sanofi

Committed to a healthier India

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

SANOFI INDIA LIMITED

Integrated Annual Report 2023

ABOUT OUR REPORT

Introduction to the Report
This is Sanofi India's second Integrated Annual Report to provide feedback to stakeholders. The Report includes disclosures related to our financial, social, environment and governance matters, while at the same time exploring their combined effect on the Company's performance. The Report explains our governance and strategy, and shares its implementation and the results achieved.

Statement of Responsibility
The Board believes that the Integrated Annual Report 2023 addresses all material topics relevant to the Company and provides insights into its approach and processes. This is being done to address the needs of our stakeholders, while creating long-term value. The Board acknowledges the contents of this Report, which have been developed under the guidance of Sanofi India's senior management.

Forward-Looking Statements
This Report contains a few forward-looking statements that reflect Sanofi India's views concerning future events and performance. These statements are based on reasonable assumptions and past performance, and involve a variety of risks and uncertainties. They are subject to change considering developments in the industry, geographical market conditions, government regulations, laws and other incidental factors. Consequently, no forward-looking statement can be guaranteed, and actual results may vary, causing a material impact on the Company's operations and performance.

Reporting Scope and Boundary
This Report contains disclosures for the reporting period from January 1, 2023 to December 31, 2023 (FY 2023). It covers the activities and impacts of the following operations in India: our Goa factory, Mumbai corporate office and other branch offices in the country.

Material Matters
Our approach to sustainability reporting involves giving attention to material issues and activities. These matters align with stakeholder concerns and are relevant to both our business and society. Material topics have been identified basis interactions with our internal (including senior management) and external stakeholders. We believe that this Report addresses all the topics that are material to our stakeholders. This Report does not feature any restatements for information about previous financial years.

Standards and Frameworks
Our Report aligns with the following reporting standards and frameworks:

Category	Non-Financial Details	Financial Details	Statutory Details
The Value Reporting Foundation's Integrated Reporting Framework	✓		
Global Reporting Initiatives (GRI) Standards 2021	✓		
Business Responsibility and Sustainability Report (BRSR)	✓		
Sustainability Accounting Standards Board (SASB)	✓		
United Nations Sustainable Development Goals (UN SDGs)	✓		
Companies Act, 2013 (including the rules made thereunder)		✓	✓
Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015		✓	✓
Indian Accounting Standards		✓	✓
Secretarial Standards issued by the Institute of Company Secretaries of India		✓	✓

Feedback
We regularly engage with all stakeholders to get feedback and improve our external integrated reporting. For more information about this Report or to provide feedback, please write to us at igrc.sil@sanofi.com or contact us on (91-22) 28032000.

CONTENTS

Company Overview

OPERATING ENVIRONMENT
› Read more P. 12

FINANCIAL CAPITAL
› Read more P. 30

SOCIAL AND RELATIONSHIP CAPITAL
› Read more P. 40

NATURAL CAPITAL
› Read more P. 46

Statutory Reports

Financial Statements

WE CHASE THE MIRACLES OF SCIENCE TO IMPROVE PEOPLE'S LIVES

Goa site celebrates its 25 glorious years.

For over six decades, our steadfast commitment to improving lives in India has driven our pursuit of innovative and accessible healthcare solutions. Anchored by a robust brand portfolio spanning key therapeutic categories, we help people manage their diverse health challenges.

In 2023, with our 'India for India' strategy, we intensified our efforts towards fostering a healthier India. Channeling our energies across four strategic pillars-diabetes, consumer healthcare, innovation, and an optimized go-to-market approach-we made significant strides in enhancing healthcare outcomes nationwide.

We expanded our salesforce, introduced new products to meet unmet patient needs and worked towards fortifying our innovation pipeline through global collaborations and local partnerships. Streamlining our organization from eight to three business units ensured a more responsive engagement with healthcare professionals.

A pivotal development has been the proposed demerger of our consumer healthcare business into Sanofi Consumer Healthcare India Limited. This strategic move will sharpen the focus on both pharmaceutical and consumer healthcare segments, enhancing our capacity to improve people's lives in India. The demerger is also poised to eliminate redundancies, align businesses with global structures and unlock untapped potential to create greater value.

As we progress on our journey, we continue to be guided by our purpose – chasing the miracles of science to improve people's lives. By cultivating expertise, capability, and capacity, we will continue to elevate patient and consumer experience and deliver shared value to all our stakeholders, and make a lasting impact on India's healthcare landscape.

CHAIRMAN'S MESSAGE

COMMITTED TO INDIA'S HEALTHCARE NEEDS

It gives me great pleasure to introduce the second integrated annual report of Sanofi India. Your Company's robust fundamentals have contributed to another year of shared value creation, all the while staying firmly rooted to the core purpose of improving lives.

Dear Shareholders,

India stands at a pivotal point in its growth journey, poised to become a US$5 trillion economy within the next few years on the back of ambitious reforms and a robust digital foundation. Reiterating India's economic momentum is the projection that its gross domestic product (GDP) will exceed 7.2% in 2023-24, marking the third consecutive year of over 7% growth. This resilience is particularly compelling at a time when global growth continues to face challenges. Moreover, the Indian government has strongly emphasized balanced and sustainable growth by driving financial inclusion, improving public healthcare systems and bridging rural-urban divide.

India's vision of universal healthcare accessibility is led by Ayushman Bharat, a national public health initiative, complemented by the Ayushman Bharat Digital Mission (ABDM) facilitating seamless health data transfer among stakeholders. These initiatives have made significant strides, benefiting millions through comprehensive primary healthcare services and screenings for non-communicable diseases, among other facilities. Additionally, the interim budget for 2024-25 announced an increase of over 14% in nominal terms for health sector allocation, reaffirming the government's steadfast commitment to strengthening the overall healthcare systems.

Globally, healthcare expenditures are also anticipated to continue to rise. This increase will be driven in part by population growth and urbanization in emerging markets, as well as by aging populations in developed markets. Moreover, while the global use of medicines remained flat in 2023, it is expected to grow 2.3% annually over the next five years. This growth will be propelled by China, India and other Asia markets, all expanding at rates exceeding 3%.

Your Company's proven capabilities and extensive experience position it strongly to address the significant opportunities in the healthcare sector. Aligned with the objective of fostering a healthier India and striving to enhance outcomes for patients, we remain committed to providing innovative solutions across key therapeutic areas.

During the year, the Board announced the demerger of the Consumer Healthcare business into a separate legal entity, namely Sanofi Consumer Healthcare India Limited, subject to pending approvals. The proposed demerger is poised to unlock greater value, as the consumer healthcare business is expected to build sustainable growth models.

Your Company firmly believes that institutions upholding environmental, social and governance (ESG) principles will thrive in this era. With this in mind, we continue to prioritize ESG performance. We remain committed to the highest standards of good corporate governance, delivered through a robust internal framework of systems and controls. A genuine commitment to our planet's long-term health is at the cornerstone of our various environmental efforts. Our corporate social responsibility programs aim to make a positive impact by empowering societal health and wellbeing. Additionally, through multiple initiatives, we have made significant progress towards fostering diversity, equity and inclusion across the organization.

Your Company continues to positively impact society through initiatives like the Kids and Diabetes in Schools (KiDS) Program in Goa. Additionally, our support for mobile medical units reached over 297,525 individuals in FY 2023 alone, providing crucial screening and treatment for non-communicable diseases. Our Social Impact Program for Type 1 Diabetes garnered recognition at prestigious forums, including the CSR Health Impact Awards by the Integrated Health and Wellbeing Council (IHW) and the ICC Social Impact Summit & Awards.

We remain committed to the highest standards of good corporate governance, delivered through a robust internal framework of systems and controls.

For nearly seven decades, your Company's dedication to improving lives in India has been reflected in its products, quality standards, accessibility, capacity building, disease awareness initiatives and community engagement efforts. Your Company is determined to do even more to overcome India's healthcare challenges and position itself as a cutting-edge healthcare company. With a prudent strategy and disciplined execution, your Company remains geared towards addressing unmet healthcare needs and achieving sustainable growth.

We are making good progress with our strategy for India and on behalf of your Board, I would like to thank you for your continued support in all we do. I also take this opportunity to warmly thank our customers, employees, partners and all other stakeholders for their continued trust and support. With energy and anticipation for the year ahead, we look forward to delivering even better value for all.

Best wishes,

Aditya Narayan
Chairman

MANAGING DIRECTOR'S MESSAGE

PROPELLED BY OUR 'INDIA FOR INDIA' STRATEGY

We are well-positioned to address India's expanding healthcare needs through our 'India for India' strategy. Our innovation pipeline boasts promising products, instilling optimism about addressing unmet needs and advancing our growth trajectory.

Dear Shareholders,

Reflecting on the year 2023, I am pleased to report that Sanofi India has achieved significant progress against its priorities. Guided by our singular purpose, 'chase the miracles of science to improve people's lives,' and propelled by our 'India for India' strategy, we adeptly navigated a dynamic environment, supported patients and consumers with innovative healthcare solutions and delivered strong results for the year.

Towards the close of 2022, we had unveiled our strategic roadmap aimed at accelerating our business in India, concentrating on four growth pillars: Diabetes, Consumer Healthcare, Innovation and Go-to-Market. Thanks to the dedication of our team, I am proud to say we are succeeding. The performance throughout 2023 has been encouraging and consistent. Moreover, our strategic approach has positioned us to capture exciting growth opportunities in India's healthcare landscape and also contributed to a more streamlined and efficient operation. I am happy to share with you an update on the key achievements within the growth pillars of our 'India for India' strategy and our plans to leverage these successes in reaching our full potential.

Within the Diabetes domain, a pivotal development was the marketing approval for our drug Soliqua™ in India. Set to launch in 2024, Soliqua™, available as a pre-filled pen, is a significant launch which expands our portfolio and marks our entry in the Glucagon-Like Peptide (GLP) segment which is a highly exciting place to be in. As a Fixed Ratio Combination (FRC) of basal insulin and Glucagon-Like Peptide 1 agonist (GLP 1 agonist), Soliqua™ ensures effective control over fasting and postprandial glucose levels. This breakthrough solution, administered once daily with a significantly low risk of hypoglycemia, empowers healthcare professionals (HCPs) to simplify the complexities of diabetes management, opening up substantial opportunities within our insulin portfolio.

During the year, the Board approved the demerger of the consumer healthcare business into a distinct entity, Sanofi Consumer Healthcare India Limited (SCHIL), granting it full independent management. SCHIL will seamlessly align with our parent company's consumer healthcare strategy, enhancing its role in the Indian consumer healthcare landscape. The proposed entity will also be equipped with a comprehensive portfolio, specific global skills and best-in-class digital and e-commerce capabilities, driving its evolution as a fast-moving consumer healthcare organization. SCHIL is expected to be fully operational by the second half of 2024 subject to necessary approvals, paving the way for maximizing its growth potential and unlocking enhanced shareholder value.

Under the pillar of Innovation, we introduced multiple high-impact products: Frisium® suspension (Neurology), Sanoxaban® (Cardiology) and Carmada® (Cardiology). Furthermore, our innovation pipeline boasts promising products, instilling optimism about addressing unmet needs and advancing our growth trajectory. As part of the overarching 'India for India' initiative, we have initiated the localization of certain insulin assets. Insutage, our domestically sourced Insuman, will soon be available in India. The India team remains committed to collaborating with external and internal stakeholders to leverage Sanofi global assets, ensuring their localization for the benefit of Indian patients.

The fourth pillar of Go-to-Market witnessed several developments, notably the ramping up of our deployed trade organization which has improved our ability to engage with partners and foster customer centricity. To unlock mutual growth opportunities, we strategically realigned our portfolio, shifting from a brand-wise approach to engaging with partners across the entire portfolio. Currently, four digital marketing pilots are underway. These are anticipated to yield positive impact, thus improving our agility and market reach.

Under the 'Go-to-Market' pillar, we are also exploring partnership opportunities to extend our product reach. In early FY 2024, notable progress includes an exclusive partnership with Cipla Limited to distribute our CNS portfolio across India. Leveraging Cipla's extensive network, we aim to deliver our six CNS brands, including the leading anti-epileptic medication Frisium®, to healthcare professionals (HCPs) and patients nationwide. Additionally, we have formed an exclusive alliance with Emcure Pharmaceuticals to expand the distribution of our cardiovascular brands, including established names like Cardace®, Clexane®, Targocid®, Lasix®, and Lasilactone®, benefiting both HCPs and patients.

Another positive indicator of our strategy's success is the consistent performance witnessed throughout 2023. Each quarter has seen growth in our operating profits compared to the previous year, both in absolute value and as percentage of sales. This achievement stems from prudent resource allocation and the pursuit of operating efficiencies, achieved through cost optimization across sales, marketing, structural, general and administrative areas.

At Sanofi India, we eagerly pursue our responsibility to provide long-term benefit to society as we fulfill our corporate purpose. We consider our Environmental, Social and Governance (ESG) metrics integral to evaluating our success. ESG is formally embedded into our Board's Governance principles to steer our organization towards growth while safeguarding stakeholder interests.

One of our sustainability commitments is to ensure an empowering work environment that sets our standards as a world-class employer. At the beginning of 2024, for the sixth consecutive year secured the 'Top Employer's Award' in recognition for outstanding people and culture practices amongst companies across the world.

Diversity, Equity, and Inclusion (DEI) have become focal points across our Company, with various departments setting targets to drive progress in this area. We have made significant strides towards engaging with diverse communities, ensuring better diversity in our clinical trial candidates and partnering with diverse MSME vendors. Internally, we are increasing inclusivity by implementing gender-neutral restrooms and improving accessibility for individuals with disabilities. Currently, women comprise 14% of our workforce, and form 33% of our senior leadership. Additionally, we are actively promoting awareness and understanding of LGBTQI+ and disability inclusion.

Looking ahead, we are well-positioned to address India's expanding healthcare needs through our 'India for India' strategy. Simultaneously, our commitment to maintaining a strong focus on shareholder value remains unwavering. By ensuring that both our general medicines business and our proposed new company dedicated to consumer healthcare are well-prepared to carve out promising independent futures, we aim to open new avenues for our overall India business, benefiting millions with our healthcare offerings.

On behalf of the Board, I express our gratitude for your continued support and trust. I also extend my sincere appreciation to all our employees for their valuable contributions during the past year. As we, at Sanofi India, advance on our journey, we remain steadfast in working with utmost sincerity and integrity towards our goal of building a healthier India.

Best wishes,

Rodolfo Hrosz
Managing Director

COMPANY OVERVIEW

IMPROVING LIVES FOR OVER SIX DECADES

We are committed partners in India's healthcare journey, improving lives by developing high-quality products and ensuring their accessibility to those in need.

About Sanofi India

We are among India's leading manufacturers of an extensive range of innovative medicines across vital therapeutic areas. For over 67 years, our brands have built and maintained leadership in their categories. This has been possible because of our consistent commitment to quality, supply reliability, and scientific prowess that have collectively instilled trust amongst our customers, i.e., Healthcare Practitioners (HCPs). Besides our nationwide reach, our products are exported to over 35 countries, both in developing and developed regions.

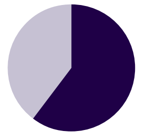
Our priority is to accelerate innovation and bring transformative therapies to patients in India while enhancing operational efficiency. To support this goal, we are proactively expanding our product portfolio, leveraging advanced technology, entering into strategic partnerships and localizing manufacturing.

Driven by a strong sense of corporate social responsibility and guided by environmental, social and governance (ESG) principles, we go beyond profit to contribute responsibly to the communities where we live and work. Our objective is to promote patient and consumer centricity while creating shared long-term value for all stakeholders.

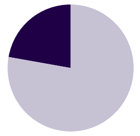
Ownership and operating structure

Sanofi, one of the world's leading healthcare companies, and its 100% subsidiary - Hoechst GmbH, are the shareholders of Sanofi India and together hold 60.40% of its paid-up share capital. The balance is held by foreign, domestic and retail investors. The shares of Sanofi India are quoted on the Indian stock exchanges.

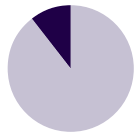
60.40%
Sanofi and Hoechst GmbH



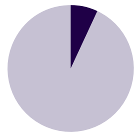
22.71%
Domestic Institutional Investors



10.58%
Retail Investors



6.31%
Foreign Institutional Investors



Sanofi Global

Sanofi is an innovative global healthcare company with one purpose: ***to chase the miracles of science to improve people's lives***. It aims to transform the practice of medicine through breakthrough science, and to make a positive impact on the people and communities it serves.

Over the past fifty years, Sanofi has burgeoned into one of the preeminent healthcare entities globally, uniting a varied array of companies with a profound history of innovation in healthcare.

Sanofi's influence spans over 90 countries, propelled by dedicated employees who perpetuate this legacy of excellence.

Key numbers relating to Sanofi India

Among the *top 3* pharmaceutical multinational corporations

5 brands in Top 300 in the Indian Pharmaceutical Market

28 countries Product reach

1 GMP compliant manufacturing site

5 billion+ tablets Production volume

Partnering with *12 Indian* contract manufacturing organizations

3,000 distributors and *100,000* pharmacies

2,100+ employees

THERAPEUTIC FOCUS AND LEADING BRANDS

IMPROVING LIVES WITH OUR DIVERSE THERAPIES

Our robust brand portfolio dominates seven of the top nine therapeutic segments in the Indian Pharmaceutical Market (IPM), with several brands holding leadership positions in their respective categories.

By integrating cutting-edge science with advanced technology, we introduce innovative solutions that boost health outcomes across key therapeutic areas. Our market-leading brands reflect our enduring legacy of proven scientific expertise, stringent quality assurance and a reliable supply chain.

In sync with India's growing healthcare needs, we remain focused on strengthening our innovation pipeline and rejuvenating our product portfolio. Our capabilities are being fortified through consistent investments and strategic partnerships. This shared dedication to patient centricity shapes our journey in the ever-evolving healthcare landscape.

	Brands	Market Performance	
DIABETES	LANTUS	• #1 in its category • Among the top 10 brands in IPM for more than a decade	
	Toujeo	• Toujeo is ranked 3rd fastest growing brand in the Analog insulins (in brands of 100 crore value)	
	Glimepiride (Type 2 diabetes) portfolio	• 28% share in the glimepiride market, making us a key player in oral diabetes therapies	
	Amaryl	• #5 in its category	
	Cetapin	• #4 in the category • Growing 6% in value	

Source: IQVIA MAT December 2023

	Brands	Market Performance	
CARDIOVASCULAR	CLEXANE	• #1 in market share by value for over 5 years • #1 in market share by volume	
	Cardace	• #1 in the category • #1 in volume	
CENTRAL NERVOUS SYSTEM	Frisium suspension	• #2nd highest prescribed brand in Epilepsy • #1 in Clobazam market • Over 15 years of leadership	
ANTI-INFECTIVES	TARGOCID	• Market share by value – 28%; value growth - 46% • Market share by volume – 8%; volume growth - 39% • In category Anti MRSA agents – #1 by value and #3 by volume	

Consumer Healthcare Brands

	Brands	Market Performance	
ALLERGY	Allegra	• #1 in allergy orals category for over 15 years • Allegra continues to be the leader in the oral allergy segment with a strong double-digit growth of 10% (+4% v/s market) • Allegra-M, witnesses strong revival with 2X value & 5X volume growth in the systemic nasal category	
	Avil	• #1 allergy brand in volumes	
PAIN CARE	Combiflam	• #6 in its category • 117 strips of Combiflam sold every minute in 2023 • > 62 million tabs sold in 2023	
NUTRITIONAL HEALTH	DePURA KIDS	• DePURA Kids is #2 brand with 12% market share in 2023 • DePURA group is #6	

Source: IQVIA MAT December 2023

To read more on our product portfolio, refer to the MDA section on **page 81.**

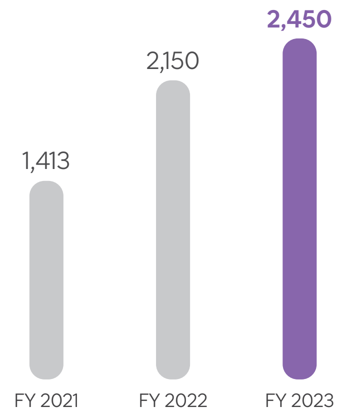
OPERATING ENVIRONMENT

RESPONDING TO MARKET TRENDS IN INDIA AND GLOBALLY

The healthcare landscape is shaped by diverse socio-economic trends that significantly influence our operations and ability to create value. This external operational context plays a pivotal role in guiding our strategic decisions, including the development of specific capabilities to effectively compete in our target markets.

