and intermediates fluctuate based on the market demand and supply conditions. The Company may not be in a position to pass on any sharp increases in the prices of raw material to consumers, resulting in margin contraction.
- The Company is also exposed to risks like falling interest rates, cyber security failures, adverse social media, counterfeit drugs, adverse orders passed by courts in pricing, tax and other litigations, etc.

K. *Outlook*

In the Indian market, Company's growth is likely to be in line with market growth in the therapy areas where it participates. In coming few years, the Company is expected to continue its focus on growing its prioritised brands in Indian markets. The Company is committed towards pro-actively responding to various compelling changes observed during the pandemic era, which include e-patient consultancy, partnerships with e-pharmacies, e-doctor meets, and hybrid models of engagement with physicians. The Company would continue to invest in upskilling employees in these emerging areas. Due to general inflation and fluctuation in the prices of Active Pharmaceutical Ingredients and other materials, the profitability of the Company may be impacted. However, the Company constantly looks at margin improvement and risk mitigation initiatives through specific projects and global support from the Sanofi group.

L. *Cautionary Note*

Certain statements in the above Report may be forward-looking and are stated as required by the legislations in force. The actual results may be affected by many factors that may be different from what is envisaged in terms of future performance and the outlook presented above.

Independent Auditor's Report

To the Members of Sanofi India Limited

Report on the audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Sanofi India Limited ("the Company"), which comprise the Balance Sheet as at 31st December 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st December 2021, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

4. Key audit matter is that matter, which, in our professional judgement, was of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Key audit matter	How our audit addressed the key audit matter
Appropriateness of provisions recognised and disclosures made in respect of certain regulatory and tax matters Refer Notes 23, 39(a), 43 and 45 to the financial statements. Being in the pharmaceutical industry, the Company is highly regulated by various authorities like the National Pharmaceutical Pricing Authority and other regulators, and it has outstanding regulatory cases under the Drug (Prices Control) Order, 1979 (DPCO 1979) and Drug Prices Control Order, 2013 (DPCO 2013) relating to prices charged for some of its formulations. The Company has received the following demands in the earlier years: (a) DPCO 1979 – Demand of ₹ 861 million, against which provision of ₹ 205 million was recognised. (b) DPCO 2013 – Matter remanded back to National Pharmaceutical Pricing Authority (NPPA) by the Hon'ble Delhi High Court, however, provision recognised in earlier years has been retained of ₹ 162 million. In respect of the above matters, based on the assessment done by the Management, in consultation with its legal advisors, the likelihood of any additional outflow is considered as remote. In addition to the above, there are several cases under direct and indirect tax laws which are pending for decision at various authority levels, in respect of which the Company has disclosed contingent liabilities of ₹ 2,781 million.	**Our audit procedures included the following:** – Understanding and evaluation of the design and testing the operating effectiveness of controls in respect of assessment of tax and regulatory exposures, their accounting and disclosures in the financial statements; – Obtaining a complete list of litigation matters and reviewing the underlying orders and other communication received from regulatory authorities and management's responses thereto to assess status of the litigations; – Evaluating the independence, objectivity and competence of management experts involved; – Reviewing opinion of management's legal adviser and consultants' advice as applicable; – Evaluating the management's assessment on the probability of outcome and the magnitude of potential outflow of economic resources in respect of (a) regulatory matters and; (b) tax matters including involvement of our tax experts for assessing complex tax matters, based on recent rulings and latest developments in case laws;

Key audit matter	How our audit addressed the key audit matter
The management's assessment with regard to the tax matters is supported by advice from independent consultants. We considered this as a key audit matter, as evaluation of these matters requires significant management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outflow of economic resources for recognising provisions and making related disclosures in the financial statements. The application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, is inherently subjective, and needs careful evaluation and judgement to be applied by the management.	– Evaluating the Company's disclosures for accuracy and adequacy regarding the significant litigations of the Company. Based on the audit procedures performed, we did not identify any significant exceptions relating to the provisions recognised and disclosures made in the financial statements in respect of regulatory and tax matters.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

   – Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   – Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

   – Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   – Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

   – Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st December 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st December 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23, 39, 43 and 45 to the financial statements;

ii. The Company has long-term contracts as at 31st December 2021 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at 31st December 2021;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st December 2021;

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended 31st December 2021.

15. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co. Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Asha Ramanathan
Partner

Place: Pune
Date: 23rd February 2022

Membership Number: 202660
UDIN: 22202660ADKCBR4145

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of Sanofi India Limited on the financial statements as of and for the year ended 31st December 2021

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Sanofi India Limited ("the Company") as of 31st December 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being

made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st December 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse & Co. Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Asha Ramanathan
Partner
Membership Number: 202660
UDIN: 22202660ADKCBR4145

Place: Pune
Date: 23rd February 2022

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Sanofi India Limited on the financial statements as of and for the year ended 31st December 2021

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.

(b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 5(a) on Property, Plant and Equipment and Note 18 on Assets classified as held for sale to the financial statements, are held in the name of the Company.

ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has granted secured loans, to two companies covered in the register maintained under Section 189 of the Act. There are no firms or Limited Liability Partnerships covered in the register maintained under Section 189 of the Act.

(a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(b) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans provided by it. The Company has not granted any loans to parties covered under Section 185 of the Companies Act, 2013. The Company has not made any investments or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, professional tax, employees' state insurance, income tax, duty of customs, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 39(b) to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no duty of customs, value added tax, service-tax, goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income-tax, sales tax and duty of excise as at 31st December 2021 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in million)^	Period to which the amount relates	Forum where the dispute is pending
The Income-tax Act, 1961	Income-tax including tax deducted at source and interest as applicable	51	Assessment Year 2011–2012	Income Tax Appellate Tribunal
		1,029	Assessment Years 2008–2009, 2011–2012 to 2019–2020	Up to Commissioner's level
The Central Sales Tax Act, 1956 and Local Sales Tax Acts	Sales tax	2	1999-2000	Sales Tax Appellate Tribunal
		4	1998–1999, 2008–2009 and 2012–2013 to 2013–2014	Up to Commissioner's level
The Central Excise Act, 1944	Export Obligation	4	2012–2014	Additional Director General of Foreign Trade
	Disallowance of MODVAT	39	2007–2008 to 2011–2012	Appellate Tribunal
	Excise Duty including interest and penalty, as applicable	23	1993–1997, 2005–2007, 2015–2016	Assistant Commissioner and Commissioner of Central Excise, Service Tax and Customs
Medicinal and Toilet Preparation (Levy of Excise Duty) Act, 1955	Dispute whether Central or State Excise Duty	23	January 1990 to August 1997	Central Board of Excise and Customs
		13	1996–1997 to 1998–1999	Commissioner of State Excise Duty, Maharashtra

^ Net of amounts paid under protest.

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 15 of Independent Auditor's Report.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him within the meaning of Section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co. Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Asha Ramanathan
Partner
Membership Number: 202660
UDIN: 22202660ADKCBR4145

Place: Pune
Date: 23rd February 2022

Balance Sheet

as at 31st December 2021

(₹ in million)

Particulars	Notes	As at 31st December 2021	As at 31st December 2020
ASSETS			
Non-current assets			
Property, plant and equipment	5 (a)	2,724	2,973
Capital work-in-progress	5 (b)	89	63
Right-of-use assets	5 (c)	604	593
Goodwill	6 (a)	-	731
Other intangible assets	6 (a)	13	344
Intangible assets under development	6 (b)	39	37
Financial assets			
i. Loans	7	4,574	4,579
ii. Other financial assets	8	32	32
Current tax assets (net)	9 (a)	1,111	1,456
Other non-current assets	10	45	44
Total non-current assets		**9,231**	**10,852**
Current assets			
Inventories	11	3,924	3,680
Financial assets			
i. Trade receivables	12	1,429	1,480
ii. Cash and cash equivalents	13	15,380	11,974
iii. Bank balances other than (ii) above	14	123	112
iv. Loans	15	45	57
v. Other financial assets	16	-	281
Other current assets	17	439	708
		21,340	**18,292**
Assets classified as held for sale	18	39	41
Total current assets		**21,379**	**18,333**
Total assets		**30,610**	**29,185**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19 (a)	230	230
Other equity			
Reserves and surplus	19 (b)	22,026	20,960
Total equity		**22,256**	**21,190**

Balance Sheet
as at 31st December 2021

(₹ in million)

Particulars	Notes	As at 31st December 2021	As at 31st December 2020
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Lease liabilities	5 (c)	176	179
Employee benefit obligations	20	619	646
Deferred tax liabilities (net)	35 (d)	63	302
Total non-current liabilities		**858**	**1,127**
Current liabilities			
Financial liabilities			
i. Lease liabilities	5 (c)	70	47
ii. Trade payables			
(a) Outstanding dues of micro enterprises and small enterprises	21	285	134
(b) Outstanding dues of creditors other than micro enterprises and small enterprises	21	3,482	3,049
iii. Other financial liabilities	22	82	100
Provisions	23	1,300	1,485
Employee benefit obligations	24	1,064	992
Current tax liabilities (net)	9 (b)	1,067	901
Other current liabilities	25	137	149
		7,487	**6,857**
Liabilities directly associated with assets classified as held for sale	26	9	11
Total current liabilities		**7,496**	**6,868**
Total liabilities		**8,354**	**7,995**
Total equity and liabilities		**30,610**	**29,185**

The above balance sheet should be read in conjunction with the accompanying notes.
This is the balance sheet referred to in our report of even date

For Price Waterhouse & Co. Chartered Accountants LLP
Firm Registration No.: 304026E/E-300009

Asha Ramanathan
Partner
Membership No.: 202660
Place: Pune
Date: 23rd February 2022

For and on behalf of the Board of Directors

Rajaram Narayanan
Managing Director
DIN: 02977405
Place: Mumbai
Date: 23rd February 2022

Usha Thorat
Director
DIN: 00542778
Place: Kolhapur
Date: 23rd February 2022

Vaibhav Karandikar
Whole Time Director & CFO
DIN: 09049375
Place: Mumbai
Date: 23rd February 2022

Radhika Shah
Company Secretary
Membership No.: A19308
Place: Mumbai
Date: 23rd February 2022

Statement of Profit and Loss
for the year ended 31st December 2021

(₹ in million)

Particulars	Notes	Year ended 31st December 2021	Year ended 31st December 2020
Income			
Revenue from operations	27	29,566	29,019
Other income	28	744	898
Total income		**30,310**	**29,917**
Expenses			
Cost of materials consumed	29	5,551	5,914
Purchases of stock-in-trade		7,086	6,047
Changes in Inventories of finished goods, work-in-progress and stock-in-trade	30	431	575
Employee benefits expense	31	4,339	4,608
Finance costs	32	18	18
Depreciation and amortisation expense	33	667	822
Other expenses	34 (a)	4,534	4,744
Total expenses		**22,626**	**22,728**
Profit before exceptional item and tax		**7,684**	**7,189**
Exceptional item	48	4,892	(417)
Profit before tax		**12,576**	**6,772**
Tax expense			
- Current tax	35 (a)	3,360	2,110
- Deferred tax	35 (a)	(228)	(114)
Total tax expense		**3,132**	**1,996**
Profit after tax		**9,444**	**4,776**
Other comprehensive income			
Items that will not be reclassified to the statement of profit and loss			
Remeasurements of post-employment benefit obligations	42 (v)	(44)	(118)
Tax impact relating to above	35 (b)	11	30
Other comprehensive income, net of tax		**(33)**	**(88)**
Total comprehensive income		**9,411**	**4,688**
Earnings per Share – Basic and Diluted (Refer Note 38)		410.06	207.38
[per Equity Share of ₹ 10 each]			

The above statement of profit and loss should be read in conjunction with the accompanying notes.
This is the statement of profit and loss referred to in our report of even date

For Price Waterhouse & Co. Chartered Accountants LLP
Firm Registration No.: 304026E/E-300009

Asha Ramanathan
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Place: Pune
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Place: Mumbai
Date: 23rd February 2022

Radhika Shah
Company Secretary
Membership No.: A19308
Place: Mumbai
Date: 23rd February 2022

Statement of Cash Flows
for the year ended 31st December 2021

(₹ in million)

Particulars	Year ended 31st December 2021	Year ended 31st December 2020
Cash flow from Operating activities		
Profit before tax	**12,576**	**6,772**
Adjustment for:		
Depreciation and amortisation	667	822
Unrealised exchange Loss (net)	7	15
(Gain) on sale of asset held for sale, (Gain)/Loss on Write-off of property, plant and equipment/Intangible assets (net)	(66)	28
(Gain) from transfer of Nutraceuticals business (net of incidental expenses) (Refer Note 48 (b))	(4,892)	-
Loss/Impairment charge and other incidental expenses on sale of Ankaleshwar Manfacturing unit (Refer Note 48 (a))	-	417
Finance costs	18	18
Interest income	(631)	(780)
Share based payment	61	117
Provision for bad and doubtful debts (net)	18	4
Provision for doubtful advances and deposits (net)	(2)	9
Operating profit before working capital changes	**7,756**	**7,422**
Adjustments for (increase)/decrease in operating assets		
Non-current financial assets	1	8
Other non-current assets	1	(4)
Inventories	(336)	(222)
Trade receivables	12	52
Current financial assets	9	(66)
Other current assets	265	722
Adjustments for increase/(decrease) in operating liabilities		
Employee benefit obligations	98	71
Trade payables	671	(18)
Current financial liabilities	26	(21)
Other current liabilities & provisions	(66)	100
Cash generated from operations	**8,437**	**8,044**
Taxes paid (net of refunds)	(2,849)	(1,933)
Net Cash flow from Operating activities (A)	**5,588**	**6,111**
Cash flow from Investing activities		
Sale proceeds of assets held for sale and property, plant and equipment	105	4
Sale proceeds of Ankleshwar manufacturing unit (net of incidental expenses) (Refer Note 48 (a))	273	2,394
Sale proceeds of Nutraceuticals business (net of incidental expenses) (Refer Note 48 (b))	5,529	-
Interest received	631	780
Loan given	(50)	(400)
Loan repaid	50	400
Purchase of property, plant and equipment and Intangible assets	(230)	(414)
Net cash flow from investing activities (B)	**6,308**	**2,764**

Statement of Cash Flows
for the year ended 31st December 2021

(₹ in million)

Particulars	Year ended 31st December 2021	Year ended 31st December 2020
Cash flow from Financing activities		
Principal elements of lease payments	(66)	(46)
Interest paid	(18)	(16)
Dividend paid	(8,406)	(8,038)
Net cash (used in) Financing activities (C)	**(8,490)**	**(8,100)**
Net increase in cash and cash equivalents (A+B+C)	**3,406**	**775**
Effect of Exchange differences on cash and cash equivalents held in foreign currency	*	-
Cash and Cash Equivalents at the beginning of the year	11,974	11,199
Cash and Cash Equivalents at the end of the year	15,380	11,974
Non-cash financing and investing activities (D)		
Acquisition of Right-of-use assets	94	10
Components of Cash and Cash Equivalents		
Cash and Cash Equivalents (as per Note 13)	**15,380**	**11,974**

* denotes figure less than a million.

Notes:

1. Previous year comparative figures have been regrouped wherever necessary.
2. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7 Statement of Cash Flows.

The above statement of cash flows should be read in conjunction with the accompanying notes.
This is the statement of cash flows referred to in our report of even date

For Price Waterhouse & Co. Chartered Accountants LLP
Firm Registration No.: 304026E/E-300009

Asha Ramanathan
Partner
Membership No.: 202660
Place: Pune
Date: 23rd February 2022

For and on behalf of the Board of Directors

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Managing Director
DIN: 02977405
Place: Mumbai
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Director
DIN: 00542778
Place: Kolhapur
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Whole Time Director & CFO
DIN: 09049375
Place: Mumbai
Date: 23rd February 2022

Radhika Shah
Company Secretary
Membership No.: A19308
Place: Mumbai
Date: 23rd February 2022

Statement of changes in equity

for the year ended 31st December 2021

A. Equity share capital [Refer Note 19 (a)]

(₹ in million)

Particulars	Amount
As at 31st December 2020	**230**
Changes in equity share capital	-
As at 31st December 2021	**230**

B. Other equity [Refer Note 19 (b)]

(₹ in million)

Particulars	Attributable to owners of the Company				
	Reserves and surplus				
	Share options outstanding account	Securities premium	Retained earnings	General reserve	Total
As at 1st January 2020	**423**	**20**	**20,296**	**3,454**	**24,193**
Profit for the year	-	-	4,776	-	4,776
Other comprehensive income	-	-	(88)	-	(88)
Total comprehensive income for the year	**-**	**-**	**4,688**	**-**	**4,688**
Transactions with owners in their capacity as owners:					
Dividend paid	-	-	(8,038)	-	(8,038)
Employee stock options expense (Refer Note 41)	117	-	-	-	117
As at 31st December 2020	**540**	**20**	**16,946**	**3,454**	**20,960**
Profit for the year	-	-	9,444	-	9,444
Other comprehensive income	-	-	(33)	-	(33)
Total comprehensive income for the year	**-**	**-**	**9,411**	**-**	**9,411**
Transactions with owners in their capacity as owners:					
Dividend paid	-	-	(8,406)	-	(8,406)
Employee stock options expense (Refer Note 41)	61	-	-	-	61
As at 31st December 2021	**601**	**20**	**17,951**	**3,454**	**22,026**

The above statement of changes in equity should be read in conjunction with the accompanying notes.
This is the statement of changes in equity referred to in our report of even date

For Price Waterhouse & Co. Chartered Accountants LLP
Firm Registration No.: 304026E/E-300009

For and on behalf of the Board of Directors

Asha Ramanathan
Partner
Membership No.: 202660
Place: Pune
Date: 23rd February 2022

Rajaram Narayanan
Managing Director
DIN: 02977405
Place: Mumbai
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DIN: 09049375
Place: Mumbai
Date: 23rd February 2022

Radhika Shah
Company Secretary
Membership No.: A19308
Place: Mumbai
Date: 23rd February 2022

Notes forming part of financial statements

as at and for the year ended 31st December 2021

1. Corporate Information

Sanofi India Limited ('the Company') is public limited company listed on Bombay Stock Exchange and National Stock Exchange, incorporated and domiciled in India and has its registered office at Sanofi House, CTS No. 117-B, L&T Business Park, Saki Vihar Road, Powai, Mumbai – 400 072, India. It is primarily engaged in the business of manufacturing and trading of drugs and pharmaceuticals. The Company has its own manufacturing facility at Goa. The Company has various independent contract / third party manufacturers based across the country. The Company sells its products through independent distributors primarily in India.

These financial statements were authorised for issue by the Board of Directors on 23rd February 2022.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation

The financial statements are prepared on the accrual basis of accounting and in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as prescribed under Section 133 of the Companies Act, 2013 (the Act) (as amended) and other relevant provisions of the Act.

2.2 Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities are measured at fair value;
- assets held for sale – measured at fair value less cost to sell;
- share based payments; and
- defined benefit plans - plan assets measured at fair value

The accounting policies adopted are consistent with those of the previous financial years and corresponding reporting year.

The financial statements are presented in ₹ million and all values are rounded to the nearest million (₹ 000,000), except when otherwise indicated.

2.2 (a) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1st January 2021:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- Definition of a Business – amendments to Ind AS 103
- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.3 Summary of significant accounting policies

i. Current and non-current classification

The assets and liabilities reported in the balance sheet are classified on a "current / non-current basis".

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading:
- Expected to be realised within twelve months after the reporting date, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or

Notes forming part of financial statements
as at and for the year ended 31st December 2021

Notes forming part of financial statements
as at and for the year ended 31st December 2021

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

ii. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming the market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account, market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Where required/ appropriate, external valuers are involved.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) prices in active market for identical assets or liabilities.
- Level 2 (if level 1 feed is not available/ appropriate) — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 (if level 1 and 2 feed is not available/appropriate) — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amount approximates fair value due to the short maturity of these instruments.

The Company recognises transfers between levels of fair value hierarchy at the end of reporting period during which the change has occurred.

iii. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and makes strategic decisions. Refer Note 36 for segment information presented.

iv. Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian ₹ (INR), which is Sanofi India Limited's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

Non-monetary items that are measured at historical cost in foreign currency are not retranslated.

All non-monetary items denominated in foreign currency are carried at historical cost or other similar valuation and are reported using the exchange rate that existed when the values were determined.

v. Revenue recognition

According to Ind AS 115, revenue is measured at the amount of consideration the Company expects to receive in exchange for the goods or services when control of the goods or services and the benefits obtainable from them are transferred to the customer. Revenue is recognised using the following five step model specified in Ind AS 115:

Step 1: Identify contracts with customers

Step 2: Identify performance obligations contained in the contracts

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations

Step 5: Recognize revenue when the performance obligation is satisfied.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of goods

The Company derives revenue principally from sales of pharma products. Revenue from sale of products is recognised when the Company satisfies a performance obligation in accordance with the provisions of contract with customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolesce and loss pass to the customer and the Company has present right to payment. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates, and goods and service tax.

Provision is made for the non-saleable return of goods from the customers estimated on the basis of historical data of sales return trends. Such provision for non-saleable sales returns is reduced from sale of products for the year.

Sale of services

Revenue is recognised from rendering of services when the performance obligation is satisfied, and the services are rendered in accordance with the terms of customer contracts. Revenue is measured based on the transaction price, which is the consideration, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

vi. Export Incentives

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and there is no uncertainty in receiving the same.

vii. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Current income tax

The current income tax charge is calculated based on the Indian Tax Laws enacted or substantively enacted at the end of the reporting period. The provision for current tax is made at the rate of tax as applicable for the income of the previous year as defined under the Income tax Act, 1961.

Notes forming part of financial statements
as at and for the year ended 31st December 2021

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and current tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax
Deferred tax is recognised using the liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purpose at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forward and unused tax credits could be utilise.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilise. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

viii. Leases
Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable
- Variable lease payments
- Amount expected to be payable by the lessee under residual value guarantee.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct cost and restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

ix. Impairment of non-financial assets
At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets except inventories to ascertain whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Notes forming part of financial statements
as at and for the year ended 31st December 2021

Intangible assets excluding goodwill with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount of the asset does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

x. Cash and cash equivalents
For the purpose of presentation in the Statement of Cash Flows, Cash and Cash Equivalents includes balance with banks and demand deposits with banks with original maturities of three months or less and other short-term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

xi. Inventories
Inventories consist of raw materials, packing materials, work-in-progress, stock-in-trade and finished goods. Inventories are valued at lower of cost and net realisable value (NRV). Cost is determined on weighted average basis.

Cost of raw materials and packing materials includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition.

Cost of work-in-progress and finished goods includes direct materials, labour and proportion of manufacturing overheads based on the normal operating capacity, wherever applicable. Cost of finished goods includes other costs incurred in bringing the inventories to their present location and condition.

Cost of stock-in-trade includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

xii. Financial instruments
A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets:
Classification
The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- those measured at amortised cost.

Notes forming part of financial statements

as at and for the year ended 31st December 2021

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Initial recognition and measurement
Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through Profit and Loss are expensed in the Statement of Profit and Loss.

Subsequent measurement
After initial recognition, financial assets are measured at:

- fair value (either through other comprehensive income or through Profit and Loss), or
- amortised cost.

Debt instruments
Debt instruments are subsequently measured at amortised cost, fair value through other comprehensive income ('FVTOCI') or fair value through Profit and Loss ('FVTPL') till de-recognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

There are three measurement categories into which the Company classifies its debt instruments.

(a) Amortised cost:
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

(b) Fair value through other comprehensive income (FVTOCI):
Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

(c) Fair value through profit or loss (FVTPL):
Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is recognised in the Statement of Profit and Loss.

Equity instruments
All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Notes forming part of financial statements

as at and for the year ended 31st December 2021

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Impairment of financial assets
The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, and bank balance;
- trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Derecognition of financial assets
A financial asset is derecognised only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows from the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Income recognition:
Interest income
Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

Financial liabilities:
Initial recognition and measurement
Financial liabilities are initially measured at its fair value plus or minus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue/origination of the financial liability.

Subsequent measurement
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

Derecognition
A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Derivative financial instruments
The Company uses derivative financial instruments, such as foreign exchange forward contracts to manage its exposure to interest rate and foreign exchange risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

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Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company enters into derivative contracts to hedge risks which are not designated in any hedging relationship i.e. hedge accounting is not followed. Such contracts are accounted for at FVTPL.