Growing affordability for quality healthcare

India's Increasing Per Capita Income (US$)



Per capita medicine consumption typically correlates with GDP, with higher-income countries generally exhibiting higher levels compared to lower-income countries. The ongoing increase in per capita income across India and several other emerging economies signals a noteworthy transformation in the accessibility of healthcare services in these geographies. In India, our key market, per capita income is projected to grow by 70% by FY 2030, reaching an estimated US$4,000 from the current level of US$2,450#. This rapid expansion of the middle class, characterized by increased disposable income, implies that a larger segment of India's population will have the financial means to access and afford high-quality healthcare services, medications and treatments.

How we are responding

We remain focused on establishing and strengthening our partnerships in India, including with distributors, retail chains, hospitals and institutions. These collaborations enable us to extend our reach to more HCPs, patients and consumers in India, thus enhancing our product accessibility. The reorganization of our organization from eight to three business units during the year has further empowered us to adopt a more customer-centric approach. We can now cater more efficiently to HCPs who regularly use and prescribe our products.

#Source: Research report by Standard Chartered Bank

Rising prevalence of non-communicable diseases

US$184 billion

Projected global spending on diabetes by 2028, making it the third largest therapy area#

The large and growing global population creates significant demand for pharmaceutical products to address healthcare requirements. Moreover, socio-economic changes, urbanization and sedentary lifestyles are resulting in the growing global burden of metabolic or non-communicable diseases, such as obesity, diabetes, heart disease, stroke, cancer and hypertension. As context, India is expected to experience a surge in diabetes cases over the next five years, particularly in rural areas and states where the current prevalence of diabetes is low. This global shift in patient demographics is driving the demand for quality and affordable treatment for chronic conditions.

#Source: IQVIA Report: Global Use of Medicines 2024 Outlook to 2028

How we are responding

Our leading brand portfolio for chronic conditions positions us to deliver improved healthcare outcomes. We are actively exploring opportunities to expand our portfolio across key strategic therapeutic areas, including diabetes, neurology and cardiovascular. We are also intensifying efforts to raise disease and therapy awareness while enhancing scientific support and engaging with HCPs in these categories, with a particular emphasis on developing scientific content of relevance for the Indian market.

Supportive government policies in India

>521 million

Ayushman Bharat Health Account (ABHA) holders#

Numerous ambitious national initiatives in India, such as Ayushman Bharat (a national public health insurance scheme) and Ayushman Bharat Digital Mission (ABDM) for digitalizing healthcare, reflect the government's strong commitment to universal healthcare. This broadened access to medical treatment, particularly for underserved populations, is expected to boost the consumption of pharmaceuticals, healthcare products and services. Government initiatives like 'Make in India', Vision Pharma 2047 and production-linked incentives further support domestic manufacturing, exports and the growth of the Indian pharmaceutical industry.

How we are responding

We are making strategic investments to expand both our capacity and capabilities, driven by our commitment to addressing the growing healthcare demands in India. Our in-house facility in Goa plays a crucial role as a strategic site, manufacturing products for both export and local markets. In alignment with the Indian government's emphasis on domestic manufacturing, the facility is actively preparing to seamlessly introduce new products transferred from Sanofi Global sites.

 # As on January 18, 2024

Technology transforming healthcare landscape

22%

Projected CAGR of e-pharmacy market in India from 2022-2027#

The pharmaceutical industry is poised for significant transformation driven by advancements in technology. Digital technology, data analytics and Artificial Intelligence (AI)/Machine Learning (ML) have the potential to revolutionize the entire R&D value chain. This technological impact on healthcare extends to growing access to big data for more precise treatments and facilitating improved communication between healthcare providers and patients for faster diagnoses and enhanced care. The e-pharmacy segment is playing a crucial role in providing digital access to healthcare products and services, particularly in developing economies like India.

How we are responding

Our global R&D teams leverage state-of-the-art technology platforms to spearhead innovative approaches aimed at preventing diseases and ensuring the well-being of patients. In India, we are actively advancing our digital transformation, involving the creation and adoption of digital platforms and campaigns. This initiative aims to promote greater health awareness and expand the reach of our portfolio to more HCPs and patients. At our Goa site, we embrace digital technology to optimize manufacturing processes and enhance compliance.

#Source: Report E-pharmacy Market in India 2022-2027

Growing market for innovative products

43%

Projected Global Spending Share on Specialty Medicines in 2028#

Pharmaceutical innovation, at its core, involves the ability to develop new or first-in-class medicines that address unmet medical needs. Globally, many of these novel modalities come with substantial considerations. In India, the pharmaceutical market's growth is being consistently fueled by innovation, leveraging the sector's dual strength of 'quality with affordability'. As India continues to enhance the scale and pace of innovation, it holds the potential to emerge as a significant hub for innovative drugs, addressing evolving healthcare needs. This evolution could position India as the go-to-hub for innovative drugs, akin to its ascent to global leadership in generics.

How we are responding

Accelerating innovation stands as our strategic priority, with a key emphasis on leveraging our global product portfolio and seizing local opportunities for innovation to enrich our overall portfolio. Additionally, we are improving supply reliability, expediting 'time-to-market' and fortifying regulatory pathways and other capabilities to bolster our innovation plan.

#Source: IQVIA Report: Global Use of Medicines 2024 Outlook to 2028

Stakeholder pressure on drug pricing

5.9%

Global headline inflation in 2023#

Globally, regulatory authorities are urging pharmaceutical companies to enhance healthcare affordability. Consumers are becoming more price-sensitive, and the current slowdown in the global economy, coupled with high inflation, has heightened governmental and consumer scrutiny. This has necessitated a concerted effort to curtail drug prices for more effective healthcare budget management. Pharmaceutical companies now face the imperative task of striking a balance between addressing these challenges, ensuring the provision of accessible treatments while sustaining profitability.

How we are responding

We aim to reduce costs by expanding our manufacturing localization through our contract manufacturing network. Localizing the supply chain will further enhance supply reliability and speed to market. Our focus on enhancing operational efficiency is also contributing to cost containment.

#Source: World Economic Outlook, October 2023

BUSINESS STRATEGY

ADVANCING ON OUR 'INDIA FOR INDIA' JOURNEY

We are steadfastly expanding our outreach to patients nationwide while also enhancing the efficiency of our operational framework.

Our 'India for India' strategy is a strategic blueprint fortified by robust financial, information and operational systems, complemented by a foundation of skilled human capital and sound governance processes. With our strategy delivering strong operational and financial performance in FY 2023, we remain focused on accelerating the momentum across the growth pillars.

Growth Pillar 1: Diabetes

FOCUS AREAS

- Strengthening the positioning of our portfolio
- Expanding our spectrum of offerings
- Stronger disease awareness initiatives

PROGRESS IN FY 2023

- Relooked into the positioning of our brands and assigned specific brands to specific needs, making it easier for HCPs to use the portfolio and assist diabetes patients.
- Strengthened coverage by significantly expanding the sales force reach to HCPs treating patients with diabetes.
- Unified diabetes products under one portfolio for HCPs, streamlining resources and providing diverse alternatives with a customer-centric approach.
- Secured regulatory approval for the India launch of Soliqua™, an innovative product from our global portfolio, enabling our foray into the premix segment and addressing unmet patient needs.
- Issued a press release titled 'Marketing Approval for Soliqua™ in India', enabling us to reach 66.5 million readers nationwide.
- Developing a promising product pipeline to strengthen our presence in crucial diabetes therapies, aiming for breakthrough solutions, particularly for type-1 diabetes.
- Launched an all-India mass media communications campaign 'Sanofi Diabetes Dialogues – debunking the myths', a series of informative webinars on diabetes management with eminent doctors reaching 90.5 million viewers.

Growth Pillar 2: Consumer Healthcare

FOCUS AREAS

- Recommitted to our winning brand - Allegra®
- Deepening consumer understanding
- Expanding our product portfolio

FOCUS AREAS

- Commenced the demerger process of transforming our consumer healthcare business into a new entity, Sanofi Consumer Healthcare India Limited (SCHIL). Post demerger, SCHIL will benefit from the global unit's expertise in marketing and innovation while gaining the agility to pursue its growth strategies independently in the Indian market, aligned with our focus areas for this pillar.
- Expanded the impact of #AllergyFree, a consumer-focused initiative empowering individuals with allergies and promoting disease awareness, through mass-media channels. Over 5.5 million people were reached, complementing our efforts of doctor-led awareness sessions within clinics.
- Being a purpose-led brand: Fighting the inequality of air quality across 24 cities during Purpose week with Miyawaki forestation (2,636 trees planted by 213 Sanofi volunteers)

Growth Pillar 3: Innovation

FOCUS AREAS

- Leveraging global and local innovation
- Exploring supply localization
- Exploring partnerships for reach expansion

PROGRESS IN FY 2023

- Launched multiple high-impact products in their respective categories: Frisium® suspension (Neurology), Sanoxaban® and Carmada® (Cardiology).
- Set to launch Soliqua™, an FRC (fixed ratio combination) of basal insulin and GLP 1 analog (Glucagon-Like Peptide) for improved glucose control. This breakthrough product offers tailored solutions for better diabetes management.
- Started localizing select insulin assets. Insutage, our human insulin offer is fully sourced domestically, and is set to launch in India soon. Roadmaps are ready for key releases in FY 2024, including a Cetapin® line extension.
- Assessed options for introducing line extensions and adjacent innovations to our current portfolio, collaborating with local manufacturers in India and utilizing our manufacturing site in Goa.
- Explored opportunities to introduce global portfolio brands into the Indian market across various therapeutic categories.
- Strengthened the innovation pipeline; several launches are expected over the next two years.
- Stayed focused on exploring the potential of partnerships to extend the reach of our established brands.

Growth Pillar 4: Go-To-Market (GTM) & Operating Efficiencies

FOCUS AREAS

- Improving patient centricity and customer centricity
- Trade organizations (retail and non-retail)
- Piloting transformative models

PROGRESS IN FY 2023

- Reorganized operations from eight to three business units, making our approach more HCP-efficient and customer-centric.
- Initiated the shift from product-centric approach to a more patient and HCP-focused perspective, including realigning our portfolio.
- Expanded outreach through various GTM pilots, digitally connecting with around 70,000 HCPs and obtaining electronic consent from 12,500 HCPs.
- Deployed a full-fledged trade organization to engage with partners, including distributors, retail chains, hospitals, and institutions, in a more structured way and provide them with better services.
- Initiated engagement with trade partners across our entire portfolio, shifting from a brand-by-brand approach. This change has strengthened customer-centricity and is unlocking mutual growth opportunities.
- Four GTM pilots were explored using different approaches. The CNS (Central Nervous System) initiative contributed to over 10% of total CNS sales, while the other pilots are still in progress.
- Achieved significant progress in resource allocation and operational efficiency, particularly through cost optimization in sales, marketing, and administrative sectors, yielding savings of ₹360 million.

VALUE CREATION MODEL

CREATING STAKEHOLDER VALUE IN A SUSTAINABLE WAY

We are committed to creating maximum shared value by delivering on our purpose and ensuring the relevance and sustainability of our business model.

Embracing a multi-dimensional approach to value creation, our business model considers the operating environment, the availability and quantity of capital inputs, and stakeholder needs, all of which inform our strategy. Our strategic priorities underpinned by good governance, enables us to amplify our positive impact while minimizing negative consequences. As a result, we create stakeholder value in a responsible and sustainable manner.

CAPITALS ENGAGED / INPUT

Financial capital

Prudent use of financial resources to harness opportunities for sustainable economic growth

- ₹ 10,155 million capital employed
- ₹ 2,308 million operating cash flow

Manufactured capital

Providing effective accessible and safe products through strategic innovation and sustainable solutions

- Best-in-class global manufacturing site at Goa
- 12 contract manufacturing facilities across India
- Robust supply of world-class products from Sanofi Group

Intellectual capital

Building strong brands with world-class products well entrenched in the minds of stakeholders

- Driving local innovation with Sanofi's Global R&D team
- ₹ 13 million spent on clinical trials

Natural capital

Responsible use of natural resources and contributing to combating climate change

- In 2022, renewable energy installation through solar plant for Goa site and Mumbai office
- 83,668 GJ total energy consumption
- 118,746 Kl water consumed

Human capital

Fostering employees' skillsets and competencies while consistently ensuring their safety and well-being

- 2,100+ workforce
- 109 new recruits onboarded
- ₹ 70.75 million spent on health, safety and well-being of the workforce
- 12,000+ training hours conducted

Social and relationship capital

Strengthening stakeholder relationships through continuous engagement

Focusing on healthcare awareness & education and disaster relief to empower our communities

- ₹ 148 million CSR expenditure
- 3,770 hours volunteering hours contributed by employees
- 6 NGO partners

Strategic priorities:

Renewed focus on growth with local innovation initiatives

Launch global brands in related therapy areas

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

Accelerate efficiency

Reinventing the way we work

ESG objectives:

Environmental

- 100% renewable electricity by 2030
- Net zero by 2045
- Adopt a circular approach to limit our environmental footprint

Social

- Improve access to healthcare education for our communities
- Ensuring a safe, inclusive, and nurturing workspace for our employees
- Zero tolerance to breach of Code of Conduct to differentiate

Governance

- Robust governance structure to drive responsible and ethical business culture beyond compliance
- Consistent efforts to maintain high quality of products and transparency in disclosures

Business Drivers:

Patient-centricity

Organized healthcare system

Digitized go-to-market strategy

Macro-economic landscape

Low cost manufacturing

OUTPUT / OUTCOME / SDGs

Financial capital

- ₹ 28,511 million revenue from operations
- ₹ 6,032 million PAT
- ₹ 8,693 million EBITDA
- 52.65% Return on equity
- ₹ 3,847 million dividend payout

Outcome:
- Strong cash flow generation
- Healthy balance sheet and disciplined capital allocation

SDGs: 8, 9

Manufactured capital

- 5 billion tablets/capsules manufactured annually
- Products serving 7 therapeutic areas
- 61% production volume of Goa site exported
- Exports to more than 28 countries, mainly to regulated markets
- Localized low-cost manufacturing leading to more than 21% of the portfolio with a price of less than ₹ 5 per tablet

Outcome:
- Access to responsible quality products
- Robust systems and processes ensuring higher productivity and efficiency

SDGs: 7, 8, 9, 12

Intellectual capital

- 32 brands
- 5 legacy brands in top-300, with Lantus® as the 10th brand in the Indian pharmaceutical market
- 3 new products launched
- TouStar® – first re-usable insulin pen in India, which provides 50% more insulin, and convenience of use
- 6 original papers and scientific abstracts presented as posters or oral presentations at national or international journals/congresses

Outcome:
- Intensive approach towards innovation
- Responsible assessment of products through clinical trials
- Minimizing pharmaceuticals in environment through innovation

SDGs: 3, 8, 9

Natural capital

- 49% energy requirement catered from renewable sources
- Reduced dependency on groundwater use
- ZERO waste to Landfill
- 8.22% reduction in Scope 1 and Scope 2 emissions
- >99% wastes avoided disposal by recycle / reused / recovery methods

Outcome:
- Minimizing environmental impact
- Reduction in consumption of natural resources
- Transforming to sustainable, circular and net carbon zero material business

SDGs: 6, 7, 12, 13, 14, 15

Human capital

- 100% employees trained for health, safety and environment related matters
- 25% of women representation on the Board
- Zero fatalities
- Top employer award – 6 years in a row
- 50% of women in leadership
- Improvement in gender balance over a period of 3 years

Outcome:
- A nurturing and inclusive workplace
- Ensuring employee health and well-being
- Enhanced productivity of the workforce by building their skillsets and technical knowledge

SDGs: 3, 5, 8, 9

Social and relationship capital

- 1,537 of value chain partners assessed on health and safety parameters
- ~17 crore total beneficiaries for CSR initiatives
- 196.7 million individuals reached through health awareness campaigns/programs

Outcome:
- Empowering underserved communities through various CSR initiatives
- Improving accessibility and affordability of healthcare facilities for vulnerable communities

SDGs: 1, 3, 15

STAKEHOLDER ENGAGEMENT

BUILDING AND SUSTAINING TRUSTED RELATIONSHIPS

Stakeholder	Medium of engagement	Key expectations	Our approach	Frequency of engagement
Patients **Our patients are the end users of our products and services. Meeting their expectations is at the core of our business mission and purpose**	▪ Market research surveys ▪ Grievance redressal mechanism ▪ Workshops and conferences with patient advocacy groups ▪ Patient support/assistance programs	▪ Understand and address patient needs ▪ Understand patient experiences ▪ Enhance patient education about available treatment options	▪ Gathering insights to strengthen R&D and improve product quality ▪ Responding promptly to queries and complaints ▪ Creating awareness for our products and services	Continuous
Healthcare Professionals **Healthcare professionals (HCPs) serve as the crucial link connecting us with patients. They provide essential insights into our product usage, trends in disease management and unmet patient needs**	▪ Regular business interactions ▪ Customer satisfaction surveys ▪ Feedback system ▪ Grievance redressal mechanism ▪ Workshops and conferences ▪ Educational programs	▪ Address HCP queries and unmet needs ▪ Share information on product quality, scientific data and services ▪ Provide access to quality and affordable healthcare ▪ Ensure the safety and efficacy of medicines	▪ Providing information in and around the product and therapy area ▪ Gaining insights to strengthen R&D and improve product quality ▪ Engaging frequently to understand HCPs and patient needs ▪ Responding promptly to queries and complaints	Continuous
Suppliers **Our suppliers provide the essential raw materials, products and services crucial to our operations**	▪ Emails and meetings ▪ Training workshops and seminars ▪ Supplier assessment and review ▪ Supplier grievance mechanism	▪ Value creation ▪ Long-term business relation ▪ Fair pricing and transparent negotiation	▪ Developing a strong pool of suppliers ▪ Promoting local suppliers for secure and sustainable sourcing ▪ Conducting regular supplier assessments and audits ▪ Promoting shared growth	Continuous
Local Communities/ NGOs **Our association with local communities and partnership with NGOs enables us to create societal value**	▪ Need assessment surveys ▪ Regular meetings ▪ Trainings and workshops ▪ Emails and telephonic conversations ▪ CSR reports	▪ Access to healthcare, encompassing accurate information, health screening, management and treatment ▪ Enhanced quality of life	▪ Enhancing awareness and understanding of diseases ▪ Providing access to affordable healthcare ▪ Undertaking CSR activities	Continuous
Employees **Our employees are the foundation that enables us to deliver on our purpose and are at the core of our long-term success**	▪ Townhall meeting ▪ Training programs ▪ Employee engagement surveys ▪ Employee engagement programs ▪ Performance appraisal reviews ▪ Grievance redressal mechanism ▪ Emails and meetings	▪ Career growth ▪ Training and development ▪ Employee engagement and well-being ▪ Updates and information	▪ Implementing health, safety and well-being initiatives ▪ Promoting e-learning opportunities ▪ Providing platforms for behavioral and skill development ▪ Fostering employee engagement and satisfaction ▪ Communicating updates on policies, processes and systems ▪ Undertaking initiatives for culture building	Continuous
Shareholders **Our shareholders are the providers of financial capital needed to invest in and sustain growth**	▪ Integrated Annual Report ▪ Annual General Meetings (AGM) ▪ One-on-one interactions ▪ Announcement through stock exchanges and media releases ▪ Company website ▪ Dedicated email ID for Investor Grievances ▪ Investor/Analyst meet ▪ Quarterly financial statements	▪ Profitable growth ▪ Consistent return on investments ▪ Continuous operational performance ▪ Access to timely, accurate and transparent information ▪ Responsible corporate governance ▪ Expanded financial disclosure (including disclosure on key ESG concerns in line with recognized frameworks)	▪ Enhancing enterprise value ▪ Enhancing profitability ▪ Transparent disclosure practices ▪ Sound ESG practices ▪ Strong and experienced management	Periodically, Need basis
Trade Associations **Trade associations collaborate with regulators and government bodies, advocating for policy changes and addressing industry issues to create a conducive long-term business environment**	▪ Emails and letters ▪ Regular meetings ▪ Policy updates ▪ Communication with regulatory bodies ▪ Formal dialogues, conferences and industry forums	▪ Responsible business practices	▪ Engaging in advocacy on regulatory and industry matters ▪ Contributing to policy interventions for a robust healthcare ecosystem	Need basis
Trade Partners **Our trade partners play a vital role in enhancing the accessibility of our medicines**	▪ Emails ▪ Meetings ▪ Newsletters	▪ Ensure market fulfillment ▪ Meet the demand and ensure supplies with right inventory management ▪ Marketing support	▪ Constantly assessing GTM models ▪ Ensuring consistent supply and timely product delivery ▪ Raising awareness about new product launches ▪ Responding to queries ▪ Exploring emerging trade channels	Periodically, Need basis

Capital impacted

Frequency of engagement: ▲ Continuous ■ Periodically ⬢ Need basis

MATERIALITY ASSESSMENT

DETERMINING OUR MATERIAL ISSUES

Understanding material matters enables us to take an integrated view of risks and opportunities in our evolving operating environment, incorporate stakeholder feedback into our strategy, and deliver lasting shared value.

Our material topics represent the matters identified by us as having the potential to substantially impact our performance and our ability to create sustainable value for our stakeholders. To better understand the topics that are particularly relevant to Sanofi India, our stakeholders, and society at large, we conducted a comprehensive materiality assessment in 2022, aligning with Sanofi Global's materiality assessment framework. Considering the operating environment, Sanofi Group identifies material topics based on their relevance and impact on business and stakeholders.

Our materiality process

Our materiality process follows the Global Reporting Initiative (GRI) standards. It is an integrated approach, ensuring a sustainability focus in our business strategy. The process is also inclusive, with material matters being determined collaboratively with our senior management and identified stakeholder groups.

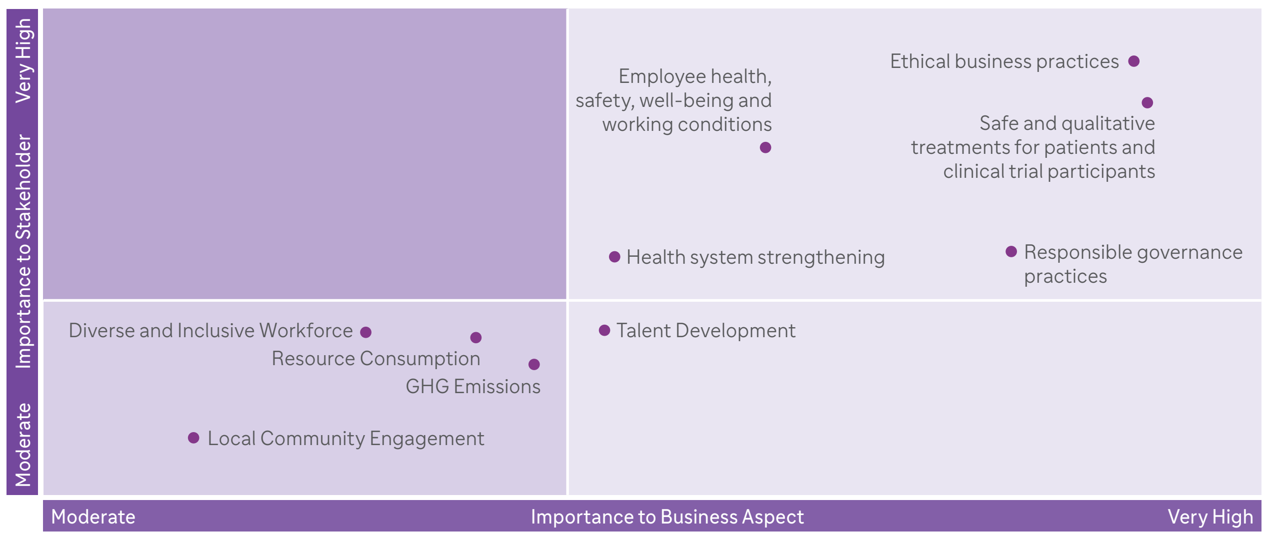
Step 1
Identification
Identifying the initial list of focus areas that are relevant for our business operations

Step 2
Stakeholder Engagement
Engaging with key stakeholders and senior management to assess the focus areas (on a scale of low to high importance to the business) using a structured questionnaire

Step 3
Prioritisation
Prioritising the material topics based on the assessment results and feedback received from stakeholders

Step 4
Materiality Matrix
Preparing a materiality matrix representing the significance of material topics to stakeholders and business aspects

Materiality Assessment Matrix 2022-Sanofi India



Our material topics

We identified 10 key material topics and then linked them to our environment, social and governance imperatives – the three dimensions of sustainability. To address these topics effectively, we have aligned them with our current goals and are measuring performance through defined indicators.

Environment

Resource consumption
Preserving resources by using them efficiently and promoting circular practices

GHG emissions
Running our operations in a way that GHG emissions are minimized in the entire value chain (scope 1, 2 and 3)

Social

Health system strengthening
Contributing to improving healthcare infrastructure, healthcare access, and health education (e.g. health literacy, disease prevention awareness)

Employee health, safety, well-being and working conditions
Providing a safe and healthy (both physical and mental) work environment for all employees and ensuring fair employment practices (e.g., upholding labor rights)

Local community engagement
Engaging with local communities to understand their needs and desires and take those into consideration (e.g. local employment, community partnerships)

Safe and qualitative treatments for patients and clinical trial participants
Ensuring the safety of our patients and clinical trial participants by providing high quality, safe and effective medicines and recording and communicating

Talent development
Providing training and development opportunities for all employees

Diverse and inclusive workforce
Offering an inclusive, fair and supportive work environment for all employees

Governance

Responsible governance practices
Governing our business in a responsible way by considering ESG factors in our operational and strategic business decisions (e.g., remuneration, providing transparency to stakeholders, capital allocation etc.)

Ethical business practices
Running our daily activities in an ethical way (e.g., ethical marketing, lobbying, anti-bribery measures etc.)

CORPORATE GOVERNANCE OVERVIEW

OVERSEEING OUR ACTIONS FOR ENDURING SUCCESS

We recognize our responsibility to ensure robust oversight for enhancing stakeholders' trust and creating sustainable value. The Board remains committed to maintaining high standards of corporate governance through mature processes and frameworks.

Governance Structure

The Board is at the helm of the governance structure at the Company. This framework is designed to ensure efficient control and oversight of our business while fostering effective decision-making to drive growth. Regular reviews of the governance framework are conducted to uphold the principles of effective and ethical leadership, corporate citizenship and long-term sustainability.

Board Diversity

Board diversity continues to be a focus area. Therefore, when proposing members for election to the Board of Directors, various criteria are considered, including industry experience, executive and management roles, financial and accounting expertise, governance and legal knowledge, ESG and IT proficiency, and gender and other diversity factors.

Diversity Characteristics

BOARD EXPERTISE

8
Strategy Development and Insight

8
Business Leadership and Management

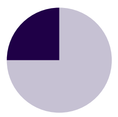
5
Pharmaceutical Business

8
Finance and Accounts

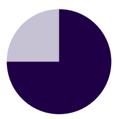
8
Governance, Risk and Compliance

GENDER DIVERSITY

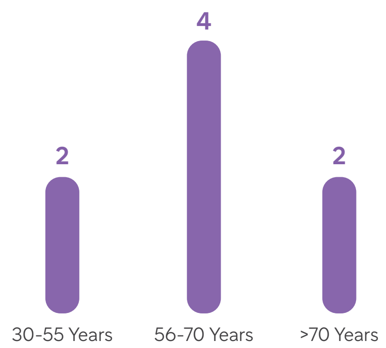
25%
Female



75%
Male



AGE PROFILE



Board Composition

Our Directors are accomplished professionals known for their integrity and expertise in various fields. The Board comprises a balanced mix of independent, non-executive and executive directors. This composition ensures a blend of commercial acumen, governance experience, independence, and diversity of skills, capabilities and backgrounds among the Directors, safeguarding against undue influence on the Board's decision-making process.

BOARD INDEPENDENCE

Independent Directors: 3

Non-Executive Directors: 2

Executive Directors: 3

Board Committees

The Board is assisted by several committees, whose delegated authority enhances role clarity and the effective execution of responsibilities throughout our business. These committees are tasked with governance issues and provide periodic reports to the Board on their activities. Each committee evaluates its effectiveness by reviewing its activities against approved terms of reference in alignment with delegated powers and authority.

Five Committees

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

Ethics, Accountability and Transparency

In the dynamic business environment, Ethics and Business Integrity (EBI) is the cornerstone steering our organization towards excellence. Our Code of Conduct (CoC) serves as the moral compass that guides us when chasing the miracles of science to improve people's lives.

The new Code of Conduct, introduced by Sanofi Global in January 2023 and accessible at https://www.codeofconduct.sanofi/, is our constitution. This modern code represents a shift from traditional rule-based directives to a principle-based document aligned with our purpose, ambition, Play to Win strategy, integrated corporate social responsibility approach, employee value proposition, and organizational culture.

The Code acts as a catalyst for maximizing opportunities and minimizing risks by introducing the Thoughtful Risk-Taking (TRT) framework. We have disseminated the essence of this Code throughout the organization via extensive awareness campaigns, including 'CoC Conversations' conducted across all employee levels.

Our commitment to ethical behavior is also evident in our elaborate governance systems and rules, strictly enforced within the legal framework. The 'Leading with Integrity Handbook' guides managers in developing leadership qualities conducive to ethical decision-making and proactive issue resolution.

Imbibing TRT into our DNA

Thoughtful Risk-Taking entails striking a balance between prudence and boldness to seize opportunities and deliver optimal outcomes for our patients, customers and stakeholders. We have empowered employees to adopt the right mindset and consistently apply a shared decision-making approach using the TRT framework, which comprises six simple and practical steps.

Our Ethics and Business Integrity (EBI) Champions help amplify, cascade and percolate the culture of ethics across the length and breadth of company, thus perpetuating Sanofi's commitment to conducting business responsibly and embracing opportunities with Thoughtful Risk-Taking.

100+
Ethics and Business Integrity Champions

BOARD OF DIRECTORS

Mr. Aditya Narayan
Chairman
Independent Director

AC NRC CSRC

Mrs. Usha Thorat
Independent Director

AC NRC SRC CSRC RMC

Mr. Rahul Bhatnagar
Independent Director

NRC

*Mr. Marc-Antoine Lucchini**
Non-Executive Director

AC

Mr. Vaibhav Karandikar
Non-Executive Director

SRC CSRC RMC

Mr. Rodolfo Hrosz
Managing Director

SRC RMC

Mr. Rachid Ayari
Whole-time Director and
Chief Financial Officer

RMC

Ms. Renee Amonkar
Whole-time Director

AC Audit Committee

NRC Nomination and Remuneration Committee

SRC Stakeholders Relationship Committee

CSRC Corporate Social Responsibility Committee

RMC Risk Management Committee

**After the approval date of this report, Mr. Marc-Antoine Lucchini resigned as a Non-Executive Director, effective close of business hours on March 28, 2024.*

LEADERSHIP TEAM

1. *Bratin Bag*
Senior Director – Ethics & Business Integrity, South Asia

2. *Nakul Verma*
Senior Director - Public Affairs

3. *Surabhi Kaul*
People & Culture Director India

4. *Rachid Ayari*
Whole-time Director and Chief Financial Officer

5. *Renee Amonkar*
Whole-time Director

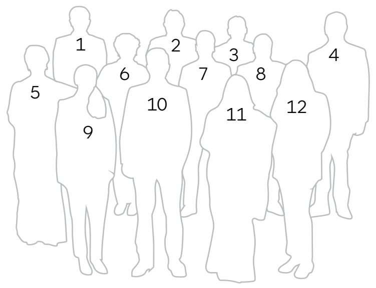
6. *Yasmin Shenoy*
Senior Director - Regulatory Affairs

7. *Himanshu Bakshi*
General Manager - Consumer Healthcare India

8. *Linumon Thomas*
Digital Leader - India

9. *Dr. Shalini Menon*
General Medicines Medical Head - India

10. *Rodolfo Hrosz*
Managing Director



11. *Aparna Thomas*
Senior Director – Corporate Communications and CSR

12. *Radhika Shah*
Head of Legal and Company Secretary

RISK MANAGEMENT

ENSURING OUR GROWTH AND LONG-TERM VALUE

Incorporating risk management practices into our daily operations is integral to our approach. This ensures that we proactively identify events that could impact our value creation and effectively manage risks in alignment with our strategic objectives.

Risk management framework

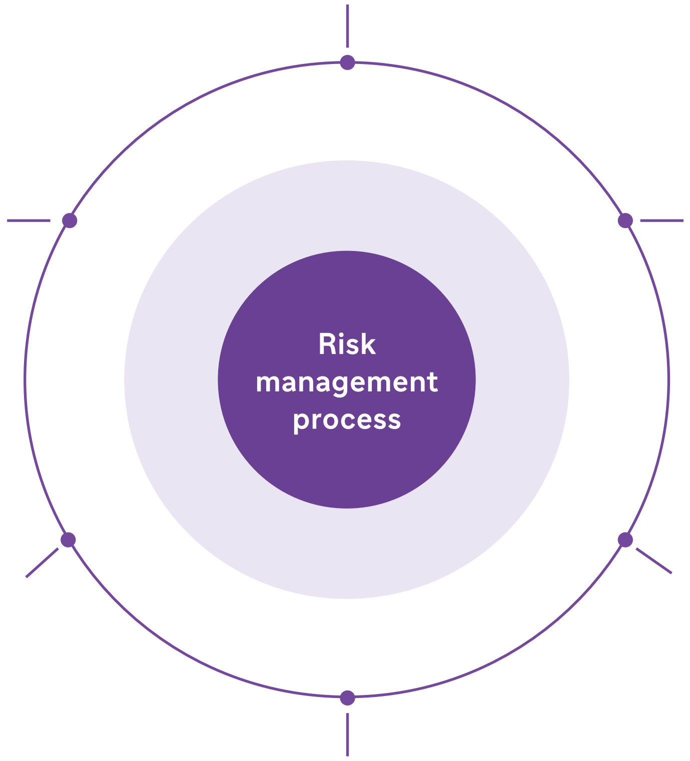
In response to our dynamic environment and with a commitment to continuous improvement, asset protection and long-term stakeholder value, we have established a robust risk management framework. Aligned with regulations and industry standards, this framework fosters accountability and competence in risk management organization-wide. It facilitates the timely exchange of information with stakeholders and supports decision-making aligned with risk exposure.

Risk management governance

The Risk Management Committee, established by the Board, collaborates closely to oversee the Risk Management Policy's implementation and evaluate its efficacy. With a structured approach, the committee outlines stages for risk identification. Business heads take charge of identifying risks, which then leads to the identification of risk owners tasked with analyzing risk factors and devising suitable mitigation strategies.

The Risk Management Committee meets on a quarterly basis to effectively manage identified risks.

To oversee, assess, monitor, and control risks in an efficient manner, we have established specific roles and responsibilities.



Risk identification
An ongoing process, risk identification involves compiling a Risk Register that encompasses potential risks across all business units and functions.

Risk assignment
Each identified risk is assigned to a risk owner based on its nature, potential impact, and the individuals responsible for executing mitigation plans.

Risk classification
Identified risks are categorized into financial, operational, reputational, regulatory, extended enterprise, ESG, and technological categories.

Risk assessment
Risks undergo assessment based on predefined criteria, facilitating their evaluation and prioritization. This includes analyzing the probable impact and likelihood of risk occurrence using impact scales to rate potential consequences to the organization.

Risk framework review
Recognizing the dynamic nature of risk management, we regularly revisit our policies, framework and practices to ensure their ongoing relevance and adequacy. These regular reviews enhance the maturity and resilience of our risk framework.

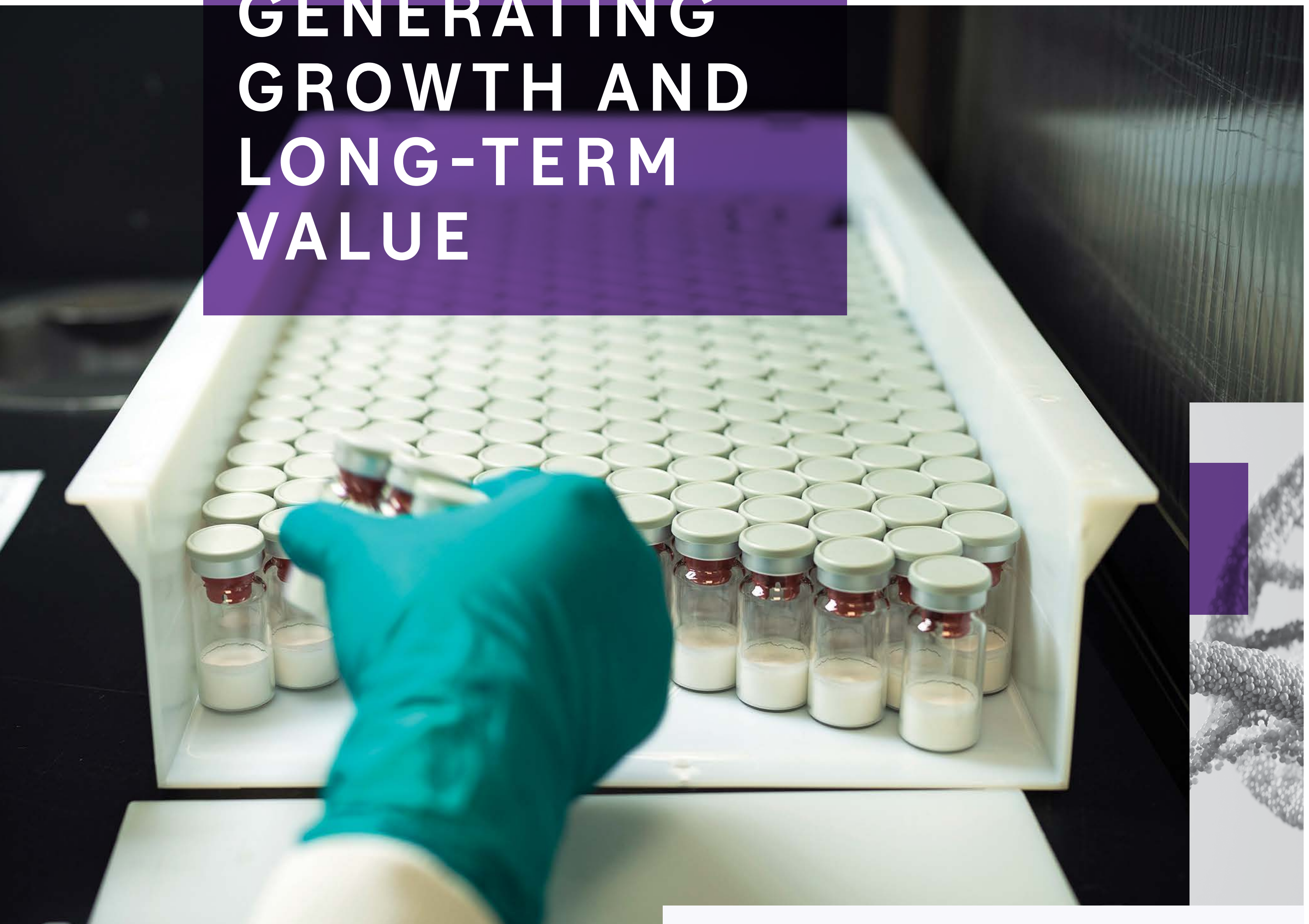
Response planning
An integral part of our risk management involves response planning, identifying strategies to manage and mitigate risks to an acceptable level. These plans balance efforts and benefits for the Company while ensuring compliance with legal, regulatory and other requirements.

Risk consolidation

We aggregate all risks to ensure that both management and the Board of Directors have a comprehensive view of risk events. This includes risks across various domains such as business, financial, operational, sectoral, sustainability (with a focus on ESG), information, cybersecurity and any other risks identified by the Risk Management Committee.