Offsetting financial instruments

Financial assets and liabilities are off-set and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

xiii. Property, Plant and Equipment (PPE)

Items of Property, plant and equipment acquired or constructed are initially recognised at historical cost net of recoverable taxes, duties, trade discounts and rebates, less accumulated depreciation, and impairment loss, if any. The historical cost of Property, plant and equipment comprises of its purchase price, borrowing costs and adjustment arising for exchange rate variations attributable to the assets, including any cost directly attributable to bringing the assets to their working condition for their intended use.

Capital Work-in-Progress represents Property, plant and equipment that are not ready for their intended use as at the reporting date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The Company identifies and determines cost of each component/part of the plant and equipment separately, if the component/part has a cost which is significant to the total cost of the plant and equipment and has useful lives that is materially different from that of the remaining plant and equipment.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred.

Gains and losses arising from derecognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Depreciation methods, estimated useful lives and residual values

Depreciation is provided, pro-rata for the period in use, on the straight-line method based on the respective estimate of useful lives given below. Estimated useful lives of assets are determined based on technical parameters/assessments.

The management believes that useful lives currently used, which is prescribed under Part C of Schedule II to the Companies Act, 2013, fairly reflects its estimate of the useful lives and residual values of PPE, though these lives in certain cases are different from lives prescribed under Schedule II.

Asset Category	Useful Lives (in Years)
Buildings	30
Plant and Machinery*	10
Furniture and Fixtures	10
Office equipment	10/5
Computers*	3
Laptops	3
Motor vehicles	8
Leasehold improvements	Amortised over the lease period

*In respect of these assets, management estimates different useful life than prescribed under part C of Schedule II based on internal assessment and independent technical evaluation.

Estimated useful lives, residual values and depreciation methods are reviewed annually, considering into account of commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

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Advances paid towards the acquisition of PPE outstanding at each Balance Sheet date is classified as capital advances under 'Other non-current assets' and cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

xiv. Intangible assets

Intangible assets are stated at cost of acquisition less accumulated amortisation/impairment losses.

Goodwill

For measurement of goodwill arising on a business combination, subsequent measurement is at costs less any accumulated impairment losses.

Goodwill is not amortised and is tested for impairment annually.

Acquired intangible assets

Separately acquired intangible assets are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses, if any.

The Company amortises intangible assets with a finite useful life using the straight-line method over the estimated useful lives. The estimated useful lives of assets are as follows:

Asset Category	Useful Lives (in Years)
Brand	10
Software	3
Technical know- how	5

In respect of the above assets, management's estimate is based on internal assessment and independent technical evaluations.

The amortisation period and the amortisation method for intangible assets are reviewed at the end of each reporting period. The amortisation expense on intangible assets is recognised in the Statement of Profit and Loss.

Losses arising from retirement and gains or losses arising from disposal of Intangible assets are determined by comparing sale proceeds with carrying amount and are disclosed in the Statement of Profit and Loss.

Research and development expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised.

Development expenditure on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

The amount capitalised comprise of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised on a straight-line basis over the period of expected future benefit from the related project, i.e., the estimated useful life. Amortisation is recognised in the Statement of Profit and Loss. During the period of development, the asset is tested for impairment annually.

xv. Provisions and contingent liabilities

Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

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If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies
Contingent liabilities are disclosed in the Notes to the financial statements. Contingent liabilities are disclosed for

- when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or
- a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation, or a reliable estimate of the amount cannot be made.

xvi. Employee benefits

I. Short-term benefits
All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, short-term compensated absences and the expected cost of ex-gratia is recognised in the period in which the employee renders the related service.

II. Other long-term employee benefits
The Company has for all employees' other long-term benefits in the form of Long Service Award and Compensated Absences as per the policy of the Company. Liabilities for such benefits are provided on the basis of actuarial valuation, as at the reporting date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the Projected Unit Credit method.

III. Post-employment benefit obligations
The Company operates the following post-employment schemes:

a) defined contribution plans such as superannuation fund and provident fund for Ankleshwar (upto 29th May 2020) and Nepal, and

b) defined benefit plans such as gratuity, pension plan and provident fund (other than Ankleshwar and Nepal).

Defined contribution plans
The Company has defined contribution plans for post-employment benefits in the form of Superannuation Fund which is recognised by the Income-tax authorities and administered through trustees and/or Life Insurance Corporation of India (LIC). Further, the Company also has a defined contribution plan in the form of a provident fund scheme for its staff and workmen at Ankleshwar and Nepal and pension scheme under the Employee's Pension Scheme 1995 for its all employees, which are administered by the Provident Fund Commissioner.

All the above-mentioned schemes are classified as defined contribution plans as the Company has no further obligation beyond making the contributions. The Company's contributions to defined contribution plans are charged to the Statement of Profit and Loss, when an employee renders the related service.

Defined benefit plans
The Company has defined benefit plans for post-employment benefits in the form of Provident Fund (treated as a defined benefit plan on account of guaranteed interest benefit), Gratuity and Pension Plan (treated as a defined benefit plan on account of guaranteed pension).

The Company has for all employees other than Ankleshwar and Nepal, defined benefit plans for post-employment benefits in the form of Provident

Notes forming part of financial statements
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Fund which is administered through trustees (treated as a defined benefit plan on account of guaranteed interest benefit). Further, the Company has defined benefit plan for post-retirement benefit in the form of Gratuity which is administered through trustees and LIC for all its employees and pension plan for certain employees.

Provident Fund and Gratuity fund are recognised by the Income-tax authorities and administered through trustees and/ or LIC. Liability for Defined Benefit Plans is provided on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary.

The defined benefit obligation is calculated annually by independent actuaries using the Projected Unit Credit Method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bond that have terms to maturity approximating to the terms of the related gratuity, pension plan and provident fund liabilities.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the Balance Sheet.

xvii. Share based payments

Sanofi S.A. France, ultimate holding company being the Ultimate Holding Company has given restricted stock option plan to certain employees of the Company.

Pursuant to Ind AS 102 'Share-based Payment', the Company recognises an expense based on the fair value of the stock options as at grant date. The expenses are amortised over the vesting period which is conditional on the provision of services by the plan participant during the vesting period. The corresponding credit is given to equity because the award represents in substance equity contribution by the Parent Company. The cumulative expense recognised for stock options at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

xviii. Exceptional Items

When items of income or expense are of such nature, size and incidence that their disclosure is necessary to explain the performance of the Company for the year, the Company makes a disclosure of the nature and amount of such items separately under the head "exceptional items."

xix. Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

xx. Dividends distribution to equity holders

Provision is made for amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

xxi. Earnings per Share

Basic earnings per share is calculated by dividing the net profit after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

xxii. Cash flow statement

Cash flows are reported using the Indirect Method, as set out in Ind AS 7 'Statement of Cash Flow', whereby profit for the year is adjusted for the effects of transaction of non-cash nature, any deferrals or accruals of past or future operating cash receipts or

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payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

xxiii. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell. Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

3. *Recent Accounting Pronouncements*

i) On 24th March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable to Sanofi India Limited from 1st January 2022. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet –

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.

Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, certain specified ratios etc.

Statement of profit and loss –

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

ii) The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2021 (the 'Rules') on 18th June 2021. The amendments are applicable for Sanofi India Limited from 1st January 2022. Key amendments are:

- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

4. *Significant Judgements and Estimates*

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amount of assets, liabilities, revenue, expenses, and the accompanying disclosures and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when financial statements

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were prepared. These estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation at the reporting date, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The areas involving critical estimates and judgements are:

- Useful lives of Property, plant and equipment and intangibles [Refer Note 2.3 (xiii) and (xiv)]
- Measurement of defined benefit obligations (Refer Note 42)
- Provision for inventories (Refer Note 11)
- Measurement and likelihood of occurrence of provisions and contingencies (Refer Notes 23, 39 ,43 and 45)
- Impairment of trade receivables (Refer Note 12)
- Impact Assessment due to COVID-19 Pandemic (Refer Note 53)

Notes forming part of financial statements
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5. (a)- Property, plant and equipment

(₹ in million)

Particulars	Leasehold Land	Buildings	Leasehold Improvements	Plant and Equipments	Furniture and Fixtures	Office Equipments	Computers	Motor Vehicles	Total
Year ended 31st December 2020									
Gross Carrying Amount									
As at 31st December 2019	**382**	**2,286**	**27**	**1,486**	**287**	**67**	**339**	**19**	**4,893**
Reclassified to Right-of-use assets adjustments on account of adoption of Ind AS 116 [(Refer Note 5 (c)]	(382)	-	-	-	-	-	-	-	(382)
Restated as at 1st January 2020	**-**	**2,286**	**27**	**1,486**	**287**	**67**	**339**	**19**	**4,511**
Additions	-	-	-	172	4	7	28	-	211
Disposals	-	(*)	-	(79)	(2)	(2)	(3)	(1)	(87)
Assets classified as held for sale (Refer Notes 18)	-	(2)	-	(*)	(*)	(*)	-	-	(2)
Closing Gross Carrying Amount	**-**	**2,284**	**27**	**1,579**	**289**	**72**	**364**	**18**	**4,633**
Accumulated Depreciation									
As at 31st December 2019	**2**	**348**	**12**	**600**	**128**	**40**	**229**	**7**	**1,366**
Reclassified to Right-of-use assets adjustments on account of adoption of Ind AS 116 [(Refer Note 5 (c)]	(2)	-	-	-	-	-	-	-	(2)
Restated as at 1st January 2020	**-**	**348**	**12**	**600**	**128**	**40**	**229**	**7**	**1,364**
Depreciation charge during the year	-	80	3	181	33	8	59	3	367
Disposals	-	(*)	-	(65)	(1)	(1)	(3)	(1)	(71)
Assets classified as held for sale (Refer Notes 18)	-	(*)	-	(*)	(*)	(*)	-	-	(*)
Closing Accumulated Depreciation	**-**	**428**	**15**	**716**	**160**	**47**	**285**	**9**	**1,660**
Net Carrying Amount as at 31st December 2020	**-**	**1,856**	**12**	**863**	**129**	**25**	**79**	**9**	**2,973**
Year ended 31st December 2021									
Gross Carrying Amount									
As at 31st December 2020	**-**	**2,284**	**27**	**1,579**	**289**	**72**	**364**	**18**	**4,633**
Additions	-	19	1	78	2	6	16	-	122
Disposals	-	(2)	-	(46)	(8)	(9)	(21)	(2)	(88)
Closing Gross Carrying Amount	**-**	**2,301**	**28**	**1,611**	**283**	**69**	**359**	**16**	**4,667**
Accumulated Depreciation									
As at 31st December 2020	**-**	**428**	**15**	**716**	**160**	**47**	**285**	**9**	**1,660**
Depreciation charge during the year	-	90	3	167	33	6	49	3	351
Disposals	-	(2)	-	(32)	(6)	(8)	(18)	(2)	(68)
Closing Accumulated Depreciation	**-**	**516**	**18**	**851**	**187**	**45**	**316**	**10**	**1,943**
Net Carrying Amount as at 31st December 2021	**-**	**1,785**	**10**	**760**	**96**	**24**	**43**	**6**	**2,724**

*denotes figure less than a million.

5. (b)– Capital work-in-progress

Capital work-in-progress of ₹ 89 million (31st December 2020: ₹ 63 million) mainly comprises of plant and equipment and building being constructed in India.

Notes forming part of financial statements
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(₹ in million)

5. (c)– Leases

i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

a) Right-of-use Assets

The changes in the carrying value of Right-of-use assets for the year ended are as follows :

Particulars	31st December 2021	31st December 2020
Office premises	225	214
Land	379	379
	604	**593**

Amounts recognised in balance sheet

Right-of-use assets:

Particulars	31st December 2021	31st December 2020
Opening balance	593	-
Add: Amount recognised as at 1st January 2020 on adoption of Ind AS 116	-	260
Add: Leasehold land re-classified as at 1st January 2020 on adoption of Ind AS 116	-	380
Add: Additions during the year	94	10
Less: Termination of leases during the year	(8)	-
Less: Depreciation during the year	(75)	(57)
Closing balance	**604**	**593**

b) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	31st December 2021	31st December 2020
Opening balance	226	-
Add: Amount recognised as at 1st January 2020 on adoption of Ind AS 116	-	260
Add: Additions during the year	94	10
Add: Interest for the year	18	18
Less: Lease payments made during the year	(84)	(62)
Less: Termination of leases during the year	(8)	-
Closing balance	**246**	**226**

Below represents net debt reconciliation as per requirements of Ind-AS 7 – Statement of Cash Flows:

Particulars	Cash and Cash Equivalents	Lease Liabilities	Net debt
Net Debt as at 31st December 2019	11,199	-	11,199
Recognised on adoption of Ind AS 116	-	(260)	(260)
Net Debt as at 1st January 2020	**11,199**	**(260)**	**10,939**
Cash flows	775	-	775
Movement in lease liabilities (Refer table above)	-	34	34
Net Debt as at 31st December 2020	**11,974**	**(226)**	**11,748**
Cash flows	3,406	-	3,406
Movement in lease liabilities (Refer table above)	-	(20)	(20)
Net Debt as at 31st December 2021	**15,380**	**(246)**	**15,134**

Notes forming part of financial statements

as at and for the year ended 31st December 2021

(₹ in million)

The following is the break-up of current and non-current lease liabilities for the year ended:

Particulars	31st December 2021	31st December 2020
Current lease liabilities	70	47
Non-current lease liabilities	176	179
Total	**246**	**226**

ii) Amounts recognised in the statement of Profit & Loss

Particulars	31st December 2021	31st December 2020
Depreciation charge on right-of-use assets (Refer Note 33)	75	57
Interest expense (Refer Note 32)	18	18
Expenses relating to short-term and low value leases [Refer Note 34 (a)]	36	54
	129	**129**

6. (a) - Intangible assets

Particulars	Brand Refer note 48(b)	Software	Technical know-how	Total	Goodwill Refer note 48(b)
Year ended 31st December 2020					
Gross Carrying Amount					
As at 31st December 2019	**2,375**	**77**	**95**	**2,547**	**731**
Additions	-	14	-	14	-
Disposals	-	(1)	-	(1)	-
Closing Gross Carrying Amount	**2,375**	**90**	**95**	**2,560**	**731**
Accumulated amortisation					
As at 31st December 2019	**1,671**	**63**	**84**	**1,818**	**-**
Amortisation charge during the year	383	12	3	398	-
Disposals	-	(*)	-	(*)	-
Closing accumulated amortisation	**2,054**	**75**	**87**	**2,216**	**-**
Net Carrying Amount as on 31st December 2020	**321**	**15**	**8**	**344**	**731**
Year ended 31st December 2021					
Gross Carrying Amount					
As at 31st December 2020	**2,375**	**90**	**95**	**2,560**	**731**
Additions	-	7	3	10	-
Disposals	(2,375)	-	(3)	(2,378)	(731)
Closing Gross Carrying Amount	**-**	**97**	**95**	**192**	**-**
Accumulated amortisation					
As at 31st December 2020	**2,054**	**75**	**87**	**2,216**	**-**
Amortisation charge during the year	223	14	4	241	-
Disposals	(2,277)	-	(1)	(2,278)	-
Closing Accumulated Depreciation	**-**	**89**	**90**	**179**	**-**
Net Carrying Amount as at 31st December 2021	**-**	**8**	**5**	**13**	**-**

*denotes figure less than a million.

Notes forming part of financial statements

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(₹ in million)

6. (b) - Intangible assets under development

Intangible assets under development of ₹ 39 million (31st December 2020: ₹ 37 million) mainly comprises of software and product development.

Note:

Impairment testing for goodwill:

The shareholders of the Company had approved the Scheme of Amalgamation ('Scheme') between the Company and erstwhile Universal Medicare Private Limited ("UMPL") with an appointed date of November 2011 whereby all the assets and liabilities of "UMPL" which were transferred to and vested in the Company were recorded at their fair values from the appointed date. The goodwill pertains to the excess of purchase consideration over the fair values of the net assets taken over from "UMPL".

For the purposes of impairment testing, carrying amount of goodwill has been allocated to the Cash Generating Unit (CGU) as follows:

Particulars	31st December 2021	31st December 2020
Business acquired pursuant to amalgamation of erstwhile "Universal Medicare Private Limited"	-	731

The Company tests goodwill for impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The cash flow projections are based on five years financial budgets approved by management.

Following key assumptions were considered while performing Impairment testing.

Particulars	
Long-term sustainable growth rates	1.5%-10%
Weighted Average Cost of Capital % (WACC) before tax (Discount rate)	13.75%

The projection covers a period of five years, management believes this to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The growth rates used to estimate future performance are based on the conservative estimates from past performance.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

The management believes that any reasonable possible change in the key assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

7. - Non-current financial assets-Loans

Particulars	31st December 2021	31st December 2020
Unsecured, considered good		
Loan to Fellow Subsidiary [Given against corporate guarantee by Sanofi S.A. France (ultimate holding company)] (Refer Note 40)	4,450	4,450
Loans to employees	27	34
Security deposits	97	95
Unsecured, considered doubtful		
Security deposits	20	22
Loans to employees	2	2
Less: Loss allowance	(22)	(24)
Total	**4,574**	**4,579**

Notes forming part of financial statements

as at and for the year ended 31st December 2021

(₹ in million)

8. Non-current financial assets-Other financial assets

Particulars	31st December 2021	31st December 2020
Unsecured, considered good		
Margin money deposits (Refer Note 14)	3	3
Other receivables	16	16
Other deposits	13	13
Total	**32**	**32**

9. (a) - Current tax assets (net)

Particulars	31st December 2021	31st December 2020
Advance income tax (net of provision of ₹ 9,531 million; 31st December 2020: ₹ 11,676 million)	1,111	1,456
Total	**1,111**	**1,456**

9. (b) - Current tax liabilities (net)

Particulars	31st December 2021	31st December 2020
Income tax provision (net of advance tax ₹ 15,412 million; 31st December 2020: ₹ 10,073 million)	1,067	901
Total	**1,067**	**901**

10. Other non-current assets

Particulars	31st December 2021	31st December 2020
Capital advances	9	7
Prepaid rentals	36	37
Total	**45**	**44**

11. Inventories

Particulars	31st December 2021	31st December 2020
Finished goods	549	727
Stock-in-trade	1,258	1,422
(Including in transit ₹ 207 million; 31st December 2020 : ₹ 197 million)		
Raw materials and packing materials	2,106	1,431
(Including in transit ₹ 125 million; 31st December 2020 : ₹ 119 million)		
Work-in-progress	11	100
Total	**3,924**	**3,680**

12. Trade receivables

Particulars	31st December 2021	31st December 2020
Trade receivables	564	522
Receivables from related parties (Refer Note 40)	933	1,008
Less: Loss allowance	(68)	(50)
Total	**1,429**	**1,480**

Notes forming part of financial statements

as at and for the year ended 31st December 2021

(₹ in million)

Breakup up of security details

Particulars	31st December 2021	31st December 2020
Secured, considered good	-	-
Unsecured, considered good	1,497	1,530
Which have significant increase in credit risk	-	-
Credit impaired	-	-
Total	**1,497**	**1,530**
Less: Allowance	(68)	(50)
Total	**1,429**	**1,480**

13. Cash and cash equivalents

Particulars	31st December 2021	31st December 2020
Balances with banks		
- in current accounts	350	477
- in EEFC accounts	9	-
Deposits with banks with original maturity of less than 3 months	15,021	11,497
Total	**15,380**	**11,974**

14. Other bank balances

Particulars	31st December 2021	31st December 2020
Margin money deposits (Refer Note below)	67	68
Unpaid dividend accounts	56	44
Total	**123**	**112**

Margin money deposits given as security

Margin money deposits with carrying amount of ₹ 71 million (31st December 2020 : ₹ 71 million) are subject to first charge to secure bank guarantees issued by banks on behalf of the Company.

15. Current loans

Particulars	31st December 2021	31st December 2020
Unsecured, considered good		
Loans to employees	44	53
Security deposits	1	4
Total	**45**	**57**

16. Other current financial assets

Particulars	31st December 2021	31st December 2020
Other receivables	-	273
Receivable from related parties (Refer Note 40)	-	8
Total	**-**	**281**

Notes forming part of financial statements

as at and for the year ended 31st December 2021

(₹ in million)

17. Other current assets

Particulars	31st December 2021	31st December 2020
Advance payments to suppliers	39	33
Export benefits receivable	64	107
Balance with government authorities	250	481
Prepaid expenses	51	58
Other Advances	1	1
Others	34	28
Total	**439**	**708**

Note 18. Assets classified as held for sale

Particulars	31st December 2021	31st December 2020
Pertaining to Mumbai – Mulund		
Buildings	3	3
Freehold land	36	36
Plant and equipment	*	*
Net Carrying Value (a)	**39**	**39**
Pertaining to Delhi		
Building	-	2
Net Carrying Value (b)	**-**	**2**
Pertaining to Mumbai – Pedder Road		
Building	*	*
Furniture and Fixtures	*	*
Office Equipment	*	*
Plant and Equipment	*	*
Net Carrying Value (c)	*****	*****
Total asset held for sale (a) + (b) + (c)	**39**	**41**

*denotes figure less than a million.

19. Share capital and other equity

19. (a) - Equity share capital

(i) Authorised share capital

Particulars	Number of shares	Amount
As at 31st December 2020	23,500,000	235
Increase during the year	-	-
As at 31st December 2021	**23,500,000**	**235**

Issued, Subscribed and Paid up :

(ii) Movements in equity share capital

Particulars	Number of shares	Amount
As at 31st December 2020	23,030,622	230
Issued during the year	-	-
As at 31st December 2021	**23,030,622**	**230**

Notes forming part of financial statements

as at and for the year ended 31st December 2021

(₹ in million)

(iii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholder.

(iv) Shares held by holding and ultimate holding Company

13,904,722 (31st December 2020 : 13,904,722) equity shares of ₹ 10 each fully paid are held by Hoechst GmbH, Germany, holding Company and 4,865 (31st December 2020 : 4,865) equity shares of ₹ 10 each fully paid are held by Sanofi S.A., France ultimate holding Company.

(v) Details of shareholders holding more than 5% shares in the Company

Particulars	31st December 2021	31st December 2020
Equity shares of ₹ 10 each fully paid		
Hoechst GmbH, Germany		
- No. of shares	13,904,722	13,904,722
- % of holding	60.37%	60.37%

19. (b) - Other equity – Reserves and surplus

Particulars	31st December 2021	31st December 2020
Securities premium	20	20
Retained earnings	17,951	16,946
General reserve	3,454	3,454
Share options outstanding account	601	540
Total	**22,026**	**20,960**

(i) Securities premium

Particulars	31st December 2021	31st December 2020
Opening balance	20	20
Movement during the year	-	-
Closing balance	**20**	**20**

(ii) Retained earnings

Particulars	31st December 2021	31st December 2020
Opening balance	**16,946**	**20,296**
Profit for the year	9,444	4,776
Other comprehensive income of the year	(33)	(88)
Dividend paid [Refer Note 52 (b)]	(8,406)	(8,038)
Closing balance	**17,951**	**16,946**

(iii) General reserve

Particulars	31st December 2021	31st December 2020
Opening balance	**3,454**	**3,454**
Movement during the year	-	-
Closing balance	**3,454**	**3,454**

(iv) Share options outstanding account

Particulars	31st December 2021	31st December 2020
Opening balance	**540**	**423**
Employee stock option expense (Refer Note 41)	61	117
Closing balance	**601**	**540**

Notes forming part of financial statements
as at and for the year ended 31st December 2021

(₹ in million)

Nature and purpose of reserves:

1. **Securities premium**
Securities premium is created when shares are issued at premium. This is utilised in accordance with the provisions of the Companies Act, 2013.
2. **General reserve**
General reserve is created out of profits of the Company. The reserve is utilised in accordance with the provisions of Companies Act, 2013.
3. **Share options outstanding account**
The share options outstanding account is used to recognise the fair value of restricted stock units as at grant date issued by the Ultimate holding Company, Sanofi S.A. to the Company's eligible employees.

20. Non-current employee benefit obligations

Particulars	31st December 2021	31st December 2020
Pension (Refer Note 42)	*	1
Compensated absences	343	359
Long service awards	20	24
Gratuity (Refer Note 42)	256	262
Total	**619**	**646**

*denotes figure less than a million.