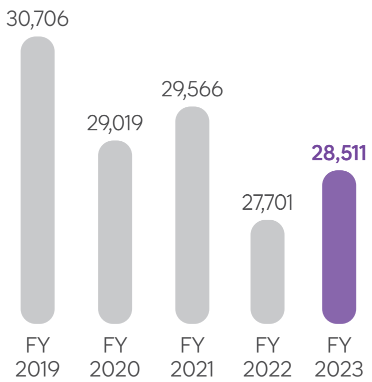
FINANCIAL CAPITAL

GENERATING GROWTH AND LONG-TERM VALUE

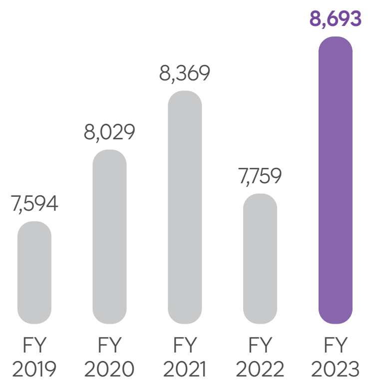


Navigating through a dynamic external landscape, insightful management of financial capital is imperative. Our adept financial strategies drive robust cash flow and sustainable business health. We remain committed to the efficient deployment of our financial assets, aligned with our strategic goal of maximizing growth and value creation.

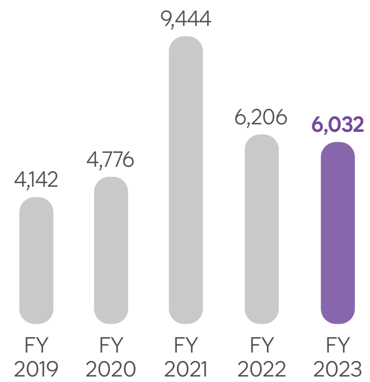
Revenue from operations#
(₹ in million)



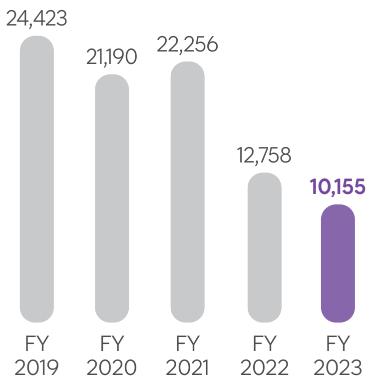
EBITDA performance through the cycle*
(₹ in million)



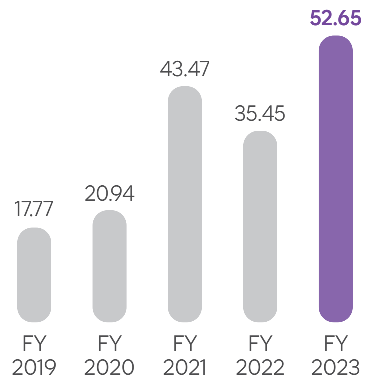
Profit after tax (PAT)**
(₹ in million)



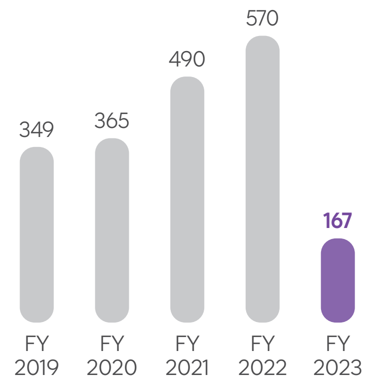
Net worth
(₹ in million)



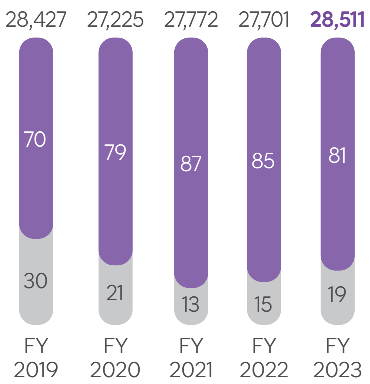
Return on equity**
(%)



Dividend per share^
(in ₹)

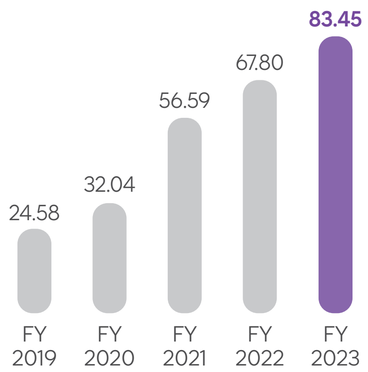


Sales mix
(₹ in million)

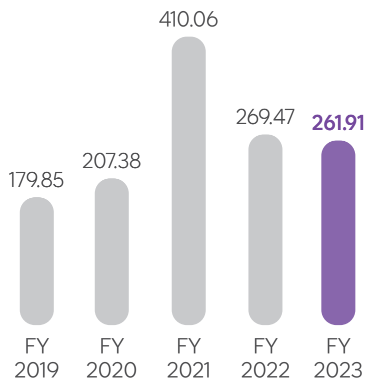


Exports (%) Domestic (%)

Return on capital employed
(%)



Earnings per share (EPS)**
(in ₹)



#Revenue and profit are not comparable due to the divestment and exceptional items involved between the period
** EBITDA - Earnings before exceptional item*
*** Includes impact of exceptional items*
^ Dividend for the past years includes 'special dividend'

MANUFACTURED CAPITAL

MAKING IN INDIA FOR INDIA AND THE WORLD

Our regulatory compliant in-house manufacturing facility in India, complemented by a robust network of contract manufacturing partners across the country, enables us to deliver innovative and high-quality affordable medication with efficiency and scalability.

In-house manufacturing facility

Our manufacturing site in Goa follows the stringent guidelines of current Good Manufacturing Practices (cGMP), emphasizing innovation and efficiency. It is a strategic site within the Sanofi Global network, producing top-quality products, embracing digitalization, and consistently enhancing processes to meet and surpass global standards.

The primary offerings include Paracetamol and Codeine combination exclusively for exports and Depakine or Sodium Valproate product family, Ramipril, Fexofenadine and Glimepiride for both local markets and exports.

Notably, the Goa unit holds a distinctive status as the sole facility, aside from the one in Frankfurt, authorized to produce Ramipril PC granules. Additionally, the facility is gearing up to introduce new products seamlessly transferred from other sites, demonstrating its commitment to remaining at the forefront of pharmaceutical innovation and diversification.

Digitization and automation

In an era where digital transformation is pivotal, our Goa plant proactively embraces digitalization. The site has outlined a comprehensive plan to optimize manufacturing processes, ensuring data integrity and reliability. Notably, the plant targets achieving DIRA (Data Integrity Risk Assessment) compliance by 2025, highlighting our efforts towards staying ahead of industry trends and leveraging technology for sustainable growth.

Additionally, the Goa site is preparing for an upgrade to a PAL-MAL facility. This strategic move underscores our focus on continuous improvement, aligning with the site's tag of being a 'Strategic Site'.

Over 21% portfolio priced at less than ₹5 per tablet

Local Manufacturing Impact

Total Capacity

5 billion+ tablets

FY 2023

Tablets & Capsules

3.8 billion

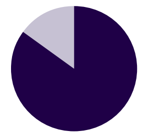
FY 2023

Capacity Utilization

FY 2023

85%

Goa-61% volume produced for export



Partnership with Contract Manufacturing Organizations (CMOs)

We operate with a network of 12 Contract Manufacturing Organizations (CMOs) nationwide. Our ongoing efforts involve consolidating this CMO network to enhance cost efficiency, supply chain reliability and speed to market. While expanding our product offerings from the global Sanofi portfolio and introducing innovations to our existing range, we maintain a strong commitment to collaborating with local manufacturers in India. Through this collaboration, we ensure a robust supply capability of high-quality products with flexibility and efficiency, all achieved at the most economical cost.

Quality standards and regulatory approvals

Our Goa facility adheres rigorously to stringent quality control measures and has obtained certifications from pivotal regulatory entities, ensuring that our products not only meet but surpass global benchmarks for safety, efficacy and quality. This unwavering commitment to regulatory compliance serves to bolster the credibility of Sanofi India's products on the global stage.

Regulatory Approvals and Certifications:

- WHO certification for Sanofi India
- Approvals from CDSCO & FDA
- Recognition from the Ministry of Industry & Trade of the Russian Federation
- Endorsement by the Therapeutic Goods Administration (TGA) in Australia
- EU GMP certification based on Regierungspräsidium Darmstadt in Germany
- Taiwan FDA approval post PMF review
- COBEL DAROU - Sanofi MAH representation on behalf of Iran MOH
- Recognition by the National Medicines Regulatory Authority (NMRA) in Sri Lanka

INTELLECTUAL CAPITAL

DELIVERING INNOVATIVE SOLUTIONS EFFICIENTLY

As we chase the miracles of science to improve people's lives, we emphasize stringent pharmacovigilance, the integration of advanced technologies, and the leveraging of digital innovation. Together, these elements expedite our journey towards making a meaningful impact on people's lives.

Global and Local Innovation

Innovation is a core imperative for us, essential for making a tangible impact on countless lives. Sanofi Global leads our R&D initiatives, working closely with our international affiliates. Our commitment to developing superior health solutions is demonstrated in our state-of-the-art laboratories worldwide, where we employ industry-leading technology platforms and also prioritize sustainability to reduce our environmental footprint.

In fiscal year 2023, our drive for innovation became a key driver of growth. Under the 'India for India' approach, we launched globally recognized cardiovascular treatments – Sanoxaban® (Apixaban) and Carmada® (Valsartan + Sacubitril) in India, bolstering our cardiovascular portfolio. The launch of Frisium® suspension represents a major step in providing pediatric epilepsy care through an easily administrable form.

Soliqua™ is slated for an early FY 2024 release as part of our efforts to introduce products from the global portfolio to India. Consistent control over fasting and postprandial blood sugar levels is critical for managing Type 2 diabetes. Despite insulin being a primary treatment, its daily multiple administrations and hypoglycemia risks are challenges. Soliqua™ combines basal insulin and a GLP-1 receptor agonist in a fixed ratio, offering a once-daily injection that significantly lowers hypoglycemia risks. This innovation opens up significant opportunities for us in our insulin portfolio, helping HCPs to streamline the complexity of diabetes management.

Our 'India for India' initiative also focuses on adapting and localizing Sanofi's global assets for Indian patients. We have made significant progress with Insutage, a tailored version of our insulin products, poised for imminent launch. Cetapin® S, a new variant of one of our established brands, is slated for launch by the end of Q1 FY 2024, further illustrating our commitment to local innovation.

Pharmacovigilance

We are committed to the safety and efficacy of our products for consumers. Our vigilance extends beyond clinical trials, encompassing post-market surveillance to safeguard patient and consumer health. A specialized Pharmacovigilance (PV) team is at the heart of this effort, overseeing our products' safety across their lifecycle. This team also provides comprehensive training on safety data vigilance reporting to all Sanofi employees, vendors, business partners and those involved in handling our products.

Digital Transformation

Digital transformation gained significant impetus in the past year, enabling us to enhance engagement and expand our reach.

Our Go-To-Market (GTM) pilots engaged with an additional 80,000 healthcare professionals (HCPs) beyond our initial base of 82,000 HCPs reached by the field force. These initiatives covered CNS market expansion, uncovered HCP outreach, and engagement in vacant territories.

A significant move was our drive for e-Consents, considerably widening our reach by connecting with more HCPs via their preferred communication channels. The launch of a virtual sampling platform set Sanofi India apart as the first in the Sanofi network to introduce such an innovation.

Our omnichannel engagement efforts were robust, leveraging various digital channels to strengthen connections with HCPs. In a significant move, we consolidated several HCP facing websites into 'Campus', a comprehensive platform that aligns with our vision of offering an end-to-end personalized, customer-centric experience.

Considerable progress was made towards curating compelling and relevant content. Implementing our global content management tool, 'DAM', we streamlined content operations. The introduction of the 'Beyond Therapy' section, offering content beyond traditional medical topics, also drove HCP engagement.

HCP-Focused Digital Innovation

Robust Outreach by GTM Pilots
- 80,000 additional HCPs reached
  - CNS market expansion: 10,000 HCPs, 12% business increase
  - Uncovered HCP outreach: 60,000 HCPs, 15% engagement rate
  - Vacant territories engagement: 9,600 HCPs, 18% engagement rate

Driving E-Consents
- 50,000+ HCP consents for WhatsApp

Pioneering Virtual Sampling Platform
- A first in the Sanofi global network

Omnichannel Engagement
- Emails: 2.2 million sent, 16% open rate
- WhatsApp: 1.9 million messages, 46% open rate
- SMS: 200K messages, 12% click-through rate

HCP-facing Websites Unification
- 'Campus' platform launch

Driving Content Excellence
- Adoption of global tool 'DAM'
- 'Beyond Therapy' Section - 150% increase in HCP engagement

HUMAN CAPITAL

EMPOWERING OUR DIVERSE WORKFORCE

We are committed to fostering a thriving environment where employees can reach their full potential, bring their authentic selves to work, and feel valued. By empowering our people with the necessary skills and opportunities, we are confident in achieving our strategic objectives and driving long-term success.

Nurturing the Right Culture

Culture is at the core of our identity, creating a vibrant and high-performance workplace. Our aim is to cultivate a culture that encourages everyone to consistently bring their best selves to the forefront.

Launched in 2023, our Culture Talk series has been pivotal in promoting an open exchange on trust, empathy and commitment – core values that guide our scientific endeavors. These discussions, bridging leadership and employees, facilitate transparent conversations on critical issues such as risk-taking, accountability, and Diversity, Equity and Inclusion (DE&I), ultimately enabling personal and organizational growth.

Understanding the pivotal role of recognition in fostering unity and success, we introduced global platform BRAVO in June 2023. BRAVO honors and celebrates colleagues who excel, especially in patient-centered efforts, enhancing trust and camaraderie. This platform is crucial for nurturing a collaborative and innovative culture, marking our journey towards collective achievements.

'All In' for Diversity, Equity and Inclusion

We recognize DE&I as foundational pillars shaping our operations. **Diversity** is our competitive edge, drawn from embracing our collective differences. **Equity** means customizing resources to ensure all groups have what they need to succeed. **Inclusion** is about creating a workplace where everyone feels respected, valued, and that they truly belong.

Through continuous focus and strategic initiatives under our global 'All In' strategy, we are dedicated to creating a workplace where diversity is celebrated, equity is achieved, and inclusion is lived daily. Our mission is to mold Sanofi India into a reflection of the society – representing the people and patients we serve.

Our Gender+, Pride+, and Ability+ Employee Resource Groups (ERGs) are central to voicing and actualizing our DE&I commitments. These groups are instrumental in sharing knowledge and driving initiatives that celebrate our diversity.

'All In' Strategy

	Reflect	Unleash	Transform
Strategy Pillars	Fostering a leadership that mirrors the diversity of our communities.	Cultivating an environment that empowers everyone to bring their best selves to work.	Making a positive societal impact by advocating for diverse communities.
FY 2023 Highlights	▪ 20% women representation ▪ 45% women among new hires ▪ 25% women representation on Board ▪ 5% women representation in the senior management team ▪ 70+ employees joined Gender+, Pride+ & Ability+ Employee Resource Groups (ERGs)	▪ Parental Leave +ve uptake ▪ Paternity Leave - 72 Maternity Leave - 15 Adoption Leave - 2 ▪ Conducted sensitization sessions focused on Pride and Ability communities ▪ Provision of gender-neutral restroom at Head Office ▪ Provision of accessible parking for specially-abled people	▪ Included Pride and Ability related volunteering initiatives as part of 'We Volunteer' ▪ 5% procurement from MSME vendors ▪ 100% diverse representation in clinical trials across gender, geography and hospital type

Over the years, we have significantly advanced gender balance, including extending maternity leave ahead of legal requirements and offering various support mechanisms to ensure the safety and empowerment of our female employees. We maintain a gender-neutral remuneration structure, competitively benchmarked through extensive market research. Our sensitization workshops, from leadership to front-line managers, aim to dismantle biases, fostering a culture of sensitivity and mutual respect. Development programs for women are designed to break barriers and prepare them for leadership roles.

Expanding our commitment to inclusivity, our policies and facilities are meticulously designed to welcome and support a diverse array of family structures and physical abilities. Our medical insurance extends to immediate family, including same-gender partners, with inclusive parental insurance coverage. Infrastructure enhancements ensure accessibility for differently-abled individuals, featuring Braille signage, wheelchair-friendly entrances, safety-focused stair designs, all-gender washrooms, and inclusive parking facilities.

Prioritizing Learning & Development

We recognize the indispensable role Learning and Development (L&D) plays in equipping our employees with the necessary skills and knowledge to navigate change, foster innovation, and drive sustainable success. Our L&D strategy is based on our Leadership Framework which fosters capability building across levels – Leading Self, Leading Others, Leading Organizations, Leading Sanofi. We upskill and elevate the capability of all Sanofi leaders to accelerate our Play to Win Strategy, as well as our transformation and talent agendas.

L&D Framework

Play to Win Behaviors	Cultivating a mindset geared towards innovation, accountability and teamwork.
Leadership Competency Framework	Enhancing leadership skills across various organizational levels.
Global Compliance Training	Ensuring adherence to the highest standards of ethical conduct and regulatory compliance.

Under the global 'Leadership Lab' initiative, we offer targeted programs for Individual Contributors, People Managers and Executive Leaders, reinforcing our belief in the critical role of leadership in cultivating a vibrant workplace culture. We equip our managers with tools like 360 assessments, Manager90 Feedback, and the Manager Hub to evaluate and enhance their leadership capabilities, ensuring they are well-positioned to motivate, focus, care for, and develop their teams effectively.

Promoting Employee Health, Safety and Wellbeing

We are steadfast in our commitment to fostering a secure and healthy work environment for our employees, contractors, sub-contractors, visitors, and neighboring communities. Rigorous assessments of our Mumbai office and Goa site ensure that our practices not only meet but also surpass global occupational health and safety standards, including those set by ISO 45001:2018 and OSHA guidelines. Additionally, our Goa site is certified under ISO 14001, the international standard for environmental management systems.

At the heart of our safety ethos, an efficient system for hazard identification and risk evaluation has been implemented, underpinned by the development of Health, Safety, and Environment (HSE) manuals and Standard Operating Procedures (SOPs). This foundation enables proactive risk management, augmented by diligent risk assessments and regular audits. Our teams play a vital role, leveraging an internal review mechanism to uphold our high safety standards, while the thorough investigation of incidents and the deployment of Corrective and Preventive Actions (CAPA) ensure the enhancement of our safety protocols.

Acknowledging road risk as a significant challenge, we have implemented specific measures to safeguard our employees, customers, and communities. Initiatives include comprehensive training programs, road safety coaching, helmet distribution to riders, and a Preventive Maintenance Allowance. Our commitment to road safety is further underscored by our partnership with the United Nations Decade of Action for Road Safety, aiming to collaborate with various stakeholders in the community to enhance safety measures.

Road Safety Initiative with UN Special Envoy Mr. Jean Todt

We had the honor of hosting Mr. Jean Todt, the UN Secretary-General's Special Envoy for Road Safety, ex-Ferrari principal, at a special event in our Mumbai office. This program is a key component of Sanofi's strategic global partnership with the United Nations, targeting a 50% reduction in road accident fatalities by 2030 from the 2015 baseline.

Mr. Todt and Sanofi India committed to shaping road safety policy in India, working closely with industry groups and governmental agencies. The panel discussion highlighted the critical importance of ensuring road safety, and the event provided a comprehensive showcase of Sanofi's safety initiatives. The event culminated with a road safety pledge-signing ceremony.

Our commitment extends beyond safety initiatives, placing significant emphasis on the comprehensive wellbeing of our employees. Efforts to foster a culture of health and wellness include:

- **Comprehensive Healthcare Services:** Offering extensive medical insurance and access to medical and healthcare services.
- **Occupational Health Centers:** Establishing state-of-the-art health centers at our Goa and Mumbai sites, staffed by dedicated physicians.
- **'All Well' Program:** A pioneering initiative aimed at promoting a 'healthy mind and body,' focusing on balanced diets, physical activity, smoking cessation, disease prevention, and effective stress management.

HSE Policy and Management

Safety Champions and Committees	Encouraging safety initiatives through site-level safety committees and safety champions.
Quarterly Performance Reviews	Assessing and enhancing our HSE performance with senior leadership's active involvement.
Robust Audit Mechanism	A comprehensive audit system for continuous safety performance improvement.
Risk Identification and Mitigation	Employing Hazard Identification and Risk Assessment (HIRA) to identify and control risks.
Education and Competence	Ensuring all employees are knowledgeable and competent in safety and health responsibilities.

Upholding Human Rights

We are committed to the highest standards of human rights and ethics. Through targeted training sessions, we educate our workforce on crucial human rights issues and policies. We guarantee remuneration exceeding the minimum wage and offer health insurance to all permanent staff, underscoring our commitment to employee welfare.

This year, we are proud to report timely wage payments and the absence of any child labor, forced labor, or involuntary labor complaints. Moreover, we adhere to strict hiring policies, with no individuals under 18 employed, reflecting our dedication to ethical practices. Furthermore, our partnerships are carefully selected to align with suppliers that strictly prohibit forced labor, ensuring our supply chain reflects our core values.

Sanofi India recognized as the Top Employer for the 6th consecutive year

1,812
Permanent Employees

361
Permanent Workers

1,517
Male Employees

295
Female Employees

01
Differently abled employees

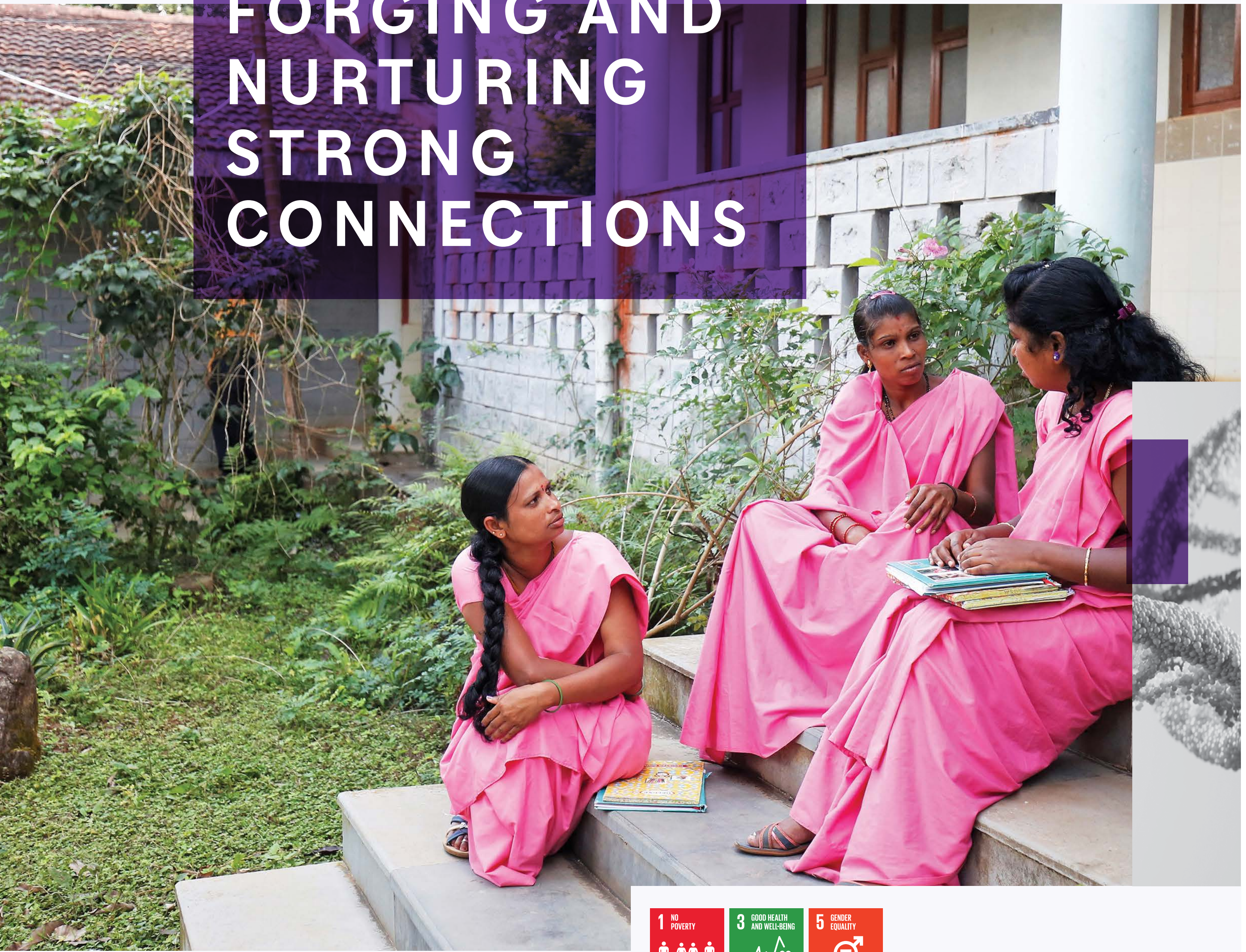
87%
Retention Rate

₹6.62 million
Investment in employee wellbeing

12,000+
Training hours conducted

SOCIAL AND RELATIONSHIP CAPITAL

FORGING AND NURTURING STRONG CONNECTIONS



Our commitment to environmental, social, and governance considerations, coupled with a focus on building a healthier nation, drives meaningful relationships and impactful contributions, shaping a resilient and vibrant community.

A corporate citizen on a mission

Industry associations serve as crucial channels for articulating industry opportunities and challenges, providing valuable insights to key governmental stakeholders. This collaborative approach seeks to identify actionable points that nurture a thriving industry while prioritizing public welfare.

We actively participate in and collaborate with industry associations on various initiatives. Noteworthy contributions include shaping the Pharmaceutical Pricing Policy, National Rare Disease Policy, and policies fostering healthcare innovation. These endeavor aim to seamlessly integrate cutting-edge global therapeutic options into the national healthcare landscape.

Maintaining active engagements with prominent industry bodies like OPPI, FICCI, USISPF and CII, our leadership team plays a proactive role in function-specific task forces. This involvement helps bring out the narrative of Sanofi as part of the overall submissions to the government.

196.7 million

Individuals reached through health awareness campaigns/programs

Engaging with healthcare professionals

162,000

Interactions with HCPs

Building strong supply chain partnerships

6,000+

Value chain partners

₹148 million

CSR investments

5

Programs aimed at improving healthcare access

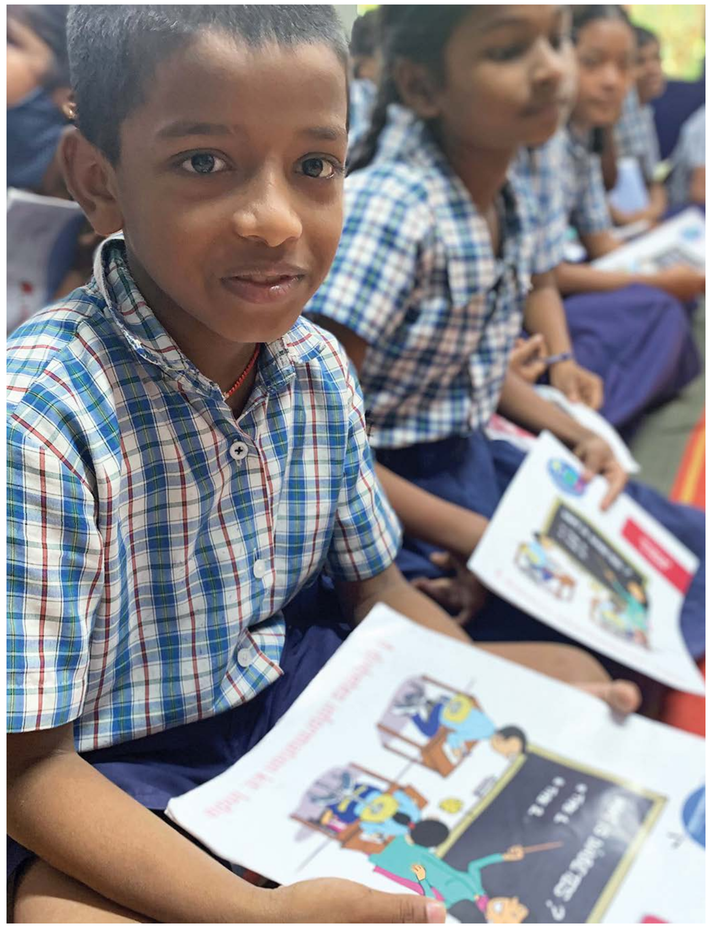
Empowering societal health and wellbeing

Our social impact strategy aims to build a healthier, more resilient country by ensuring access to quality healthcare for India's underserved population. Central to this mission is the commitment to improve prevention, care and treatment of Non-communicable Diseases (NCDs). Leveraging our core competencies and resources, we focus on building the capacity and capability of healthcare systems to empower communities to lead better quality lives.

Key Aspects of our CSR Policy

Access to healthcare	Capacity building & awareness	Employee volunteering

All our CSR initiatives are meticulously executed by our in-house team in collaboration with NGOs, implementing partners and State Governments. This approach ensures the effectiveness and reach of our social responsibility endeavor.



KEY CSR INITIATIVES

KiDS Program, Goa

Our Kids and Diabetes in Schools (KiDS) program has imparted diabetes awareness in Goa during its three-year span (2019-2022). We are delighted to share that the impact assessments affirm the program's positive influence, extending its reach from schools to homes, communities and society at large. Recognizing its significant potential in influencing behavioral change and the long-term health benefits for Goans, this program has secured a three-year extension (2022-2025) through an MoU with the Department of Health, Government of Goa.

KiDS adopts an innovative approach involving a Public-Private Partnership with the Department of Health, Government of Goa, collaboration with the State Education Department, and capacity building for RBSK (Rashtriya Baal Swasthya Karyakram) doctors. Educational modules, complemented by engaging activities, extend beyond classrooms to establish a sustainable model.

KiDS utilizes on-ground activities to convey messages about healthy diets and active lifestyles. Mass campaigns, such as 'Sakhar Free Shukrawar' (Sugar-Free Friday) and the STEP challenge, encourages family members to lead a healthy life by incorporating walking into their routine, further promotes healthier living. In 2023, the inaugural Diabthlon, a component of KiDS, unfolded as a day-long marathon featuring diabetes education, fun fitness experiences, healthy food stalls and entertainment.

Read the full report here

Partners

- Department of Health, Government of Goa
- Department of Education, Government of Goa
- Conexus Social Responsibility Foundation

Type 1 Diabetes (T1D) Social Impact Program

Under the T1D social impact program, we are aiming to establish a standard of care for diagnosing and managing this autoimmune chronic condition, primarily affecting the paediatric population and young adults.

The initiative provides free insulin, syringes, lancets, glucose strips and access to T1D education for 1,400+ underprivileged children grappling with this condition. This engagement has significantly enhanced these children's ability to manage hypoglycemia and hyperglycemia. Over nine months, the program reduced hypoglycemia by 46% from the previous 70% and hyperglycemia by 25% from the earlier 52%.

Individuals with T1D (also known as juvenile or insulin-dependent diabetes) and their caregivers in India face challenges due to a shortage of dedicated healthcare professionals. Issues like poor public awareness, socio-economic burden and limited healthcare access, especially in semi-urban and rural areas, contribute to the complexity.

Despite these challenges, individuals with T1D can lead a good quality of life with specialized care, including education, continuous insulin access, blood glucose monitoring, ongoing screening and psychological support. Timely diagnosis could potentially restore three years of healthy life per affected individual. Access to insulin and effective self-management could restore 21.2# years of healthy life per person in India. In 2023, we raised T1D awareness through media in eight states, reaching over 10.6 million readers.

Partners

- Research Society for Study of Diabetes in India (RSSDI)
- People to People Health Foundation (PPHF)
- Diabestes Foundation

#https://www.t1dindex.org/countries/india/

Mobile Medical Units for NCD screening and referral

In India, rural and urban slum areas grapple with underdeveloped and insufficient primary healthcare services, facing challenges in workforce, resources, infrastructure and quality of care. Due to limited affordable transport options to urban centers, most rural residents choose government healthcare facilities. However, only a small percentage of these rural facilities meet Indian Public Health Standards, while in urban areas, the amenities are compromised and health indicators are poor.

To address the primary healthcare needs of populations with limited access to quality healthcare, 21 mobile medical units (MMUs) are deployed in 10 districts of Maharashtra. These MMUs focus on raising health awareness, screening for non-communicable diseases (NCDs), and providing timely referrals to the nearest government health center. The initiative aims to promote health-seeking behavior through community activities.

In 2023, the MMUs reached 297,525 people, providing screening, diagnosis and treatment for NCDs and referring patients to higher centers ~60,000 people diagnosed and treated for diabetes and ~90,000 people diagnosed and treated for hypertension.

Partner

- Piramal Swasthya Foundation

KEY CSR INITIATIVES

Support for Government's initiative of NCD Screening in Telangana

We aim to actively contribute to strengthening health systems for the early detection and management of NCDs and their risk factors, with a specific focus on enhancing the primary healthcare system. The implementation of these actions is designed to improve access to healthcare services, enhance the competence of primary healthcare workers, establish effective referral mechanisms, and empower communities and individuals to practice self-care and treatment adherence.

In Telangana, we supported 52 Basti Davakhanas [Urban Local Body (ULB)-led community clinics, typically located in slums] by training healthcare professionals (HCPs) and subsequently implementing NCD screening. Program insights are documented to advocate for scaling up and implementation of successful interventions.

In 2023, 28,800 individuals underwent screening, and 72,000 names were recorded in the Village Health Registry.

Partner

- People to People Health Foundation (PPHF)

Cancer Awareness Program

In collaboration with our NGO partner, we are raising awareness about oral and cervical cancers in West Bengal and Telangana.

In 2023, we reached 521,537 people through community sessions and raised awareness for 32+ million individuals through media campaigns.

Partner

- Indian Cancer Society

Employee Volunteering

Our employees devote their time and effort to community development. In 2023, approximately 1,035 employees across 50 locations contributed 3,770 hours to community building. Volunteering activities were organized under four main categories: health, education, environment and capacity building.

Solidarity for Himachal Flood Support

In collaboration with our NGO partner, we supported 1,000 families affected by floods in Himachal Pradesh by supplying health and hygiene kits.

Partner

- AmeriCares India Foundation

NATURAL CAPITAL

CARING FOR OUR PLANET AND RESOURCES

We are acutely conscious of the finite nature of natural resources and the significant responsibility in protecting the planet from climate change. Hence, we approach these critical topics with utmost care and commitment.

Energy management

We are deeply committed to sustainable energy management, implementing key strategies such as HVAC optimization, chiller performance improvement through the integration of high-efficiency chillers, and a comprehensive LED lighting replacement program. These initiatives not only contribute to a greener footprint but also significantly reduce overall electricity consumption costs.

Our energy consumption details (In GJ)

Category	FY 2021	FY 2022	FY 2023
Electricity purchased from the grid: Non-renewable sources	46,081	40,605	37,079
Direct energy - Fuel consumption	6,540	6,576	5,507
Electricity purchased from the grid - Renewable energy (Solar)	-	3,494.88	3,237.88
Renewable energy solar generation within the organization	-	1,895.66	9,435.28
Renewable energy - Biomass consumption	24,615	25,648	28,408
Total energy consumption	77,236	78,276	83,668

>49%

energy need catered from renewable sources

Emissions

Our target is to achieve carbon neutrality by 2030 as part of our environmental stewardship and global climate change efforts. Our Goa site emphasizes the use of biomass for the boiler, resulting in negligible CO_2 emissions. The shift to solar energy for electricity further reduces our carbon footprint, aligning with circular economy principles that underscore the importance of cleaner and renewable energy sources.

Air emissions

We are committed to responsible and transparent management of air emissions, in adherence to National Ambient Air Quality Standards (NAAQS) 2009. The boiler and generator emissions, including SOx, NOx and particulate matter, at our Goa site are regularly monitored through third-party assessments. This ensures that the site remains well within regulatory compliance, upholding environmental norms and contributing to a healthier atmosphere.

Summary of Scope 1 and Scope 2 emissions (Unit tCO_2e)

Category	FY 2021	FY 2022	FY 2023
Direct GHG (Scope 1) emission	484.01	484.01	486.63
Indirect GHG (Scope 2) emission	10,368.23	9,282.79	8,476.77
Total absolute GHG emissions	10,852.24	9,766.80	8,963.40
Total GHG emission intensity Scope 1+ 2 (tCO_2e / Revenue from Operations)	0.37	0.35	0.31

Environmental compliance

We prioritize adherence to environmental regulations across our operations, overseen by competent Health, Safety, and Environment (HSE) teams at each unit. Any inquiries related to environmental compliance are promptly addressed. In FY 2023, we incurred no fines or penalties for environmental violations.

Water management

Water is crucial for our operations, and we acknowledge the impact we can have on this resource. Committed to responsible water management, we have significantly reduced reliance on groundwater, shifting strategically to surface water sources. This ensures sustainable operations while demonstrating our dedication to conscientious water usage practices.

Water management (Unit KL)

Water withdrawal by source	FY 2021	FY 2022	FY 2023
Groundwater	39,657	12,785	1,404
Third-party Water	52,783	89,967	117,342
Total Volume of Water Withdrawal	**92,440**	**102,752**	**118,746**

Effluent management

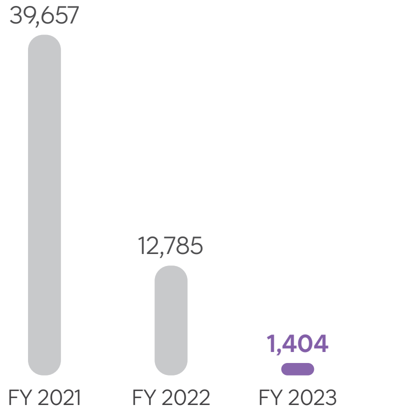
The Goa site is equipped with an efficient Effluent Treatment Plant (ETP) for treating wastewater generated from manufacturing operations. The treated water serves a dual purpose by contributing to the development of a lush greenbelt across the site and serving as a sustainable water source for restroom facilities. None of the treated water is disposed of beyond the plant boundary, underscoring our commitment to responsible water management and environmental sustainability. At Mumbai office, all the generated waste water treated in STP and treated effluent recycled for toilet flushing and gardening purpose.

Waste management

We have implemented effective waste management practices, handling both hazardous and non-hazardous waste, including materials such as paper, glass and e-waste. This reflects our commitment to environmental responsibility, sustainable disposal, and being a conscientious and responsible business.

Non-hazardous waste undergoes responsible recycling through vendors approved by the State Pollution Control Board. For environmentally sound disposal, hazardous waste is disposed of according to strict guidelines and is sent to cement industries for co-processing. Notably, we are maintaining ZERO LANDFILL WASTE from operations. Batteries are recycled, ETP sludge undergoes co-processing, while biomedical waste, including syringes and medical waste from the Goa site OHC, is appropriately managed through a deep bury pit on-site.

Total groundwater withdrawal
(in KL)



890 KL

of rainwater harvested in FY 2023

2.5 million liters

of water saved in FY 2023

33.76%

reduction in total waste disposed in FY 2023

Zero Waste to Landfill

Biodiversity

Our operations align with Sanofi Global's commitment to minimizing biodiversity impact. Guided by a comprehensive roadmap under our 'Planet Care' environmental sustainability program, we actively contribute to biodiversity protection. This involves addressing challenges such as climate change, waste management, pharmaceuticals in the environment and water stewardship.