21. Trade payables

Particulars	31st December 2021	31st December 2020
Outstanding dues of micro enterprises and small enterprises (Refer Note 46)	285	134
Outstanding dues of creditors other than micro enterprises and small enterprises:		
(i) Trade payables to related parties (Refer Note 40)	1,662	1,504
(ii) Trade payables–others	1,820	1,545
Total	**3,767**	**3,183**

22. Other current financial liabilities

Particulars	31st December 2021	31st December 2020
Other payables to related party (Refer Note 40)	14	-
Unclaimed dividend#	56	44
Liability for capital goods	12	56
Total	**82**	**100**

#There are no amounts due for payment to the Investor Education and Protection Fund (IEPF) under Section 125 of the Companies Act, 2013 as at the year end.

23. Current provisions

Particulars	31st December 2021	31st December 2020
Provision for sales return (Refer Note 43)	552	730
Provision for indirect tax (Refer Note 43)	341	346
Others (Refer Note 43)	407	409
Total	**1,300**	**1,485**

24. Current employee benefit obligations

Particulars	31st December 2021	31st December 2020
Employee related liabilities	908	844
Pension (Refer Note 42)	*	*
Compensated absences	50	40
Long service awards	3	2
Gratuity (Refer Note 42)	103	106
Total	**1,064**	**992**

*denotes figure less than a million.

Notes forming part of financial statements
as at and for the year ended 31st December 2021

(₹ in million)

25. Other current liabilities

Particulars	31st December 2021	31st December 2020
Contract liabilities	43	72
Statutory liabilities	94	77
Total	**137**	**149**

26. Liabilities directly associated with assets classified as held for sale

Particulars	31st December 2021	31st December 2020
Other payables (Refer Note 18)	9	11
Total	**9**	**11**

27. Revenue from operations

Particulars	31st December 2021	31st December 2020
Revenue from contract with customers:		
Sale of product	27,772	27,225
Sale of services	1,461	1,455
	29,233	**28,680**
Other operating income:		
Scrap sale	7	10
Indirect taxes set off/ refunds	13	8
Export incentives	98	91
Others	215	230
	333	339
Total	**29,566**	**29,019**

Disaggregation of revenue from contract with customers

The Company has determined the categories of disaggregation of revenue considering the types/ nature of contracts. The Company derives revenue from the transfer of goods and services.

Particulars	31st December 2021	31st December 2020
Revenue by location of customers		
- India	25,535	22,922
- Outside India	4,031	6,097
	29,566	**29,019**
Timing of revenue recognition		
- At a point in time	29,566	29,019
- Over a period of time	-	-
Total revenue from contract with customers	**29,566**	**29,019**
Reconciliation of revenue recognised in the statement of profit and loss with contracted price		
- Contract price	31,170	30,532
- Less: Volume discount/Cash discount	(1,604)	(1,513)
Total revenue from contract with customers	**29,566**	**29,019**

28. Other income

Particulars	31st December 2021	31st December 2020
Interest		
Bank deposits	360	393
Loan given to fellow subsidiaries (Refer Note 40)	271	370
Others	-	17
Rental income (Refer Note 40)	1	1
Exchange differences (net)	5	-
(Gain) on sale of asset held for sale, (Gain)/Loss on Write-off of property, plant and equipment /Intangible assets (net)	66	-
Gain on termination of leases	*	-
Miscellaneous Income	41	117
Total	**744**	**898**

*denotes figures less than a million

Notes forming part of financial statements

as at and for the year ended 31st December 2021

(₹ in million)

29. Cost of materials consumed

Particulars	31st December 2021	31st December 2020
Inventory at the beginning of the year	1,431	1,872
Add: Purchases	6,226	5,473
Less: Inventory at the end of the year	2,106	1,431
Total	**5,551**	**5,914**

30. Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade

Particulars	31st December 2021	31st December 2020
Inventory at the end of the year		
Finished goods	549	727
Stock-in-trade	1,258	1,422
Work-in-progress	11	100
	1,818	**2,249**
Inventory at the beginning of the year		
Finished goods	727	842
Stock-in-trade	1,422	1,045
Work-in-progress	100	937
	2,249	**2,824**
Total	**431**	**575**

31. Employee benefits expense

Particulars	31st December 2021	31st December 2020
Salaries, wages and bonus	3,915	4,134
Contribution to provident fund and other funds	187	188
Gratuity (Refer Note 42)	84	81
Staff welfare expenses	92	88
Employee share based payment expense (Refer Note 41)	61	117
Total	**4,339**	**4,608**

32. Finance costs

Particulars	31st December 2021	31st December 2020
Other interest (Refer Note 46)	*	*
Interest on lease liabilities	18	18
Total	**18**	**18**

* denotes figure less than a million.

33. Depreciation and amortisation expense

Particulars	31st December 2021	31st December 2020
Depreciation of property, plant and equipment [Refer Note 5 (a)]	351	367
Depreciation of right-of-use assets [Refer Note 5 (c)]	75	57
Amortisation of intangible assets [Refer Note 6 (a)]	241	398
Total	**667**	**822**

Notes forming part of financial statements

as at and for the year ended 31st December 2021

(₹ in million)

34. (a) - Other expenses

Particulars	31st December 2021	31st December 2020
Advertisement and sales promotion	462	502
Auxiliary and other materials	91	93
Auditors remuneration [Refer Note 34 (b)]	5	4
Expenditure towards Corporate Social Responsibility (CSR) activities (Refer Note 47)	133	120
Exchange differences net	-	*
Insurance	113	104
Legal and professional fees	686	642
Service charges	38	50
Power and fuel	139	236
Provision for bad and doubtful debts (net)	18	4
Provision for doubtful advances and deposits	(2)	9
Rates and taxes	147	111
Rent	36	54
Repairs and maintenance – buildings	13	12
Repairs and maintenance – others	94	116
Repairs and maintenance – plant and machinery	60	126
Selling and distribution expenses	1,135	1,179
Stores and spares	15	51
Toll manufacturing charges	555	598
Trainings and meetings	83	96
Travelling and conveyance	364	326
Loss on sale/Write-off of property, plant and equipment/Intangible asset (net)	-	28
Miscellaneous expenses	349	283
Total	**4,534**	**4,744**

*denotes figure less than a million.

34. (b) Auditors remuneration

	31st December 2021	31st December 2020
Payment to Auditors:		
As auditor:		
Audit fees	5	4
Certificates	*	*
Reimbursement of Expenses	*	*
Total Payments to Auditors	**5**	**4**

*denotes figure less than a million.

35. Income Tax

35 (a) Income tax expense

Particulars	31st December 2021	31st December 2020
Current tax		
Current tax on profits for the year	3,360	2,010
Adjustments for current tax of prior periods	-	100
Total current tax expense	**3,360**	**2,110**
Deferred tax		
(Increase)/Decrease in deferred tax assets	(5)	71
(Decrease) in deferred tax liabilities	(223)	(185)
Total deferred tax (credit)	**(228)**	**(114)**
Income tax expense	**3,132**	**1,996**

Notes forming part of financial statements

as at and for the year ended 31st December 2021

(₹ in million)

35. (b) Deferred tax assets for the year ended 31st December 2021 of ₹ 11 million (for the year ended 31st December 2020 : ₹ 30 million) has been recognised in other comprehensive income on account of actuarial remeasurements of defined benefit plan.

No aggregate amounts of current and deferred tax have arisen in the reporting periods which have not been recognised in net profit or loss or other comprehensive income but directly debited/ (credited) to equity.

35. (c) Reconciliation of tax expense and the accounting profit multiplied by tax rate :

Particulars	31st December 2021	31st December 2020
Profit before tax	**12,576**	**6,772**
At statutory income tax rate of 25.168% (31st December 2020: 25.168%)	3,165	1,704
Expenses not deductible for tax purposes	218	192
Difference on account of different tax rate for long-term capital gains	(112)	-
Tax on long-term capital gain adjusted with long-term capital loss (Refer Note below)	(139)	-
Adjustments in respect of current income tax of previous periods	-	100
Effective income tax	**3,132**	**1,996**

35. (d) Deferred tax liabilities (net)

Particulars	31st December 2021	31st December 2020
The balance comprises temporary differences attributable to:		
Provision for doubtful debts and advances	(22)	(18)
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	(122)	(115)
Employee retirement and other long-term benefits	(240)	(240)
Lease liabilities	(62)	(57)
Total deferred tax assets	**(446)**	**(430)**
Depreciation and amortisation	453	647
Reversal of goodwill amortisation	-	31
Right-of-Use Assets	56	54
Total deferred tax liabilities	**509**	**732**
Deferred tax liability (net)	**63**	**302**

Note: Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

35. (e) Movement in deferred tax assets/liabilities

(i) Deferred Tax Assets/Liabilities in relation to the year ended 31st December 2021

Particulars	31st December 2020	Charged/ (Credited) to Statement of Profit and Loss	Charged/ (Credited) to Other Comprehensive Income	31st December 2021
Deferred Tax Liability				
Depreciation and amortisation	647	(194)	-	453
Reversal of goodwill amortisation	31	(31)	-	-
Right-of-Use Assets	54	2	-	56
Total Deferred Tax Liability	**732**	**(223)**	**-**	**509**
Less : Deferred Tax Assets				
Provision for doubtful debts and advances	(18)	(4)	-	(22)
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	(115)	(7)	-	(122)
Employee retirement and other long-term benefits	(240)	11	(11)	(240)
Lease liabilities	(57)	(5)	-	(62)
Total Deferred Tax Assets	**(430)**	**(5)**	**(11)**	**(446)**
Net Deferred Tax Liabilities	**302**	**(228)**	**(11)**	**63**

Notes forming part of financial statements

as at and for the year ended 31st December 2021

(₹ in million)

(ii) Deferred Tax Assets/Liabilities in relation to the year ended 31st December 2020

Particulars	31st December 2019	Adjustment on adoption of Ind AS 116	As at 1st January 2020 (restated)	Charged/ (Credited) to Statement of Profit and Loss	Charged/ (Credited) to Other Comprehensive Income	31st December 2020
Deferred Tax Liability						
Depreciation and amortisation	821	-	821	(174)	-	647
Reversal of goodwill amortisation	31	-	31	-	-	31
Right-of-Use Assets	-	65	65	(11)	-	54
Total Deferred Tax Liability	**852**	**65**	**917**	**(185)**	**-**	**732**
Less : Deferred Tax Assets						
Provision for doubtful debts and advances	(17)	-	(17)	(1)	-	(18)
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	(164)	-	(164)	49	-	(115)
Employee retirement and other long-term benefits	(225)	-	(225)	15	(30)	(240)
Lease liabilities	-	(65)	(65)	8	-	(57)
Total Deferred Tax Assets	**(406)**	**(65)**	**(471)**	**71**	**(30)**	**(430)**
Net Deferred Tax Liabilities	**446**	**-**	**446**	**(114)**	**(30)**	**302**

Note : No DTA on capital loss (Refer Note 48 (a))

During the previous year, on the closure of transaction pertaining to sale of Ankleshwar manufacturing unit, the transaction was considered as slump sale transaction and resulted in a long-term capital loss. Deferred tax was not recognised on the same as on the balance sheet date probability of future taxable long-term capital gain against which such long-term capital loss can be set off was considered low.

36. *Operating Segment*

The operations of the Company are limited to one segment viz. Pharmaceutical and related products. The products being sold under this segment are of similar nature and comprises of pharmaceutical products only.

Operating segments are defined as components of an company for which discrete financial information is available that is evaluated regularly by Chief Operating Decision Maker ("CODM"), in deciding how to allocate resources and assessing performance.

Geographical revenues are allocated based on the location of the customers. Information regarding geographical revenue is as follows :

Revenue from operations

Particulars	31st December 2021	31st December 2020
India	25,535	22,922
Singapore	3,879	5,508
Others	152	589
Total	**29,566**	**29,019**

Information about major customers

One single external customer (entities under common control) represented 10% or more of the Company's total revenue during the year ended 31st December 2021 amounting to ₹ 5,457 million (31st December 2020: ₹ 7,526 million) (Refer Note 40).

Notes forming part of financial statements
as at and for the year ended 31st December 2021

(₹ in million)

37. Capital Commitments:
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 53 million (31st December 2020 : ₹ 32 million).