Waste Management (in metric tonnes)

Particulars	FY 2021	FY 2022	FY 2023
Total hazardous waste generated	82.67	48.75	85.78
Total non-hazardous waste generated	368.77	382.83	363.18
Total waste generated	**451.44**	**431.58**	**448.96**
Total hazardous waste disposed	0.00	0.01	0.01
Total non-hazardous waste disposed	0.00	0.00	0.00
Total waste disposed	**0.00**	**0.01**	**0.01**
Total hazardous waste diverted from disposal	82.67	48.74	85.77
Total non-hazardous waste diverted from disposal	368.77	382.83	363.18
Total waste diverted from disposal	**451.43**	**431.57**	**448.95**

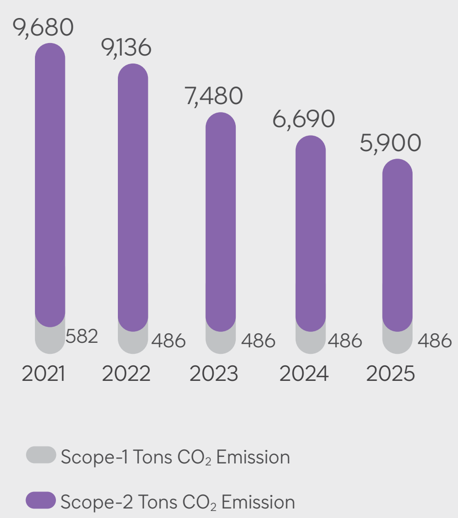
CASE STUDY

Advancing Sustainability with Advanced Chillers

The Goa facility is progressing in its sustainability journey through a strategic investment in state-of-the-art chillers. Choosing Centrifugal chillers, known for exceptional energy efficiency, is expected to boost the Coefficient of Performance (COP) significantly from 3.43 to 6.49. Despite the additional ₹2.5 crore investment, the anticipated benefits include annual energy savings of around ₹1.6 crore.

Beyond immediate advantages in productivity and reliability, the decision to employ environmentally friendly refrigerants underscores a commitment to sustainable manufacturing. While ensuring the integrity of critical pharmaceutical production processes, this cutting-edge technology aims to minimize environmental impact, with a promising 40% reduction in the carbon footprint expected by 2025.

Solar Project and chiller replacement project will reduce 3,780 Tons of CO_2 emission (39% Reduction)



AWARDS

ICC AWARD

In the 5th ICC Social Impact Summit & Awards 2023, Sanofi was declared 'Winner' in the Healthcare category for its Social Impact Program for Type 1 Diabetes.

The trophy was handed over by Dr. Shashi Panja, Minister for Industries, Commerce & Enterprises and Department of Women and Child Development and Social Welfare of the Government of West Bengal.

KiDS (Kids & Diabetes in Schools) and the Sakhar Free Shukrawar and STEP programs received a Special Appreciation Certificate.

CSR HEALTH AWARDS

Sanofi India's Social Impact Program for Type 1 Diabetes has bagged a Gold Award at the 7th CSR Health Impact Awards held by the Integrated Health and Wellbeing Council (IHW). The award was won in the 'Women & Child Health' category.

This is the second award for this program in 2023.

Dr. Kiran Bedi, IPS (Retd.) and former Lt. Governor of Puducherry handed over the accolade to Mr. Nishant Kumar, Head Medical Affairs, Speciality Care - Africa & Asia, Sanofi.

IFCCI AWARD

Sanofi India scores a hat-trick for its impactful social impact program for Type 1 Diabetes with the Jury Special Award.

The IFCCI CSR Conclave and Awards 2023 was graced by Mr. Damien Syed, Deputy Head of Mission, Ambassador of France to India.

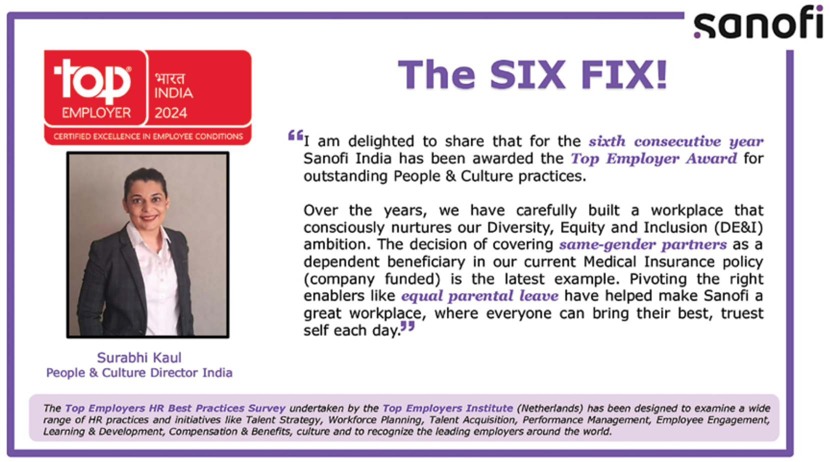
We are very proud to be recognized for our social impact work. Our interventions have had a transformative impact on the Type 1 Diabetes healthcare infrastructure in India.

WORKPLACE SAFETY AWARD

Sanofi India won 'First Runner Up' of the 'Workplace Safety Awards 2023' under Category - 500 and above Employees organized by 'Bombay Chamber of Commerce and Industry'. This award is given basis of excellence in various parameters like safety, sustainability, road safety, health & wellness program etc.

The Six Fix!

SANOFI (INDIA) WINS TOP EMPLOYER AWARD FOR THE 6TH CONSECUTIVE YEAR!



2024 is off to a flying start with Sanofi bagging the Top Employer's Award yet again, marking our 6th consecutive win in outstanding People and Culture practices, globally.

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE SIXTY-EIGHTH ANNUAL GENERAL MEETING (AGM/68th AGM) of the Members of SANOFI INDIA LIMITED ("the Company") will be held on TUESDAY, MAY 14, 2024 at 3:30 p.m. (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 (Standalone and Consolidated) of the Company for the year ended December 31, 2023 including the Balance Sheet as on December 31, 2023, 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. a. To confirm the payment of Interim Dividend of ₹ 50 per equity share of ₹ 10 each for the Financial Year ended December 31, 2023.

   b. To declare a final dividend of ₹ 117 per equity share of ₹ 10 each for the Financial Year ended December 31, 2023.

3. To re-appoint Mr. Vaibhav Karandikar (DIN: 09049375), who retires by rotation and being eligible, offers himself for re-appointment.

4. To re-appoint Mr. Rodolfo Hrosz (DIN: 09609832), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business

5. **Ratification of remuneration to Cost Auditors:**

   To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**

   "RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, 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 remuneration payable to M/s. Kirit Mehta & Co., Cost Accountants (Firm Registration No. 000353), appointed by the Board of Directors on the recommendation of the Audit Committee, as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending December 31, 2024, amounting to ₹ 460,000 (Rupees Four Lakhs Sixty Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified.

   RESOLVED FURTHER THAT the Board of Directors be and are 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 of Directors

Radhika Shah
Head of Legal and Company Secretary
Membership No: A19308

Registered Office:
Sanofi House,
CTS No. 117-B, L&T Business Park,
Saki Vihar Road, Powai,
Mumbai – 400072.
CIN: L24239MH1956PLC009794
E-mail: igrc.sil@sanofi.com
February 23, 2024

Notes:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") with respect to Item no. 5 of the Notice forms part of this Notice. The Board of Directors has considered and decided to include Item No. 5 as given above as Special Business in the forthcoming AGM as it is unavoidable in nature. The relevant details as set out under Item Nos. 3 and 4 of the Notice pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") in respect of the Directors seeking re-appointment at this AGM are also part of this Notice.

2. The Ministry of Corporate Affairs, Government of India ("MCA") has vide its circular No. 9/2023 dated 25 September, 2023, read with circulars dated 8 April, 2020, 13 April, 2020, 5 May, 2020, 13 January, 2021, 8 December, 2021 and 28 December, 2022 (collectively referred to as "MCA Circulars") allowing, inter-alia, conducting of AGMs through Video Conferencing/Other Audio-Visual Means ("VC/OAVM") facility on or before September 30, 2024, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular dated 5 May, 2020. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 ("SEBI Circular") has provided certain relaxations from compliance with certain provisions of the Listing

Regulations. In compliance with these Circulars, provisions of the Act and Listing Regulations, the 68th AGM of the Company is being conducted through VC/OAVM facility, without the physical presence of Members at a common venue. The deemed venue for the 68th AGM shall be the Registered Office of the Company.

As the AGM shall be conducted through VC/OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

3. In compliance with the aforementioned provisions of the Act and Listing Regulations, electronic copy of the Annual Report for the Financial Year 2023 is being sent to all the Members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes.

   In case any Member is desirous of obtaining hard copy of the Annual Report for the Financial Year 2023 and Notice of the 68th AGM of the Company, may send request to the Company's e-mail address at igrc.sil@sanofi.com mentioning Folio No./DP ID and Client ID.

   Members who have questions or are seeking clarifications on the Annual Report or on the proposals as contained in this Notice, are requested to send email to the Company on igrc.sil@sanofi.com on or before 5:00 p.m. on Tuesday, May 7, 2024. This would enable the Company to compile the information and provide the replies at the meeting. The Company will be able to answer only those questions at the meeting which are received in advance as per the above process. 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 Tuesday, May 7, 2024. Depending on the availability of time, the Company reserves the right to restrict the number of speakers at the meeting.

4. Pursuant to Section 113 of the Act, institutional/corporate members are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM, before e-Voting/attending AGM, to igrc.sil@sanofi.com.

5. 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 ICSI, Regulation 44 of Listing Regulations, and the Circulars issued by the MCA dated April 8, 2020, April 13, 2020 and May 5, 2020, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the 68th AGM and to those Members participating in the 68th AGM, to cast vote through e-Voting system during 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 authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-Voting on the date of the AGM will be provided by NSDL.

6. The Board of Directors of the Company has appointed Mr. Omkar Dindorkar (ACS 43029), Partner or failing him Mr. Saurabh Agarwal (FCS 9290), Partner at M/s. MMJB & Associates LLP, Practicing Company Secretaries as Scrutinizer for conducting the voting process of remote e-Voting and e-Voting during AGM in a fair and transparent manner. The results of the e-Voting shall be declared to the Stock Exchanges within the timeframe prescribed under the Act and Listing Regulations. The results along with the Scrutiniser's Report, shall also be placed on the website of the Company at https://www.sanofiindialtd.com.

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 email to igrc.sil@sanofi.com.

8. The Register of Members of the Company shall remain closed from Saturday, May 4, 2024 to Tuesday, May 14, 2024 (both days inclusive).

9. Payment of dividend as recommended by the Board of Directors, if approved at the meeting, will be made on or after May 24, 2024, to those members whose names are on the Company's Register of Members on Friday, May 3, 2024 and those whose names appear as Beneficial Owners as at the close of the business hours on Friday, May 3, 2024, as per the details to be furnished by the Depositories, viz. NSDL and 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 April 1, 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 email will be sent at the registered email 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 at https://www.sanofi.in/.

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 physical form are requested to update bank details with the Company's Registrar and Share Transfer Agents.

12. Pursuant to the provisions of the Act and 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, 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 at Unclaimed shares - Sanofi India (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 unpaid or 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 at Unclaimed dividends - Sanofi India (sanofiindialtd.com).

    During the year 2023, the Company transferred unclaimed dividend amounts of ₹ 34,80,820 and ₹ 14,38,434 pertaining to the Final Dividend for the year 2015 and Interim Dividend for the year 2016 respectively, to the IEPF.

    Members who have not claimed their dividend for last seven years are requested to write to the Company's Registrar and Share 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 to the date of declaration:

Dividend and Year	Dividend per Share (₹)	Date of Declaration	Last Date for Claim
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
Final and One Time Special Dividend 2021	490	26-04-2022	02-06-2029
Interim Dividend 2022	193	26-07-2022	01-09-2029
Final and Second Special Dividend 2022	377	11-05-2023	17-06-2030

13. Pursuant to Regulation 39 and Schedule V and VI of the 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	204	189	10,000
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	6	6	300
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	4	4	200
Number of shareholders/records and aggregate number of shares transferred to the Unclaimed Suspense Account during the year	0	0	0
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on December 31, 2023	194	179	9,500

All Corporate benefits on such shares including dividend shall be credited to the account of the IEPF Authority. The 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. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise shares held by them in physical form, for ease in portfolio management.

15. SEBI, vide its circular dated 3 November, 2021 (subsequently amended by circulars dated 14 December, 2021, 16 March, 2023 and 17 November, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any dividend payment in respect of such folios, only through electronic mode with effect from 1 April, 2024, only upon furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature.

Further, relevant FAQs published by SEBI on its website can be viewed at the following link : https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf

16. Members are requested to submit PAN, or intimate all changes pertaining to their bank details, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, specimen signature (as applicable) etc., to their Depository Participant ("DP") in case of holding in dematerialised form or to Company's Registrar and Share Transfer Agents through Form ISR-1, Form ISR-2 and Form ISR-3 (as applicable) available at Shareholder's Corner - Sanofi India (sanofiindialtd.com) in case of holdings in physical form.

17. As per the provisions of the Act and applicable SEBI Circular, Members holding shares in physical form may file nomination in the prescribed Form SH- 13 with Registrar and Share Transfer Agents or make changes to their nomination details through Form SH-14 and Form ISR-3. In respect of shares held in dematerialised form, the nomination form may be filed with the respective DP. For relevant forms, please visit the Company's website at Shareholder's Corner - Sanofi India (sanofiindialtd.com).

18. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz. Issue of duplicate securities certificate; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Further SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated May 18, 2022 has simplified the procedure and standardized the format of documents for transmission of securities. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4 & ISR-5, as the case may be. The said forms can be downloaded from the Company's website at Shareholder's Corner - Sanofi India (sanofiindialtd.com).

19. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's Registrar and Share Transfer Agents, the details of such folios together with the share certificates along with the requisite KYC documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

20. SEBI vide Circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated 31 July, 2023 (updated as on 4 August, 2023) has specified that a shareholder shall first take up his/her/their grievance with the listed entity by lodging a complaint directly with the concerned listed entity and if the grievance is not redressed satisfactorily, the shareholder may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal in accordance with the process laid out therein. Only after exhausting all available options for resolution of the grievance, if the shareholder is not satisfied with the outcome, he/she/they can initiate dispute resolution through the Online Dispute Resolution ("ODR") Portal. Shareholders are requested to take note of the same.

The aforesaid SEBI Circular can be viewed on the following link: Investor services - Sanofi India (sanofiindialtd.com).

E-Voting facility:

- The remote e-Voting period will begin on Saturday, May 11, 2024 at 9:00 a.m. and will end on Monday, May 13, 2024 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., Tuesday, May 7, 2024 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., Tuesday, May 7, 2024 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., May 7, 2024.
- A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
- The e-Voting during the AGM will begin on May 14, 2024 at 3:30 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 has not attended the AGM through VC facility, then the votes casted by such Member 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 shares), 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 serve 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 Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by ICSI, Regulation 44 of Listing Regulations (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, April 13, 2020, May 5, 2020, and September 25, 2023 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the 68th AGM and to those Members participating in the 68th AGM to cast vote through e-Voting system during 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 e-Voting on the date of the AGM will be provided by NSDL.

In line with the Ministry of Corporate Affairs Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at https://www.sanofi.in/. 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 website of NSDL (agency for providing the Remote e-Voting facility) i.e., www.evoting.nsdl.com.

Instructions for Members for Remote e-Voting and Joining General Meeting are as under:

The remote e-Voting period begins on Saturday, May 11, 2024 at 9:00 a.m. and will end on Monday, May 13, 2024 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., Tuesday, May 7, 2024, 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 May 7, 2024.

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 Members holding securities in demat mode

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

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

Type of Member	Login Method
Individual Members 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 for casting your vote during the remote e-Voting period or joining virtual meeting and 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 held 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 and voting during the meeting. 4. Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience.

Type of Member	Login Method
Individual Members holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi/Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my Easi username & password. 2. After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. Additionally, links are also provided to access the system of all e-Voting service providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com. Kindly click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Members (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. On clicking the 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 and 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 Members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Members 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.com or call at 022 - 4886 7000
Individual Members 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 toll free no. 1800 225 533

B. Login Method for Members other than Individual Members holding securities in demat mode and Members holding securities in physical mode.

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

i. 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.

ii. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

iii. 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.

iv. 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***

v. Password details for Members other than Individual Members are given below:

a) If you are already registered for e-Voting, then you can use 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 email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email 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 email ID is not registered, please follow steps mentioned below in **process for those Members whose email ids are not registered**.

vi. 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.com 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.

vii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

viii. Now, you will have to click on "Login" button.

ix. 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?

A. After successful login at Step 1, you will be able to see all the 'EVEN' of companies in which you are holding shares and whose voting cycle is in active status.

B. Select 'EVEN' of Company for which you wish to cast your vote during the remote e-Voting period or casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

C. Now you are ready for e-Voting as the voting page opens.

D. 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.

E. Upon confirmation, the message "Vote cast successfully" will be displayed.

F. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

G. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Members

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 authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinisers@mmjc.in with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "Upload Board Resolution/ Authority Letter" displayed under "e-Voting" tab in their login.

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.: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager - NSDL or Mr. Amit Vishal, Assistant Vice President - NSDL at evoting@nsdl.com.

Process for those Members whose email 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:

A. In case shares are held in physical mode, please provide Folio No., Name of Member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhar Card) by email to igrc.sil@sanofi.com.

B. 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), AADHAAR (self-attested scanned copy of Aadhaar Card) to igrc.sil@sanofi.com. If you are an Individual member 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 for Individual Members holding securities in demat mode.**

C. Alternatively, Members may send a request to evoting@nsdl.com for procuring user ID and password for e-Voting by providing above mentioned documents.

D. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are required to update their mobile number and email 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, 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 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 at **'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 this AGM Notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through laptop 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.

21. As required by Regulation 36(3) of the Listing Regulations and the Secretarial Standards on General Meetings (SS-2) as laid down by ICSI, additional information relating to the particulars of Directors who are proposed to be re-appointed are given below:

Agenda Item No.	3	4
Name	Mr. Vaibhav Karandikar	Mr. Rodolfo Hrosz
Age	51	57
Qualifications	Chartered Accountant from The Institute of Chartered Accountants of India, Cost Accountant from The Institute of Cost Accountants of India and Company Secretary from The Institute of Company Secretaries of India.	Bachelor's degree in Naval Engineering from the University of Sao Paulo, Finance and Accounting diploma from Columbia University and Masters of Business Administration from the University of Pittsburgh.
Brief profile including expertise and experience	Mr. Vaibhav Karandikar embarked on his journey with Sanofi in 2007. Over the years, he assumed increasing responsibilities in Accounting, Taxation, Business Finance, and various M&A/Integration projects, spanning both commercial and manufacturing realms. His final position within Sanofi's India operations was that of Chief Financial Officer, where he led the financial operations of the Company in the region. Throughout his tenure, he functioned as a Finance Business Partner, actively contributing to value creation initiatives within the organization. Noteworthy contributions include his pivotal role in significant projects such as the demerger of the Consumer Healthcare Business, alongside acquisitions, divestitures, and other critical ventures. Currently serving as the Global Head of Account to Report for the Sanofi Group, Vaibhav oversees accounting and reporting operations worldwide. Additionally, he shoulders responsibility for driving global transformation initiatives in this domain. Prior to his tenure at Sanofi, Vaibhav held the position of Senior Manager Finance & Company Secretary at Sandoz India Private Limited, where he led the finance function for commercial operations. His professional journey also includes associations with Aventis Pharma Limited, Tata Power Limited, and Hindustan Ciba Geigy.	Mr. Rodolfo Hrosz joined Sanofi in 2017 as the General Manager of Consumer Healthcare in Brazil. In this capacity, Rodolfo led the organization through various transformative stages, from the inception of the business unit to its evolution into a top growth contributor and a reference for digital acceleration within the broader organization. Since 2018, Rodolfo has also served as the president of the Brazilian OTC Industry Association, contributing to advancing not only the agenda of patient self-care and wellness but also enhancing industry self-regulation standards. His most recent role includes serving as the Managing Director of Sanofi India since June 2022. Before joining Sanofi, Rodolfo initiated his career at Procter & Gamble. Subsequently, he held various commercial, marketing, and general management positions at multinational corporations such as Pfizer, Louis Vuitton Moet Hennessy (LVMH), and Heineken. With over 15 years of executive leadership experience, Rodolfo has worked across the Americas, overseeing turnarounds, mergers and acquisitions, and new business development initiatives aimed at improving corporate governance practices.