38. Earnings per share:

Particulars	31st December 2021	31st December 2020
Profit for the year (₹ in million)	9,444	4,776
Weighted average number of shares	23,030,622	23,030,622
Nominal value per share (₹)	10	10
Basic and diluted earnings per share (₹)	**410.06**	**207.38**

39. Contingent Liabilities

a)	Particulars	31st December 2021	31st December 2020
	Income Tax demands in respect of which*		
	Tax authorities have appealed against Income tax orders which were ruled in favour of the Company	876	876
	Company's appeals are pending before appropriate authorities/the Company is in process of filing an appeal with appropriate authorities	1,905	1,769

*Contingent liabilities in respect of pending tax assessments in relation to similar matters are not determinable and hence not disclosed.

b) Contingent liability relating to determination of provident fund liability, based on judgement from Hon'ble Supreme Court, is not determinable at present for the period prior to March 2019, due to uncertainty of the impact of the judgement in the absence of further clarification relating to applicability. The Company has paid Provident Fund to employees as applicable with effect from March 2019. The Company will continue to assess any further developments in this matter for its implication on the financial statements, if any.

40. Related Party Disclosures

i. Parties where control exists:

a) Sanofi S.A. France, ultimate holding Company

b) Hoechst GmbH, Germany, holding Company

ii. Other related parties in Sanofi Group where common control exists and with whom transactions have taken place during the reporting year.

Sanofi-Aventis Singapore Pte. Limited

Francopia S.A.R.L.

Sanofi-Aventis Deutschland GmbH

Sanofi-Aventis Groupe S.A.

Sanofi Lanka Limited

Sanofi Chimie S.A

Sanofi-aventis Philippins Inc.

Sanofi Pasteur India Private Limited#

Sanofi-Synthelabo (India) Private Limited#

Sanofi Healthcare India Private Limited

Sanofi Winthrop Industrie S.A.

Sanofi-Aventis Pakistan Limited*

Sanofi Aventis Arabia Co. Ltd.*

Notes forming part of financial statements
as at and for the year ended 31st December 2021

(₹ in million)

Sanofi India Limited Provident Fund

Sanofi US Services Inc.

Aventis Pharma UK Investments Ltd.

Sanofi Vietnam Shareholding Company

SANOFI-AVENTIS GESTION SA

Sanofi-aventis Healthcare Pty Ltd

*No transactions during the year.

#In the current year merged with Sanofi Healthcare India Private Limited.

iii. Key management personnel of the Company for the year

Mr. Rajaram Narayanan – Managing Director

Mr. Cherian Mathew – Whole Time Director

Mr. Vaibhav Karandikar – Chief Financial officer (w.e.f. 6th October 2020) and Whole time director (w.e.f. 23rd February 2021)

Mr. Charles Billard – Whole Time Director and CFO (till the closure of business of 30th September 2020)

Mr. Girish Tekchandani – Company Secretary (till the closure of business of 31st August 2021)

Ms. Radhika Shah – Company Secretary (w.e.f. 1st November 2021)

iv. Non-Executive Directors

Mr. Cyril Grandchamp-Desraux (till the closure of business of 24th November 2021)

Mr. Thomas Rouckout (till the closure of business of 25th February 2020)

Dr. Shailesh Ayyangar (till the closure of business of 25th February 2020)

Mr. Marc-Antoine Lucchini (w.e.f. 29th July 2020)

Mr. Charles Billard (w.e.f. 1st October 2020)

v. Independent Directors

Mr. Aditya Narayan

Mr. Rangaswamy Iyer (till the closure of business of 30th March 2020)

Mrs. Usha Thorat

Mr. Rahul Bhatnagar (w.e.f. 29th July 2020)

vi. Transactions during the year

Particulars	31st December 2021	31st December 2020
Ultimate Holding Company		
Dividend paid	2	2
Expenses recharged	117	26
Total	**119**	**28**
Holding Company		
Dividend paid	5,075	4,853
Other related Parties		
Sale of Products and Other Operating Income		
Sanofi-Aventis Singapore Pte. Limited	3,794	5,450
Others	207	621
Total	**4,001**	**6,071**

Notes forming part of financial statements

as at and for the year ended 31st December 2021

(₹ in million)

Particulars	31st December 2021	31st December 2020
Purchase of Raw Materials and Stock- in- trade		
Sanofi-Aventis Singapore Pte. Limited	4,052	6,319
Francopia S.A.R.L.	1,145	980
Others	2,765	358
Total	**7,962**	**7,657**
Expenses recharged to other companies		
Sanofi-Aventis Groupe S.A.	*	7
Sanofi-Synthelabo (India) Private Limited	-	37
Sanofi-Aventis Singapore Pte. Limited	-	109
Sanofi Pasteur India Private Limited	-	8
Sanofi Healthcare India Private Limited	8	-
Others	*	2
Total	**9**	**163**
Sale of Services		
Sanofi-Synthelabo (India) Private Limited	-	1,042
Sanofi Pasteur India Private Limited	-	274
Sanofi Healthcare India Private Limited	1,355	-
Sanofi Winthrop Industrie S.A.	-	69
Sanofi-Aventis Singapore Pte. Limited	85	58
Others	16	12
Total	**1,456**	**1,455**
Sale of property, plant and equipment		
Sanofi-Synthelabo (India) Private Limited	-	*
Rent Income		
Sanofi Healthcare India Private Limited	1	*
Sanofi-Synthelabo (India) Private Limited	-	1
Total	**1**	**1**
Rent Paid		
Sanofi Healthcare India Private Limited	1	1
Loans given		
Sanofi Pasteur India Private Limited	-	400
Sanofi Healthcare India Private Limited	50	-
Total	**50**	**400**
Loans repaid		
Sanofi Pasteur India Private Limited	-	400
Sanofi Healthcare India Private Limited	50	-
Total	**50**	**400**
Interest income on loans		
Sanofi Healthcare India Private Limited	271	360
Sanofi Pasteur India Private Limited	-	10
Total	**271**	**370**
Expenses recharged by other companies		
Sanofi-Synthelabo (India) Private Limited	-	79
Sanofi Healthcare India Private Limited	56	-
Sanofi Winthrop Industrie S.A.	9	150
Sanofi Lanka Limited	26	81
Sanofi-Aventis Groupe S.A.	7	32
Others	1	12
Total	**99**	**354**

Notes forming part of financial statements

as at and for the year ended 31st December 2021

(₹ in million)

Particulars	31st December 2021	31st December 2020
Contribution to In-house Trust for Post Employment Benefits – Provident Fund		
Sanofi India Limited Provident Fund #	355	297
Payment towards Intangibles under development		
Sanofi-Synthelabo (India) Private Limited	-	3
Sanofi Healthcare India Private Limited	24	-
Total	**24**	**3**

Including contribution by employees.

Key Management Personnel Remuneration#

Particulars	31st December 2021	31st December 2020
Remuneration		
Mr. Rajaram Narayanan	42	41
Mr. Charles Billard	-	16
Mr. Vaibhav Karandikar	18	5
Mr. Cherian Mathew	26	26
Mr. Girish Tekchandani	7	12
Ms. Radhika Shah	2	-
Total	**95**	**100**

Share based benefit	31st December 2021	31st December 2020
Mr. Rajaram Narayanan	11	18
Mr. Vaibhav Karandikar	2	*
Mr. Cherian Mathew	4	6
Total	**17**	**24**

##Excludes Provision for Employee Benefits.

*denotes figure less than a million.

Particulars	31st December 2021	31st December 2020
Sitting Fees to Non-Executive Directors		
Mr. Aditya Narayan	1	1
Mr. Rangaswamy R. Iyer	-	*
Ms. Usha Thorat	1	1
Dr. Shailesh Ayyangar	-	*
Mr. Rahul Bhatnagar	1	*
Total	**3**	**2**
Commission to Non-Executive Directors		
Mr. Aditya Narayan	2	2
Mr. Rangaswamy R. Iyer	-	*
Ms. Usha Thorat	1	1
Dr. Shailesh Ayyangar	-	*
Mr. Rahul Bhatnagar	1	*
Total	**4**	**4**

*denotes figure less than a million.

Terms and conditions of transactions with related parties

The sales, services and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. For the year ended 31st December 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st December 2020: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes forming part of financial statements

as at and for the year ended 31st December 2021

(₹ in million)

vii. Outstanding as at 31st December 2021

Particulars	31st December 2021	31st December 2020
Trade Receivables		
Sanofi-Aventis Singapore Pte. Limited	596	708
Sanofi-Synthelabo (India) Private Limited	-	185
Sanofi Healthcare India Private Limited	332	-
Others	5	115
Total	**933**	**1,008**
Trade Payables		
Sanofi-Aventis Singapore Pte. Limited	475	805
Sanofi Winthrop Industrie S.A.	11	154
Francopia S.A.R.L.	534	303
Sanofi Healthcare India Private Limited	610	-
Others	32	242
Total	**1,662**	**1,504**
Other Financial Liabilities		
Sanofi Healthcare India Private Limited	14	-
Others Receivables		
Sanofi-Synthelabo (India) Private Limited	-	4
Sanofi Pasteur India Private Limited	-	4
Total	**-**	**8**
Loan receivable		
Sanofi Healthcare India Private Limited (Refer Note 1 below)	4,450	4,450

1) Loans given to Sanofi Healthcare India Private Limited at the rate of interest of 5.5% p.a (9.5 % till 14th April 2020 and 7.5% till 15th April 2021)

Maximum balance outstanding during the year ₹ 4,450 Million (31st December 2020 : ₹ 4,450 Million) from Sanofi Healthcare India Private Limited.

The said loans have been proposed to be utilise by Sanofi Healthcare India Private Limited for business purpose.

The Loans have been given against corporate guarantee by Sanofi S.A. France. The Maturity date of same is 15th April 2023.

41. *Share Based Payments*

Restricted Stock Units (RSU's)

The Company does not provide any equity based compensation to its employees. However, the ultimate holding company, Sanofi SA, France ("the grantor") maintains equity incentive plans that provide for award of restricted share plans to certain employees of the Company. The terms of those plans make the award contingent on the attainment of certain performance criteria which are defined grants. The vesting period of such plans is either three or four years.

The fair value of an equity instrument granted under a plan is the market price of the share at the grant date, adjusted for expected dividends during the vesting period.

Particulars	31st December 2021		31st December 2020	
	Weighted Average grant date fair value (in euro)	Number of Units	Weighted Average grant date fair value (in euro)	Number of Units
Units outstanding at the beginning of the year	75	39,308	69	53,727
Units granted during the year	86	12,322	89	13,910
Exercised during the year	66	(12,897)	71	(28,079)
Forfeited/ expired/ lapsed during the year	73	(3,991)	79	(250)
Units outstanding at the end of the year	**79**	**34,742**	**75**	**39,308**

Notes forming part of financial statements

as at and for the year ended 31st December 2021

(₹ in million)

Weighted average remaining contractual life of RSUs outstanding at the end of the year

	Life in (years)
As at 31st December 2021	1
As at 31st December 2020	1

Expenses arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense are as follows:

Particulars	31st December 2021	31st December 2020
Employee share based payment expense	61	117
Total employee share based payment expense	**61**	**117**

42. *Employee Benefits*

Defined Contribution Plans

The Company makes contributions towards provident fund (Ankleshwar and Nepal), superannuation fund and pension scheme to a defined contribution retirement benefit plan for qualifying employees. The superannuation fund is administered by the Life Insurance Corporation of India (LIC). Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The Company has recognised the following amounts in the statement of Profit and Loss for the year:

Particulars	31st December 2021	31st December 2020
i) Contribution to Employees' Provident Fund (Ankleshwar and Nepal) *	1	3
ii) Contribution to Employees' Superannuation Fund	31	32
iii) Contribution to Employee's Pension Scheme, 1995	41	46

* Ankleshwar up to 29th May 2020

Defined Benefit Plans

I) Other long-term employee benefits

Compensated absences (included as a part of salaries and wages in Note 31 - Employee benefits expense) All eligible employees can carry forward and avail/encash leave as per Company's rules.

Long Service Award (included as a part of salaries and wages in Note 31 - Employee benefits expense) Under this scheme, long service benefits accrues to the employees, while in service and is payable upon completion of stipulated services with the Company.

II) Post employment employee benefits plans

A. Gratuity

Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement in terms of provisions of the Payment of Gratuity Act or as per the Company's Scheme whichever is more beneficial. Benefit would be paid at the time of separation based on the last drawn base salary.

B. Pension plan

Under the Company's Pension scheme, certain executives are eligible for fixed pension for five years, depending on their level at the time of retirement on superannuation, death or early retirement with the consent of the Company.

Notes forming part of financial statements

as at and for the year ended 31st December 2021

(₹ in million)

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity and pension plan. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity and Pension plan and the amounts recognised in the Company's financial statements as at the Balance Sheet date:

Actuarial Assumptions

Particulars	Gratuity		Pension Plan	
	31st December 2021	31st December 2020	31st December 2021	31st December 2020
Discount Rate (per annum)	7.08%	6.66%	7.08%	6.66%
Expected Rate of Return on Plan Assets	7.08%	6.66%	-	-
Salary Escalation rate/Pension escalation rate	7.00% p.a. for the next 4 years, 6% p.a. for the years thereafter	6.65% p.a. for the next 1 year, 7% p.a. for the next 2 years and 6% p.a. thereafter	N.A.	N.A.
Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Ultimate
Employees attrition rate	For service 4 years & Below 8.00 % p.a. & For service 5 years and above 2.00% p.a.	For service 4 years & Below 10.00 % p.a. & For service 5 years and above 1.00 % p.a.	1%	1%

Notes:

1. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
2. The discount rate is based on the prevailing market yields of Indian Government securities as at the Balance sheet date for the estimated term of the obligation.

i) Reconciliation of present value of obligations ('PVO') – defined benefit obligation:

Particulars	Gratuity		Pension Plan	
	31st December 2021	31st December 2020	31st December 2021	31st December 2020
Liability at the beginning of the year	844	818	1	1
Interest Cost	56	60	*	*
Current Service Cost	60	57	-	-
Benefits Paid	(49)	(35)	(*)	(*)
Liability Transfer Out/ Divestments	(48)	(112)	-	-
Actuarial (gain)/loss on Financial Assumption	(20)	31	*	*
Actuarial (gain)/loss on Demographic Assumption	5	-	-	-
Actuarial (gain)/loss on Experience	17	25	(*)	(*)
Liability at the end of the year	865	844	*	1

*denotes figure less than a million.

Notes forming part of financial statements

as at and for the year ended 31st December 2021

(₹ in million)

ii) Fair Value of Plan Assets

Particulars	Gratuity		Pension Plan	
	31st December 2021	31st December 2020	31st December 2021	31st December 2020
Fair Value of Plan Assets at the beginning of the year	476	492	-	-
Expected Return on Plan Assets	32	36	-	-
Employer's Contributions	40	36	-	-
Benefits Paid	(39)	(29)	-	-
Assets Transferred Out/ Divestments	-	(59)	-	-
Return on plan Asset, Excluding Interest	(3)	(*)	-	-
Fair Value of Plan Assets at the end of the year	**506**	**476**	**-**	**-**

*denotes figure less than a million.

iii) Amount Recognised in the Balance Sheet

Particulars	Gratuity		Pension Plan	
	31st December 2021	31st December 2020	31st December 2021	31st December 2020
Liability at the end of the year	865	844	*	1
Fair Value of Plan Assets at the end of the year	506	476	-	-
Amount Recognised in the Balance Sheet	**359**	**368**	*****	**1**

iv) Expenses Recognised in the Income Statement

Particulars	Gratuity		Pension Plan	
	31st December 2021	31st December 2020	31st December 2021	31st December 2020
Current Service Cost	60	57	-	-
Interest Cost on benefit obligation (net)	24	24	*	*
Past Service Cost	-	-	-	-
Expected Contribution	-	-	-	-
Expenses Recognised	**84**	**81**	*****	*****

*denotes figure less than a million.

v) Expenses Recognised in Other Comprehensive Income (OCI) for current year

A.

Particulars	Gratuity		Pension Plan	
	31st December 2021	31st December 2020	31st December 2021	31st December 2020
Actuarial changes arising from changes in financial assumptions	(20)	31	*	*
Actuarial changes arising from changes in demographic assumptions	5	-	-	-
Actuarial changes arising from changes in experience adjustments	17	25	(*)	(*)
Return on Plan Asset, Excluding Interest Income	3	(*)	-	-
Net Expense / (Income) for year	**5**	**56**	**(*)**	**(*)**

*denotes figure less than a million.

Notes forming part of financial statements

as at and for the year ended 31st December 2021

(₹ in million)

B. Also refer note C below

Particulars	Provident Fund	
	31st December 2021	31st December 2020
Re-measurement on account of Fair Value of Plan Assets	12	25
Interest Short Fall	27	37
Net Expense for year	**39**	**62**

vi) Maturity profile of defined benefit obligations (undiscounted)

Projected Benefits Payable in Future Years From the Date of Reporting	Gratuity		Pension Plan	
	31st December 2021	31st December 2020	31st December 2021	31st December 2020
1 year (within next 12 months)	98	58	*	*
2 to 5 years	204	200	*	*
6 to 10 years	355	303	1	1

*denotes figure less than a million.

vii) Sensitivity Analysis

Particulars	Gratuity		Pension Plan	
	31st December 2021	31st December 2020	31st December 2021	31st December 2020
Benefit Obligation on Current Assumptions	865	844	*	1
Effect of +0.5% Change in Rate of Discounting	(36)	(41)	(*)	(*)
Effect of -0.5% Change in Rate of Discounting	39	45	*	*
Effect of +0.5% Change in Rate of Salary Increase	39	45	-	-
Effect of -0.5% Change in Rate of Salary Increase	(37)	(42)	-	-
Effect of +0.5% Change in Rate of Employee Turnover	3	2	-	-
Effect of -0.5% Change in Rate of Employee Turnover	3	(2)	-	-

* denotes figure less than a million.

viii) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below :

Investment risk: If future investment returns on assets are lower than assumed in valuation, the scheme's assets will be lower and the funding level higher than expected.

Changes in bond yields: A decrease in yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Longevity risk: If improvements in life expectancy are greater than assumed, the cost of benefits will increase because pensions are paid for longer period than expected. This will mean the funding level will be higher than expected.

Inflation risk: If inflation is greater than assumed, the cost of benefits will increase as pension increases and deferred revaluations are linked to inflation.

ix) Broad category of Plan assets relating to Gratuity

Particulars	Gratuity	
	31st December 2021	31st December 2020
Fund managed by Life Insurance Corporation of India (unquoted)	100%	100%

Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available.

Notes forming part of financial statements

as at and for the year ended 31st December 2021

(₹ in million)

C. Provident Fund (other than Ankleshwar and Nepal)

The Company manages the provident fund through a Provident Fund Trust for its employees (except Staff and Workmen at Ankleshwar and Nepal unit) which are permitted under The Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Eligible employees receive benefits from the said Provident Fund. Both the employees and the Company make monthly contributions to the Provident Fund Trust equal to a specified percentage of the covered employee's salary. The minimum interest rate payable by the Trust to the beneficiaries every year is being notified by the Government of India. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The Board of Trustees administers the contributions made by the Company to the schemes and also defines the investment strategy.

The Company has an obligation to service the shortfall on account of interest generated by the fund and on maturity of fund investments and hence the same has been classified as Defined Benefit Plan in accordance with Ind AS 19 "Employee Benefits". As per the Guidance Note from the Actuarial Society of India, the Company has obtained the actuarial valuation of principal loss and interest rate obligation in respect of Provident Fund as at 31st December 2021 and based on the same Loss of ₹ 39 million (Previous Year ₹ 62 million) on account of re-measurement of fair value of plan assets and on account of interest shortfall is recognised in Other Comprehensive Income.

43. Other provisions:

Movements in provisions:

Particulars	Class of provisions				
	Indirect tax	Provision for Sales Returns	Provision for DPCO matters	Others	Total
Balance as at 1st January 2021	346	730	367	42	1,485
	(353)	(618)	(367)	(44)	(1,382)
Amount provided during the year	20	681	-	-	701
	(11)	(785)	(-)	(2)	(798)
Amount written back/paid during the year	25	859	-	2	886
	(18)	(673)	(-)	(4)	(695)
Balance as at 31st December 2021	341	552	367	40	1,300
	(346)	(730)	(367)	(42)	(1,485)

Note: Figures in brackets are for the previous year.

1. Provision for indirect taxes represents differential excise duty, GST, sales tax and service tax in respect of which the claims are pending before various authorities for a considerable period of time and based on management's estimate of claims provision is made on prudent basis that possible outflow of resources may arise in future.
2. Provision for sales returns are on account of expected date expiry and breakages returns based on historical trends.
3. In respect of Provision for DPCO matters, based on the management assessment, the likelihood of any additional outflow is considered as remote.
4. Other provisions on prudent basis are towards possible outflow of resources in respect of legal cases pending against the Company or in respect of contractual obligations of the Company.

Notes forming part of financial statements

as at and for the year ended 31st December 2021

(₹ in million)

44. *Derivative Instruments and Un-hedged Foreign Currency Exposure:*

Particulars of un-hedged Foreign Currency exposure as at Balance sheet date

Particulars	Foreign Currency	31st December 2021		31st December 2020	
		Foreign Currency Value	₹ in million	Foreign Currency Value	₹ in million
Trade Payables	EUR	9,764,441	827	11,423,196	1,019
	USD	1,068,577	80	316,017	23
	JPY	-	-	1,187,700	1
	NPR	-	-	322,050	*
	GBP	-	-	15,800	2
Trade Receivables	EUR	7,093,334	601	7,972,688	712
	USD	452,656	34	642,935	47
Cash and Bank Balances	USD	116,069	9	-	-

*denotes figure less than a million.

45. (a) Consequent upon the decision of the Supreme Court in the matter of prices of certain bulk drugs fixed by the Government of India under the Drug (Prices Control) Order, 1979, the Company paid an amount of ₹ 31 Million in 1988 being the liability determined by the Special Team appointed by the Government. However, during 1990, fresh demands aggregating to ₹ 781 Million alleged to be payable into the Drug Prices Equalisation Account (DPEA) were made by the Government on account of alleged unintended benefit enjoyed by the Company. The Government has also made certain claims for applicable interest. On a Writ Petition filed by the Company in 1991, the Bombay High Court passed an order whereby the demands were to be treated as show cause notices. The High Court directed the Company and the Government to furnish relevant data to each other based on which the Government was to rework the figures. The Government did not furnish the requisite data to the Company. In 1995, a further demand of ₹ 80 Million was made by the Government.

In the meantime, a Committee was constituted by the Government to determine the liabilities of the Drug Companies. The Company filed written submissions with the Committee and contended during the personal hearing that in the absence of the Government furnishing the requisite data as directed by the Bombay High Court, the Company was not in a position to make an effectual presentation before the Committee.

In January 1999, the Company filed an Application before the Bombay High Court seeking directions to the Government to furnish the requisite data. The Application is pending. In the meantime, the Committee has deferred further hearing of the Company's case, until the Application is heard and decided by the Bombay High Court. In any event, the Company is contesting the above demand.

(b) National Pharmaceutical Pricing Authority (NPPA) had raised demands on the Company for alleged overcharging of some of its products. The Company had contested the demands by filing writ petitions in the Delhi High Court. The Hon'ble Delhi High Court vide order dated 16th May 2019, without expressing any opinion on the matter, set aside the demands raised and the matter was remanded back to NPPA for considering them afresh in accordance with law.

As a matter of abundant precaution, an amount of ₹ 162 million which had been provided in the books of account in earlier years has been retained. The Company will continue to assess any further developments in this matter.

Based on the management assessment, the likelihood of any additional outflow is considered as remote in respect of above (a) and (b) matters.

Notes forming part of financial statements

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(₹ in million)

46. *Micro and Small Enterprises*

The Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	31st December 2021	31st December 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
(i) Principal Amount	268	117
(ii) Interest thereon remaining unpaid	17	17
Total	**285**	**134**
Amount of interest paid in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	*	*
Amount of interest accrued and remaining unpaid at the end of each accounting year; and	*	*
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	17	17

*denotes figure less than a million.