Agenda Item No.	3	4
Directorships in other companies in India	None	Mr. Rodolfo Hrosz is a Director on the Board of Apollo Sugar Clinics Limited.
Committee Memberships and Chairmanships in the Company	He is a member of the Audit Committee of the Company.	He is a member of the Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee of the Company.
Membership/Chairmanship of Committees of other Boards	None	None
Number of Board meetings attended during the year	In the year 2023, Mr. Vaibhav Karandikar attended all 6 Board meetings held during the year.	In the year 2023, Mr. Rodolfo Hrosz attended 5 out of 6 Board meeting held during the year.
Remuneration last drawn for the financial year 2023	20.23 Million	36.39 Million
Remuneration sought to be paid	N.A.	N.A.
Terms and conditions of appointment	N.A.	N.A.
Relationship with other Directors and KMP	None	None
Date of first appointment on the Board	February 23, 2021	June 01, 2022
Shareholding in Sanofi India Limited	Nil	Nil

Explanatory Statement

Explanatory Statement relating to the business mentioned in Item No. 5 in the accompanying Notice of the Annual General Meeting (AGM) is given below:

Item No. 5

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of M/s. Kirit Mehta & Co., Cost Accountants, as Cost Auditors to conduct the audit of the cost accounts maintained by the Company for the financial year ending December 31, 2024.

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 December 31, 2024.

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 of Directors

Radhika Shah
Head of Legal and Company Secretary
Membership No: A19308

Registered Office:
Sanofi House,
CTS No. 117-B, L&T Business Park,
Saki Vihar Road, Powai,
Mumbai – 400072.
CIN: L24239MH1956PLC009794
E-mail: igrc.sil@sanofi.com
February 23, 2024

Report of the Directors

To the Members of the Company

Your Directors have the pleasure of presenting their report and the Standalone and Consolidated Audited Accounts of your Company for the Financial Year ended December 31, 2023.

Financial Highlights

₹ in Million

Particulars	2023*	2022
Revenue from operations	28,511	27,701
Other income	653	715
Total income	29,164	28,416
Profit before exceptional items and tax	8,280	7,323
Profit before tax	8,458	8,643
Tax expense	2,426	2,437
Profit for the year	**6,032**	**6,206**

**Figures are provided on standalone basis*

Company Performance

During the year ended December 31, 2023 your Company registered ₹ 28,511 million Revenue from Operations compared to ₹ 27,701 million in the previous year. Revenue from domestic retained business increased by 1.2% despite the inclusion of Company's flagship brand Lantus® under NLEM during the year 2023. On a comparable basis (excluding NLEM impact) the domestic retained business grew by 5.4% over previous year. Net Revenue from India is ₹ 23,227 constituting 81.5% of the total revenue. The exports grew by 27%, year on year basis.

The Profit Before Tax and exceptional items increased from ₹ 7,323 million to ₹ 8,280 million, representing growth of 13.1% for the year ended December 31, 2023. Improvement in profit on account of product mix, improved realisation and savings in operational expenses by 6% through Operational efficiencies announced with India for India strategy. The Profit After Tax for the year ended December 31, 2023 decreased from ₹ 6,206 million to ₹ 6,032 million representing degrowth of 2.8% mainly due to exceptional income in previous year.

Transfer to Reserves

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

Demerger of the Consumer Healthcare Business of the Company into Company's wholly owned subsidiary, Sanofi Consumer Healthcare India Limited

The Board of Directors ("Board") of the Company at its meeting held on May 10, 2023, approved the Scheme of Arrangement among the Company and Sanofi Consumer Healthcare India Limited, Company's wholly owned subsidiary ("SCHIL/Resulting Company") and their respective Shareholders and Creditors under Sections 230 to 232 of the Companies Act, 2013 ("Scheme"), to demerge its Consumer Healthcare Business into SCHIL.

The Board of Directors including the Independent Directors, approved the Scheme considering it in the interest of the Company, the shareholders, and other stakeholders, which would unlock the value for all stakeholders. The rationale for the Scheme and Demerger, which would result in increased business synergies and unlocking of shareholder value, is set out below:

a) separation of the pharmaceutical and consumer healthcare businesses of the Company will allow the Company and SCHIL to have independent and focused management, as well as independently pursue different opportunities and strategies for the growth of each respective business aligned to specific market dynamics;

b) the demerger under the Scheme will enable a different operating model for the consumer healthcare business under SCHIL specific and fit for purpose for a fast-moving consumer healthcare company, which would lead to a greater ability to operate independently and positively shape the consumer healthcare environment in India;

c) the requirements of the businesses of the Company (pharmaceutical businesses) and SCHIL (Consumer Healthcare Businesses upon demerger), including in terms of operations, nature of risks, competitive advantages, strategies, and regulatory compliances, are different, and the demerger will allow for enhancement of the business models of both the Company and SCHIL;

d) the shareholders, investors, analyst community, and other stakeholders will have greater understanding and visibility of both the pharmaceutical and consumer healthcare businesses;

e) the proposed demerger will not only facilitate the pursuit of scale and independent growth plans but also more focused management and stronger leverage of specific global resources within the Sanofi group;

f) the proposed demerger will de-risk both the businesses from each other and provide potential investors and other stakeholders with the option of investing in both businesses; and

g) the proposed demerger will unlock value for the shareholders of the Company.

The Scheme was approved by the shareholders and creditors of the Company at the Court Convened meeting(s) held on December 18, 2023. Subsequently, the Company filed a petition before the Hon'ble National Company Law Tribunal, Mumbai ("Tribunal"). The Tribunal admitted the petition vide its Order dated January 16, 2024, and following the hearing, the Tribunal has reserved its judgment on the matter.

Following are the key aspects of the Scheme as approved by the shareholders:

i. The Scheme provides for the demerger of the consumer healthcare business from the Company into SCHIL.

ii. The Appointed Date under the Scheme is June 1, 2023, as rectified by the Tribunal.

iii. Upon the Scheme becoming effective, all the assets and liabilities and the business pertaining to the consumer healthcare business of the Company shall stand transferred to and vest in SCHIL, as a going concern. Details of the assets and liabilities of SCHIL and the Company, pre and post the Scheme are available on the website of the Company.

iv. Upon the Scheme becoming effective, 1 fully paid-up equity share of ₹ 10 each of SCHIL shall be issued and allotted to the equity shareholders of the Company for every 1 equity shares of ₹ 10 each held in the Company.

v. Upon the Scheme becoming effective, the equity shares of SCHIL held by the Company will stand cancelled on or after the Effective Date (as set out in the Scheme) by operation of law, without payment of any consideration or any further act or deed by either of the Company and SCHIL.

vi. Employees of Company pertaining to the Consumer Healthcare Business shall become the employees of SCHIL without any break or interruption in their services on no less favorable terms, in accordance with applicable law.

vii. Upon the coming into effect of this Scheme, SCHIL shall record the assets and liabilities pertaining to the consumer healthcare business of the Company vested in it pursuant to this Scheme at the respective book values thereof, as appearing in the books of the Company in accordance with the provisions set out in the Scheme.

The Scheme of Demerger approved by the Board, shareholders, creditors and Stock Exchanges is available on the website of the Company at the following link: Scheme of Arrangement - Sanofi India (sanofiindialtd.com).

The Stock Exchanges, namely, BSE Limited and the National Stock Exchange of India Limited, issued observation letters dated September 22, 2023, granting no-objection to the Scheme, subject to compliance with certain conditions as set out in the observation letters. The Company and SCHIL have complied and will continue to comply with all the conditions set out in the said observation letters.

There will be no change in the shareholding pattern of the Company pursuant to the Scheme. Subject to necessary approvals, the equity shares of SCHIL will be listed on the BSE Limited and the National Stock Exchange of India Limited, in accordance with the SEBI Regulations and circulars issued thereunder.

The Scheme, if approved by the Hon'ble Tribunal, shall be effective from June 1, 2023, Appointed Date (as defined in the Scheme and set out in the order of the National Company Law Tribunal, Mumbai, dated November 24, 2023).

Dividend

Your Directors at their meeting held on February 23, 2024 have recommended payment of final dividend of ₹ 117 per equity share of ₹ 10 each for the year ended December 31, 2023, considering the business and cash requirements of the Company. The dividend is subject to approval of members at the ensuing Sixty-Eighth Annual General Meeting (AGM) of the Company.

The dividend, if approved by the Members at the AGM scheduled on May 14, 2024, will result in cash outflow of ₹ 2,695 million.

Furthermore, in reference to the Scheme of Demerger, the National Company Law Tribunal (NCLT), through an order dated November 24, 2023, rectified the appointed date to June 1, 2023, thereby modifying the Scheme. The Company had filed a Petition before the NCLT, which was admitted by the NCLT via its Order dated January 16, 2024. Following the hearing, the NCLT has reserved its judgment on the matter.

In the above context, your Directors at the said meeting also approved an Interim Dividend of 50 per equity share of 10 each for the year ending December 31, 2023, which was paid on March 20, 2024.

The total dividend for the Financial Year 2023, including the proposed final dividend, amounts to ₹ 167 per equity share of ₹ 10 each. The total dividend results in payout of 65.13% of the profits of the Company.

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 at Code of Conduct and Policies - Sanofi India (sanofiindialtd.com)

Unpaid/Unclaimed Dividend

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (including amendments and modifications, thereof), ₹ 4.92 million of unpaid/unclaimed dividends were transferred during the year 2023 to the Investor Education and Protection Fund.

Directors and Key Managerial Personnel (KMP)

Changes in the Board during the Financial Year ended December 31, 2023:

During the year, Ms. Annapurna Das (DIN: 08634664) resigned as a Non-Executive Director of the Company with effect from the close of business hours on July 31, 2023, consequent to her decision to pursue opportunities outside the Sanofi Group. The Board places on record its immense appreciation for her contribution during her tenure in the Company.

Changes in the Key managerial Personnel during the Financial Year ended December 31, 2023:

Mr. Cherian Mathew (DIN: 08522813) resigned as the Whole-Time Director of the Company, effective from the close of business hours on September 26, 2023. The Board noted and accepted his resignation at its meeting held on the same date. The Board places on record its immense appreciation for his contribution during his tenure in the Company.

The Board at its meeting held on September 26, 2023, based on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Renee Amonkar (DIN: 10335917) as a Whole-Time Director of the Company with effect from September 26, 2023, for a period of three (3) years. Ms. Renee Amonkar is a pharmacist by profession with more than 30 years of Industrial experience in various fields of pharma manufacturing and supply. She started her journey as a Research & Development Pharmacist and then moved on to be an executive in packing at E-Merck India. She joined Sanofi in December 1997 in packaging and grew to be head of manufacturing before becoming the Head of the Goa manufacturing site in 2021. She had played a key role in driving Sanofi India's Strategy of India for India for local manufacturing, and supply and business continuity.

The shareholders approved the appointment of Ms. Renee Amonkar as Whole-Time Director through Postal Ballot conducted in accordance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") read with the applicable Rules, Secretarial Standards and the Listing Regulations on November 05, 2023, with requisite majority.

Mr. Vaibhav Karandikar (DIN: 09049375) ceased to be the Chief Financial Officer and Whole-Time Director of the Company, effective from the close of business hours on November 30, 2023, consequent to his movement to another role within Sanofi Group and was re-designated as Non-Executive Director with effect from December 01, 2023.

The Board of Directors of the Company at its meeting held on November 08, 2023, based on the recommendation of the Nomination and Remuneration Committee approved the appointment of Mr. Rachid Ayari (DIN: 10408699) as the Chief Financial Officer and Whole-Time Director of the Company with effect from December 01, 2023. Subject to the approval of the Members of the Company and the Central Government, for a term of 3 (three) years effective December 01, 2023.

Rachid Ayari, an expat with over 7 years of experience at Sanofi and a 16-year tenure at Pfizer, brings a wealth of knowledge in major finance fields and a diverse international background, having worked across various countries from Africa to Russia & Central Asia. His expertise extends to financial management, working closely with cross-functional teams, and ensuring compliance with regulatory and corporate standards.

The Members approved appointment of Mr. Rachid Ayari as the Chief Financial Officer and Whole-Time Director of the Company through Postal Ballot on February 13, 2024, with requisite majority. The Company has made an application to the Central Government pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, read with Schedule V of the Act and Rules framed thereunder, to obtain approval for his appointment and is awaiting approval.

As on the date of this Report, Mr. Rodolfo Hrosz, Managing Director; Mr. Rachid Ayari, Whole-time Director and Chief Financial Officer; Ms. Renee Amonkar, Whole-time Director; and Ms. Radhika Shah, Head of Legal and Company Secretary, are the Key Managerial Persons of the Company.

Mr. Aditya Narayan, Chairman, Mrs. Usha Thorat, Chairperson of the Audit Committee and Nomination and Remuneration Committee and Mr. Rahul Bhatnagar, Chairman of Risk Management Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee, are the Independent Directors of the Company.

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 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. Rodolfo Hrosz, Managing Director (DIN: 09609832), and Mr. Vaibhav Karandikar, Non-Executive Director (DIN: 09049375) are liable to retire by rotation at the ensuing Sixty-Eighth Annual General Meeting and being eligible, offer themselves for re-appointment. The Board of Directors recommend their re-appointment to the Members.

Cash Flow and Consolidated Financial Statements

As required under Regulation 34 of the Listing Regulations, a Cash Flow Statement and the Consolidated Financial Statements are part of the Annual Report.

Management Discussion and Analysis Report

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 have been discussed in detail in the Management Discussion and Analysis Report.

Business Responsibility and Sustainability Report

The Business Responsibility and Sustainability Report for the year ended December 31, 2023, forms part of this Report.

Report on Corporate Governance

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

Meetings of the Board

During the year under review, Six (6) meetings of the Board were held. The dates, attendance of the Directors and other details 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.

Familiarization Program for Independent Directors

The Independent Directors are regularly informed during meetings of the Board and Committees on the business strategy, business activities, manufacturing operations, updates on the pharmaceutical industry and regulatory updates. The Directors when they are appointed are given a detailed orientation on the Company, pharmaceuticals industry, Sanofi Global strategy, policies and Code of Conduct, regulatory matters, business, financial matters, human resource matters and corporate social responsibility initiatives of the Company. The details of familiarization programs provided to the Directors of the Company are mentioned in the Report on Corporate Governance and on the Company's website at Familiarization Programme - Sanofi India (sanofiindialtd.com).

Performance 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 Report on Corporate Governance.

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

The Company has in place a Nomination and Remuneration Policy, formulated in accordance with Section 178 of the Act and the Listing Regulations and same is available on Company's website at Code of Conduct and Policies - Sanofi India (sanofiindialtd.com)

The Policy provides guidance on selection and nomination of Directors to the Board of the Company, appointment of the Senior Management Personnel, and captures the Company's Leadership Framework for its employees. It explains the principles of the overall remuneration including short-term and long-term incentives payable to the Executive Directors, Key Managerial Personnel, Senior Management, and other employees of the Company. The remuneration paid to the Executive Directors, Key Managerial Personnel, and Senior Management is in accordance with the said Policy.

Further details form part of the Report on Corporate Governance, 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 - B** to this Report.

The statement showing particulars of employees pursuant to Section 197 of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014, is not being sent to the Members along with this Annual Report in accordance with the provision of Section 136 of the Act. Any member interested in receiving the said statement may write to the Company Secretary stating their Folio No./DPID & Client ID.

Subsidiaries, Associate Companies and Joint Ventures

During the year under review, a wholly owned subsidiary of the Company named Sanofi Consumer Healthcare India Limited ("SCHIL") was incorporated on May 10, 2023, to undertake the consumer healthcare business of Sanofi India Limited as part of Scheme of Demerger. As of the reporting date, SCHIL has not commenced any operations, and therefore, comparative financial results are not available.

A statement containing salient features of the financial statements of SCHIL in Form AOC-1 is annexed as **Annexure - C** to this Report. Further, pursuant to the requirements of Section 136 of the Act, the Standalone and Consolidated financial statements along with relevant documents and audited financial statements of SCHIL are hosted on the Company's website at Audited financial results of Subsidiary (sanofiindialtd.com).

Audit Committee

Details pertaining to composition and re-constitution of the Audit Committee are included in the Report on Corporate Governance. During the year all the recommendations made by the Audit Committee were accepted by the Board.

Vigil Mechanism

As per the provision 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 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 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 by the Company with the Promoters, Directors, and Key Managerial Personnel which may have a potential conflict with the interests of the Company at large.

The Company has in place a Related Party Transactions Policy, which is available on the Company's website at Code of Conduct and Policies - Sanofi India (sanofiindialtd.com). The Form AOC – 2 envisages disclosure of material contracts or arrangements or transactions on an arm's length basis. The details of the material related party transactions for the Financial Year ended December 31, 2023, as per the Policy on dealing with related parties adopted by the Company are disclosed in **Annexure – D** to this Report.

These transactions were in the ordinary course of business and at arm's length, duly certified by third-party experts. The transactions were within the limits approved by the Members.

Corporate Social Responsibility

The Board has constituted a Corporate Social Responsibility (CSR) Committee to monitor the implementation of CSR activities of your Company and also has in place a Corporate Social Responsibility policy, which is available on the Company's website at Code of Conduct and Policies - Sanofi India (sanofiindialtd.com).

The CSR policy outlines the Company's approach towards Corporate Social Responsibility (CSR), focusing on areas where it can make a difference and have the most impact. 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 the 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 minimization procedures on a quarterly basis and updates the Audit Committee and the Board periodically.

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

Adequacy of Internal Financial Controls

Your Company has in place, adequate Internal Financial Controls with reference to financial statements. During the year, such controls were tested, and no reportable material weaknesses in the design or operation were observed.

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 of the date of the Balance Sheet.

Loans, Guarantees or Investments

The Company has not granted any loans, provided any guarantees, or invested in securities of any other body corporate other than investments in Sanofi Consumer Healthcare India Limited, the wholly owned subsidiary of the Company.

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 December 31, 2023, all the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. your Directors have selected such accounting policies and applied them consistently and made judgments 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 2023 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 are 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, at its meeting held on February 23, 2024, 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 December 31, 2024.

As required by the Act, the remuneration payable to the Cost Auditor is to be placed before the members in the 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 the Board, is included in the Notice convening the Annual General Meeting of the Company. In the opinion of the Directors, considering the limited scope of audit, the proposed remuneration payable to the Cost Auditors would be reasonable and fair, and commensurate with the scope of work carried out by them.

Auditors

M/s. Price Waterhouse & Co. Chartered Accountants LLP (Firm Registration Number 304026E/E-300009), were appointed as Statutory Auditors of your Company for a period of Five (5) years, commencing from the conclusion of the Sixty-sixth AGM held in the year 2022, until the conclusion of the Seventy-first AGM to be held in the year 2027.

The Statutory Auditors have confirmed their eligibility and submitted a certificate in affirming that they are not disqualified for holding the office of the Statutory Auditor. The report given by the Statutory Auditor on the financial statements of the Company forms part of the Annual Report. The Statutory Auditors have issued an unqualified audit report on the annual accounts of the Company for the year ended December 31, 2023.

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 2023, the Company had received two complaints of alleged sexual harassment, which were disposed of. As of December 31, 2023 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 December 31, 2023.

The comments made by the Secretarial Auditors are self-explanatory. Their report is annexed herewith as **Annexure – F** to this Report.

Secretarial Standards

The Company has complied with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and adopted under the Act.

Annual Return

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

Material Changes and Commitments after the Financial Year

There have been no material changes and commitments, since the closure of the Financial Year ended December 31, 2023 up to the date of this Report, that would affect your Company's financial position.

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

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

No significant or material orders have been passed by the Regulators, Courts or Tribunals that impact the going concern status and future operations of the Company.

Other Disclosures

Your Directors hereby clarify that the following disclosures are not applicable, considering that there were no such transactions in the year under review:

1. There has been no issue of Equity Shares with differential rights as to dividend, voting or otherwise.
2. There has been no issue of Equity Shares (including Sweat Equity Shares) to employees of your Company, under any scheme.
3. There was no change in share capital during the year under review.
4. Your Company has not resorted to any buy back of its Equity Shares during the year under review.
5. The Managing Director or the Whole-time Directors of your Company did not receive any remuneration or commission during the year from the subsidiary of the Company.
6. The details regarding the difference in valuation between a one-time settlement and valuation for obtaining loans from banks or financial institutions, along with reasons, are not applicable.
7. The details of any application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year, along with their status as at the end of the financial year are not applicable.