47. *Disclosure on Corporate Social Responsibility as per the provisions of Section 135 of the Companies Act, 2013*

a) Gross amount required to be spent by the Company during the year was ₹ 133 Million (31st December 2020 : ₹ 119 million)

b) Details of amount spent during the year:

Particulars	31st December 2021			31st December 2020		
	Paid	Yet to be Paid	Total	Paid	Yet to be Paid	Total
i) Construction/acquisition of any asset	-	-	-	-	-	-
ii) On purpose other than (i) above :						
a) Public Private Partnership with the Government of Goa	2	-	2	11	-	11
b) Non-communicable CD programme with the Health Department of the Govt. of Maharashtra & Telangana	40	1	41	11	-	11
c) Towards Counselling patients to manage their diabetes and create awareness on early detection	9	20	29	26	1	27

Notes forming part of financial statements
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(₹ in million)

Particulars	31st December 2021			31st December 2020		
	Paid	Yet to be Paid	Total	Paid	Yet to be Paid	Total
d) Allergy free programme	-	-	-	2	16	18
e) Towards Employee volunteering - Joy in Outreach	1	-	1	*	2	2
f) Towards Grants/ Donation	35	-	35	47	-	47
g) Towards skill development of youth skilled Labour	-	-	-	4	-	4
h) Cancer awareness programme	3	16	19	-	-	-
i) Administrative overheads	6	-	6	-	-	-
Total	**96**	**37**	**133**	**101**	**19**	**120**

*denotes figure less than a million.

48. (a) During the year ended 31st December 2020, the Company had transferred its Ankleshwar manufacturing facility to Zentiva Private Limited. The final consideration after working capital adjustments of ₹ 3,001 million has been received in full. Costs relating to this transfer, aggregating ₹ 417 million, were disclosed as an exceptional item in the year ended 31st December 2020.

(b) The Board of Directors of the Company at its meeting held on 27th July 2021 approved a transaction for the slump sale and transfer of the Company's Nutraceuticals business, on a going concern basis to Universal Nutriscience Private Limited for a consideration of ₹ 5,870 million including debt like obligations, subject to customary working capital adjustments. The transaction has been closed on 30th September 2021. Subsequent to the closing, the final consideration of ₹ 5,860 million (after working capital adjustments) has been received in full and during the year ended 31st December 2021, the Company has accounted for gain of ₹ 4,892 million (comprising debt like obligation taken over by the purchaser ₹ 196 million, intangible assets adjusted ₹ 827 million and transaction costs ₹ 337 million), which has been disclosed as an exceptional item.

49. The Board of Directors of the Company at its meeting held on 25th November 2021, approved the transfer of certain assets namely marketing intangibles, customer lists/database, trade channel knowledge/ wholesaler lists, vendor/supplier data-base, pharmacovigilance/medical database that are related to the distribution business of Soframycin and Sofradex conducted by the Company and product inventory to Encube Ethicals Private Limited for a consideration of approximately ₹ 1,250 million, subject to working capital adjustments, if any, as on closing date. The transaction concluded on 31st January 2022 after fulfillment of the underlying conditions and the Company has received the full consideration of ₹ 1,369 million including working capital adjustments.

50. *Fair value measurements*

Financial instruments by category

Particulars	31st December 2021			31st December 2020		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Loans	-	-	4,619	-	-	4,636
Trade receivables	-	-	1,429	-	-	1,480
Cash and cash equivalents	-	-	15,380	-	-	11,974
Bank balances other than cash and cash equivalents	-	-	123	-	-	112
Other financial assets	-	-	32	-	-	313
Total financial assets	**-**	**-**	**21,583**	**-**	**-**	**18,515**
Financial liabilities						
Lease Liabilities	-	-	246	-	-	226
Trade payables	-	-	3,767	-	-	3,183
Other financial liabilities	-	-	82	-	-	100
Total financial liabilities	**-**	**-**	**4,095**	**-**	**-**	**3,509**

Notes forming part of financial statements
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(₹ in million)

Set out below, is a comparison by class of the carrying value and the fair value of the Company's financial assets/liabilities, other than those with the carrying amounts that are reasonable approximation of fair values mentioned in Note below.

The fair values mentioned below have been calculated based on discounted cash flows method. These are classified as **Level 3** in the hierarchy due to the inclusion of unobservable inputs.

Fair value of financial assets and liabilities measured at amortised cost

	31st December 2021		31st December 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at amortised cost				
Loans	4,574	4,574	4,579	4,579
Other receivables	16	16	16	16
Other deposits	13	13	13	13
Margin money deposits	3	3	3	3
	4,606	**4,606**	**4,611**	**4,611**

There have been no transfers of amount between Level 1, Level 2 and Level 3 during the year.

Fair value of financial assets/liabilities measured at amortised cost

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, current loans, other financial assets, trade payables, other financial liabilities are considered to be the same as their fair values, as they are current in nature.

The categories used are as follows:

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. Considering that all significant inputs required to fair value such instruments are observable, these are included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

51. *Financial risk management*

The Company's activities expose it to variety of financial risks namely market risk, credit risk and liquidity risk. The Company has various financial assets such as deposits, trade and other receivables and cash and bank balances directly related to their business operations. The Company's principal financial liabilities comprise of trade and other payables. The Company's senior management's focus is to foresee the unpredictability and minimise potential adverse effects on the Company's financial performance. The Company's overall risk management procedures to minimise the potential adverse effects of financial market on the Company's performance are as follows :

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management is carried out by the management in consultation with the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific risk areas.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(A) Management of Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and from its financing activities including deposits with banks and other financial instruments. The Company establishes an impairment allowance based on expected credit loss model that represents its estimate of incurred losses in respect of trade and other receivables.

Notes forming part of financial statements

as at and for the year ended 31st December 2021

(₹ in million)

(i) Trade and other receivables

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 1,429 million as at 31st December 2021 (31st December 2020: ₹ 1,480 million). Trade receivables are typically unsecured and are derived from revenue earned from customers located in India as well as outside India.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry, the country and the state in which the customer operates, also has an influence on credit risk assessment. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Further, significant sales of the Company are against advance payment/collection on delivery terms.

The management continuously monitors the credit exposure towards the customers outstanding at the end of each reporting period to determine incurred and expected credit losses."

The movement in the allowance for credit loss in respect of trade receivables was as follows:

	31st December 2021	31st December 2020
Opening balance	50	46
Changes in loss allowance	18	4
Closing balance	**68**	**50**

The management believes that no further provision is necessary in respect of trade receivables based on historical trends of these customers.

The ageing of trade receivables at the reporting date was as follows:

Particulars	31st December 2021	31st December 2020
Not yet due	1,370	1,307
Past due 1-90 days	5	95
Past due 90-180 days	28	26
Past due 180-270 days	5	25
Past due above 270 days	89	77
Gross trade receivables	**1,497**	**1,530**
Less: Loss Allowance	(68)	(50)
Net trade receivables	**1,429**	**1,480**

Concentration of credit risk arises when counter parties are engaged in similar business activities or have similar economic features that would cause the ability to meet contractual obligations to be similarly affected by changes in economical, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company's exposure to customers is diversified and no single customer has significant contribution to trade receivable balances.

(ii) Cash and cash equivalents and bank balances

The Company held cash and cash equivalents of ₹ 15,380 million as at 31st December 2021 (31st December 2020 : ₹ 11,974 million) and other bank balances of ₹ 123 million (December 31, 2020 : ₹ 112 million). Credit risk on cash and cash equivalents is limited as these are generally held or invested in deposits with banks and financial institutions with good credit ratings.

Notes forming part of financial statements

as at and for the year ended 31st December 2021

(₹ in million)

(iii) Loans

The Company has outstanding loan given to its fellow subsidiary amounting to ₹ 4,450 million as at 31st December 2021 (31st December 2020: ₹ 4,450 million). These loans are guaranteed by group Company i.e. Sanofi S.A.

The Company's maximum exposure to credit risk as at 31st December 2021 and 31st December 2020 is the carrying value of each class of Financial Assets.

(B) Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended 31st December 2021 and 31st December 2020. Cash Flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The following table shows the maturity analysis of the Company's all non-derivative, contractual financial liabilities based on agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

Particulars	Carrying amount	Undiscounted Amount		
		Payable within one year	Payable more than one year	Total
As at 31st December 2021				
Lease liabilities	246	84	194	278
Trade Payables	3,767	3,767	-	3,767
Unclaimed dividend	56	56	-	56
Liability of Capital Goods	12	12	-	12
Other Payables	14	14	-	14

Particulars	Carrying amount	Undiscounted Amount		
		Payable within one year	Payable more than one year	Total
As at 31st December 2020				
Lease liabilities	226	63	207	270
Trade Payables	3,183	3,183	-	3,183
Unclaimed dividend	44	44	-	44
Liability of Capital Goods	56	56	-	56

(C) Management of Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks namely interest rate risk, currency risk and other price risk, such as commodity risk. The Company is not exposed to interest rate risk and other price risk whereas the exposure to currency risk is given below :

Notes forming part of financial statements

as at and for the year ended 31st December 2021

(₹ in million)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates and arises where transactions are done in foreign currencies. It arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies including use of derivatives like foreign exchange forward contracts to hedge foreign currency risk (refer Note 44). The Company does not enter into financial instrument transactions for trading or speculative purposes. The Company's exposure to foreign currency risk at the end of reporting periods in ₹ as follows :

Particulars	31st December 2021	
	EUR	USD
Trade receivables	601	34
Cash and cash equivalents	-	9
Trade payables	(827)	(80)
Net exposure	**(226)**	**(37)**

Particulars	31st December 2020				
	EUR	USD	GBP	JPY	NPR
Trade receivables	712	47	-	-	-
Cash and cash equivalents	-	-	-	-	-
Trade payables	(1,019)	(23)	(2)	(1)	*
Net exposure	**(307)**	**24**	**(2)**	**(1)**	*

Sensitivity – Foreign Currency

The sensitivity of profit or loss to changes in the exchange rates is as follows:

Particulars	Impact on profit after tax	
	31st December 2021	31st December 2020
USD Sensitivity		
INR/USD increase by 1% (31st December 2020 - 1%)#	(*)	*
INR/USD decrease by 1% (31st December 2020 - 1%)#	*	(*)
EUR Sensitivity		
INR/EUR increase by 1% (31st December 2020 - 1%)#	(2)	(2)
INR/EUR decrease by 1% (31st December 2020 - 1%)#	2	2
GBP Sensitivity		
INR/GBP increase by 1% (31st December 2020 - 1%)#	-	(*)
INR/GBP decrease by 1% (31st December 2020 - 1%)#	-	*

#Holding all other variables constant.

*denotes figure less than a million.

52. Capital management

(a) Risk management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity share holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long-term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the Company is equity based with no financing through borrowings. The Company is not subject to any externally imposed capital requirement.

Notes forming part of financial statements

as at and for the year ended 31st December 2021

(₹ in million)

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st December 2021 and 31st December 2020.

(b) Dividend

Particulars	31st December 2021	31st December 2020
(i) Equity shares		
Final dividend for the year ended 31st December 2020 : ₹ 365 (31st December 2019 : ₹ 349) per fully paid up share	8,406	8,038
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, subsequent to the year end, the Board of Directors has recommended the payment of a final dividend of ₹ 490 per fully paid equity shares (December 31 ,2020 : ₹ 365). This proposed dividend is subject to approval of shareholders in the ensuing annual general meeting.	11,285	8,406

53. The COVID-19 pandemic necessitated a change in the ways of working and the Company needed to adapt and make operational adjustments depending on the intensity of the pandemic at different points in time. A hybrid form of detailing is now being followed, digital detailing completely replaces face to face detailing in some pockets where the intensity of the pandemic is severe and a hybrid model is reimplemented post the reduction in the severity. There is no disruption in the Supply Chain and products are available as per the patient needs/market demand, the manufacturing sites are operating at capacities which are necessary to meet the market demand.

The Company's Management has made a detailed assessment of the situation, including the liquidity position, recoverability and carrying value of its financial and non-financial assets, and liabilities and effectiveness of internal financial controls at the balance sheet date and concluded that there were no material adjustments required as on 31st December 2021.

The impact assessment of COVID-19 pandemic is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

54. Previous year comparative figures have been regrouped wherever necessary.

Signatures to Notes 1 to 54

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No.: 304026E/E-300009

Asha Ramanathan
Partner
Membership No.: 202660
Place: Pune
Date: 23rd February 2022

For and on behalf of the Board of Directors

Rajaram Narayanan
Managing Director
DIN: 02977405
Place: Mumbai
Date: 23rd February 2022

Usha Thorat
Director
DIN: 00542778
Place: Kolhapur
Date: 23rd February 2022

Vaibhav Karandikar
Whole Time Director & CFO
DIN: 09049375
Place: Mumbai
Date: 23rd February 2022

Radhika Shah
Company Secretary
Membership No.: A19308
Place: Mumbai
Date: 23rd February 2022

Sanofi India Limited
CTS No. 117-B, L&T Business Park, Saki Vihar Road, Powai, Mumbai 400072

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