Acknowledgments

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Board also acknowledges the support and co-operation that your Company has been receiving from the medical fraternity, suppliers, distributors, retailers, business partners, government departments both at Centre & States, and all other stakeholders.

On behalf of the Board of Directors

Aditya Narayan
Chairman
February 23, 2024 DIN: 00012084

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 December 31, 2023.

A. Conservation of Energy

Aligned with Sanofi's commitment to combat climate change and limit global warming to 1.5°C, we strive for carbon neutrality by 2030 and net zero greenhouse gas emissions by 2045 across all scopes, anchoring effective energy management as a core element of our operations.

Recognising energy consumption's significant role in greenhouse gas emissions and operational costs, we prioritise enhancing energy efficiency. We continuously refine energy management systems, emphasising optimal asset utilisation, best practices adoption, and energy-efficient technology integration.

Our energy consumption spans operations, buildings, and offices. In CY 2023, renewable energy constituted 49.1% of our consumption, a 9% improvement from the previous year, sourced from solar power, biomass, and green energy purchases. Fossil fuel reliance decreased by approximately 17% compared to 2022, with a further 8% reduction in non-renewable grid electricity purchases.

Of our total energy procurement, 44% is from non-renewable sources, 11% from purchased green energy, and 4% from onsite solar generation. Biomass meets 34% of our needs, while 7% comes from fossil fuels.

Energy Conservation measures undertaken in 2023:

Goa factory

- In 2022, the HVAC energy optimization project for Production Building 2 was successfully completed. Work is currently underway for Production Building 1, scheduled for completion by 2024, promising significant savings upon project fruition.
- In the same year, a 1.8 MW solar power system was installed under an OPEX model, which generated 8970 GJ of electricity in CY 2023. Onsite solar generation has resulted in ₹ 6 million in savings, projected to continue for 15 years.
- Also in 2022, we initiated a multi-site ISO 50001 certification process, affirming the effectiveness of our energy management systems.
- To reduce reliance on fossil fuels, we have implemented the use of biomass for steam generation.
- Our solid oral line facilities have been upgraded with state-of-the-art technology.
- Technical areas have been equipped with white color sheets to minimize heating.
- Robust automation and digital tools have been implemented to collect equipment-specific efficiency data, promoting efficient equipment usage and waste reduction. Blister packaging line 10 has been completed, with ongoing work for other lines.

Mumbai Office

- Procuring 100% green energy for day-to-day operations
- Installed rooftop solar power plant with a capacity of 104.16 KWP
- Generated 465.39 GJ of energy from the rooftop solar plant, equivalent to 12% of the office's total energy demand
- Incorporated energy-efficient design elements, already LEED Platinum certified.
- Optimised operational practices for energy conservation, including managing HVAC system settings, implementing automation, using LED lighting, conducting awareness campaigns, turning off lights during lunch breaks, efficiently using diesel generator sets, and monitoring equipment efficiency

B. Technology Absorption

Research & Development (R&D)

1. **Efforts in brief made towards technology absorption:**

   The Company on an on-going basis takes steps to enhance its technical expertise for pharmaceutical formulations. The Company puts emphasis on innovation in its operations

2. **Benefits derived as a result of the above efforts:**

   The Company has benefited substantially as a result of the emphasis on innovation. Developing product line extensions, improvement in product quality, operational excellence projects, technology transfer of products and reduction in energy consumption are some of the benefits derived as a result of above efforts carried out during the year under review.

   The Site further adopted automated technology and installed new equipment which met Sanofi Quality and HSE standards.

3. **Imported technology (imported during the last 3 years reckoned from the beginning of the financial year):**

   a) The details of technology imported: Nil

   b) The year of import: Not applicable

   c) Whether the technology has been fully absorbed: Not applicable

   d) If not fully absorbed, areas where absorption has not taken place and reasons thereof: Not applicable

   As mentioned in (1) we continue to receive technology, process know-how and technical assistance from time to time from the Parent Company.

4. **Expenditure on Research & Development**

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	₹ 7,176.69 million
b)	Total Foreign Exchange earned	₹ 5,143.05 million

On behalf of the Board of Directors

Aditya Narayan
Chairman
DIN: 00012084

February 23, 2024

Annexure – B to the Report of the Directors

Statement of Disclosure of 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 December 31, 2023 and forming part of the Directors' Report for the said year.

A. Ratio of the remuneration of each Executive Director to the Median remuneration of the Employees of the Company:

Name of the Director	Designation	Ratio of remuneration of each Executive Director to median of remuneration of Employees
Mr. Rodolfo Hrosz	Managing Director	20:1
Mr. Rachid Ayari	Whole-time Director and Chief Financial Officer	10:1
Ms. Renee Amonkar	Whole-time Director	6:1

Percentage increase in remuneration of each Executive Director, Chief Financial Officer (CFO), Chief Executive Officer and Company Secretary:

Name of the Director and KMP	Designation	Percentage increase in remuneration (%)
Mr. Rodolfo Hrosz	Managing Director	4.5%
Mr. Rachid Ayari#	Whole-time Director and Chief Financial Officer	Not Comparable
Ms. Renee Amonkar*	Whole-time Director	Not Comparable
Ms. Radhika Shah	Head of Legal and Company Secretary	6.8%

#Details not given as he was Whole-time Director and Chief Financial Officer for part of the Financial Year 2023

**Details not given as she was Whole-time Director for part of the Financial Year 2023*

Notes:

1. *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.*
2. *Non-Executive Directors who are employees of Sanofi group do not receive any Sitting Fees or Commission.*
3. *Director/KMP who resigned or changed designation 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: 8.5%

C. The number of permanent employees on the rolls of the Company as on December 31, 2023: 2174

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 percentile increase in salaries of the employees other than the managerial personnel was 7.5% and for managerial remuneration it was 8.5%.

The increases are determined by of the Company's market competitiveness within its comparator group, which is assessed through a comprehensive salary benchmarking survey conducted annually. This approach aligns with the Company's reward philosophy and aims to differentiate compensation based on performance impact levels.

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.

On behalf of the Board of Directors

Aditya Narayan
Chairman
DIN: 00012084

February 23, 2024

Annexure – C to the Report of the Directors

Form No. AOC - 1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

[Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

1.	Name of the subsidiary:	Sanofi Consumer Healthcare India Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period:	May 10, 2023 to December 31, 2023
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries:	Not Applicable
4.	Share capital:	20 Million
5.	Reserves & Surplus:	(3) Million
6.	Total assets:	17 Million
7.	Total liabilities:	*
8.	Investments:	Nil
9.	Turnover:	Nil
10.	Profit before taxation:	(3) Million
11.	Provision for taxation:	Nil
12.	Profit after taxation:	(3) Million
13.	Proposed Dividend:	Nil
14.	% of shareholding:	100%

** denotes figure less than a million.*

Notes: *The following information shall be furnished at the end of the statement:*

1.	Names of subsidiaries which are yet to commence operations	**Sanofi Consumer Healthcare India Limited**
2.	Names of subsidiaries which have been liquidated or sold during the year	**Not Applicable**

Part "B": Associates and Joint Ventures - Not Applicable

On behalf of the Board of Directors

Rodolfo Hrosz
Managing Director
DIN: 09609832
Place: Mumbai
Date: February 23, 2024

Usha Thorat
Director
DIN: 00542778
Place: Mumbai
Date: February 23, 2024

Rachid Ayari
Whole-Time Director and Chief Financial Officer
DIN: 10408699
Place: Mumbai
Date: February 23, 2024

Radhika Shah
Head of Legal and Company Secretary
Membership No.: A19308
Place: Mumbai
Date: February 23, 2024

Annexure – D 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 December 31, 2023:

Nil

B. Details of material contracts or arrangements or transactions at arm's length basis during the year ended December 31, 2023:

Sr. No.	Particulars	Details of Transaction – 1	Details of Transaction – 2
1.	Name(s) of the related party	Sanofi-Aventis Singapore Pte. Ltd.	Sanofi Healthcare India Private Limited (formerly known as Shantha Biotechnics Private Limited) (SHIPL)
2.	Nature of relationship	Related Party in Sanofi Group where Common control exists	Related Party in Sanofi Group where Common control exists
3.	Nature of contracts/ arrangements/ transactions	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.	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 ₹ 10,000 million in each financial year.
4.	Duration of the contracts/arrangements/ transactions	Ongoing	For period of five years commencing from Financial Year 2022 to Financial Year 2026
5.	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 ₹ 11,038 million	On arm's length basis and in the ordinary course of business. The total value of the transactions in the Financial Year was ₹ 4,529 million
6.	Date of approval by the Board	February 27, 2017	February 14, 2022*
7.	Amount paid as advances, if any	None	None

** The transaction was approved by the Board through a circular resolution dated February 14, 2022 and subsequently noted at the meeting of the Board held on February 23, 2022.*

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

On behalf of the Board of Directors

Aditya Narayan
Chairman
DIN: 00012084

February 23, 2024

Annexure – E to the Report of the Directors

Annual Report on Corporate Social Responsibility Activities

1. Brief outline on CSR Policy of the Company:

The Company's approach to Corporate Social Responsibility (CSR) is centered on targeting areas where it can make a meaningful difference and have the greatest impact. Leveraging its expertise and resources, the Company is committed to enhancing access to quality healthcare for individuals.

With a focus on projects related to Diabetes, Hypertension, Cardiovascular Disease, and Cancer, the Company seeks to collaborate by sharing its knowledge and experience. Recognizing that significant change requires partnerships with government entities and like-minded organizations, the Company actively engages in Public-Private Partnership (PPP) initiatives. These endeavors are aimed at effectively and transparently implementing healthcare programs to benefit marginalized communities.

2. Composition of CSR Committee:

Sr. No.	Name of the 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	3	3
2.	Mrs. Usha Thorat	Member, Independent Director	3	3
3.	Mr. Rodolfo Hrosz	Member, Managing Director	3	2

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

The web-links are as follows:

Composition of CSR Committee: Board Committees - Sanofi India (sanofiindialtd.com)

CSR Policy: Code of Conduct and Policies - Sanofi India (sanofiindialtd.com)

CSR projects: Empowering people to live healthier lives - Sanofi India

4. Provide the executive summary along with the web-link(s) 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:

The Company has carried out Impact Assessment through Independent third party and below is the summary of the report and is also available on the website of the Company at https://www.sanofiindialtd.com/en/investors/csr.

The Impact Assessment Report for the KiDS Program offers a nuanced understanding of its achievements, challenges, and potential for future growth. The positive outcomes, coupled with valuable recommendations from stakeholders, position the program as a cornerstone in diabetes education. The report concludes with a call for sustained efforts, emphasizing the need for regular programs, community involvement, and leveraging technology for impactful awareness campaigns. In essence, the KiDS Program, with its transformative potential, stands as a model for health education initiatives, offering valuable insights for future endeavors for student well-being and disease prevention. For further details, the Impact assessment report can be referred.

5.

(a) **Average net profit of the company as per sub-section (5) of section 135:** 7,416 million

(b) **Two percent of average net profit of the company as per sub-section (5) of section 135:** 148.41 million

(c) **Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years:** Nil

(d) **Amount required to be set off for the Financial Year, if any:** Nil

(e) **Total CSR obligation for the Financial Year [5(b)+5(c)-5(d)]:** 148.41 million

6.

(a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** 140.79 million

(b) **Amount spent in Administrative Overheads:** 7.07 million

(c) **Amount spent on Impact Assessment, if applicable:** 0.55 million

(d) **Total amount spent for the Financial Year [6(a)+6(b)+6(c)]:** 148.41 million

(e) **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 sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
148.41 million	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

(f) **Excess amount for set off, if any:** Not Applicable

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	Not Applicable
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: Not Applicable

1	2	3	4	5	6		7	8
Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
Not Applicable								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

○ Yes ● No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not Applicable

On behalf of the Board of Directors

Rahul Bhatnagar
Chairman, CSR Committee
DIN: 07268064

Mr. Rodolfo Hrosz
Managing Director
DIN: 09609832

Annexure – F to the Report of the Directors

Form No. MR.3

SECRETARIAL AUDIT REPORT

For the Financial Year ended December 31, 2023
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 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 - 400072

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.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

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 authorized 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 December 31, 2023 (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 December 31, 2023 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made there under;

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

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

(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 and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(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, 2021; **(Not Applicable to the Company during the Audit Period)** and

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. **(Not Applicable to the Company during the Audit Period)**

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 and amendments made thereunder. ('Listing Regulations')

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. made there under except *one intimation made to stock exchanges was in delay by one day.*

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 (Objectionable Advertisement) Act, 1954
- Narcotic Drugs and Psychotropic Substances Act, 1985
- Food Safety and Standards Act, 2006
- Legal Metrology Packaged Commodities Act.

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 audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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 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. The adequacy and efficacy shall read in context of reporting as specified in the report.

We further report that during the audit period,

1. The Company has incorporated M/s. Sanofi Consumer Healthcare India Limited, wholly owned subsidiary w.e.f. May 10, 2023.

2. The Board has approved the scheme of arrangement under Sections 230 to 232 of the Act, to demerge the Consumer Healthcare Division of the Company into its Sanofi Consumer Healthcare India Limited, wholly owned subsidiary.

For Makarand M. Joshi & Co.
Company Secretaries

Makarand M. Joshi
Partner
FCS: 5533
CP: 3662
PR: 640/2019
UDIN: F005533E003481841

Date: February 23, 2024
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 - 400072

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 Accounts of the company.

4. Wherever 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: 5533
CP: 3662
PR: 640/2019
UDIN: F005533E003481841

Date: February 23, 2024
Place: Mumbai

Management Discussion and Analysis Report

Economic Overview

Amid a challenging global economic landscape and deteriorating geopolitical conditions, India continues to shine as a bright spot. It is the fifth-largest economy in the world and is poised to retain its position as the world's fastest-growing major economy. Its GDP growth remained buoyant at 7.3% in FY 2023-24 as against 7.2% in FY 2022-23, supported by robust domestic demand, moderate inflation, a stable interest rate environment, and strong foreign exchange reserves. Furthermore, an accelerated pace of economic reforms and increased capital expenditure paved the way for construction activities and large-scale employment opportunities in the country. The International Monetary Fund (IMF) commended India's economic resilience, robust growth, and notable progress in formalization and digital infrastructure.

India had successfully harnessed inflation in FY 2023-24 which is still plaguing major advanced economies. India's Consumer Price Index (CPI) inflation rate decreased to 5.69% (provisional) in December 2023 against 5.72% in December 2022. The RBI, in its efforts to control inflation and boost economic growth, decided to keep the policy repo rate unchanged at 6.50%. Furthermore, India's per capita Net National Income (NNI) at constant (2011-12) prices increased by 6.08% from ₹ 98,374 in FY 2022-23 to ₹ 1,04,550 in FY 2023-24. Due to increasing disposable income levels, there is a surge in household consumption in both urban and rural regions, boosting the demand across sectors.

India's economic outlook is optimistic as it reaps the benefits of demographic dividend, physical and digital infrastructure enhancements, increased capital expenditure and the government's proactive policy measures such as Production Linked Incentive (PLI) Schemes. According to the IMF, the Indian economy is expected to expand steadily at 6.5% in 2024.

Industry Overview

Indian Pharmaceutical Industry

India is the world's third-largest pharmaceutical manufacturer by volume and the largest provider of generic medicines, occupying a 20% share of global supply by volume and contributing to around 60% of the global vaccines. The Indian pharmaceutical industry experienced steady growth over the last few years with a focus on generic medicines. The rapid expansion of generic drug manufacturing is a significant trend, solidifying India's position as a global pharmaceutical hub. The Indian pharmaceutical industry offers 60,000 generic brands across 60 therapeutic categories and manufactures 500+ different Active Pharmaceutical Ingredients (APIs).

10.2% growth

Pharmaceutical exports are likely to touch US $28 billion in FY 2023-24

The Indian pharmaceutical market recorded a 10% growth in 2023, aligning with the 5-year CAGR. The growth was primarily driven by price increases, followed by volume and new introductions. In terms of growth drivers of the market, the predominant factor is price-led growth of 4%. It is closely followed by 3% volume growth, showing improvement compared to the previous year. The loss of patent for several chronic molecules and a surge in new launches contributed to 3% NI led growth.

Most chronic therapies have recorded slower growth in 2023 compared to the 5-year CAGR. There was loss of patent in few Cardiology and Diabetes molecules leading to lowering of the average price. Anti-Infectives demonstrated a growth rate higher than the average CAGR in 2023. This is mainly due to higher growth in Amoxy Clav and in antibiotics like Ceftriaxone and combinations, Meropenem, etc. Oncology and Vaccine therapies also recorded higher growth in 2023.

Indian drugs are exported to more than 200 countries in the world, with the US being the key market. Pharmaceutical exports are likely to touch US $28 billion in FY 2023-24, registering 10.2% growth, primarily due to drug shortages in the US and Europe and a revival in demand in Africa. According to IQVIA's report 'The Global Use of Medicines 2024 – Outlook through 2028,' global spending for medicines is expected to reach US$ 2.3 trillion by 2028. The volume use of medicines globally is expected to grow at an average 2.3% rate through 2028, driven by China, India and other Asian markets all growing faster than 3%. This will create huge opportunities for Indian pharmaceutical companies.

Various government schemes such as the production-linked incentive (PLI) scheme and the Strengthening of Pharmaceutical Industry (SPI) scheme have propelled the growth of the pharmaceutical sector. The flagship scheme, Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) has achieved the target of opening 10,000 retail outlets to provide quality generic medicines at affordable prices. Additionally, 206 medicines have been added to the product basket in 2023. Furthermore, the Indian pharmaceutical sector attracted a foreign direct investment (FDI) inflow of ₹ 4,456 crore from April 2023 to September 2023.

The growth momentum of the Indian pharmaceutical industry is expected to continue in the coming years on the back of favorable government policies, increasing foreign investment, rising healthcare expenditure, rapid use of innovation and technology, and emphasis on domestic manufacturing of quality pharmaceutical products.

Growth Drivers

- **Improving affordability driven by rising per capita income:** The middle-class population and per capita income are growing in India and other emerging markets. Increased purchasing power and awareness have led to a rise in spending on healthcare solutions, including pharmaceutical products.

- **Growth in health insurance coverage and infrastructure:** The penetration of health insurance is expected to increase with government-sponsored initiatives such as Ayushman Bharat -Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) and ₹ 7,200 crore budget allocation in FY 2023-24. Additionally, improvements in healthcare infrastructure will increase access to modern and innovative medicines and drive demand for pharmaceutical products.

- **Burgeoning lifestyle diseases:** Demographics and lifestyle changes have led to the increasing prevalence of chronic diseases such as diabetes and hypertension and contributed to the growth of the pharmaceutical industry.

- **Growing penetration of e-pharmacy:** E-pharmacies are expanding and acquiring a major stake in the overall pharma retail value chain in India. The e-pharmacy market in India was worth ₹ 25.50 billion in 2021 and it is expected to reach ₹ 89.47 billion in 2027, growing at a CAGR of 22.20% from 2022 to 2027. This will increase access to organized pharmacies across the country and revolutionize the pharmaceutical landscape.

- **Supportive ecosystem:** The government has undertaken several initiatives to boost the pharmaceutical sector in India. The government approved PLI schemes with an outlay of ₹ 15,000 crore during the period FY 2020-21 to FY 2028-29 to promote domestic manufacturing of APIs, KSMs (key starting materials) and drug intermediaries.

Company Overview

We are one of India's leading multinational healthcare companies. We offer a comprehensive product portfolio including a wide range of medications and dietary supplements across various therapeutic segments, such as cardiology, thrombosis, epilepsy, allergies, infections and diabetes (both insulins and orals). With a rich legacy spanning over 75 years, the Company has been at the forefront of supplying high-quality and affordable medicines for patients in India, driven by one purpose 'chasing the miracles of science to improve people's lives'.

The Company has earned the trust of Indians, and its products are present in one out of three Indian households. As part of the Sanofi SA. Paris, an innovative global healthcare company with one purpose: to chase the miracles of science to improve people's lives, the Company is committed to transform the lives of the patients in India by bringing first-in-class and best-in-class medicines and therapies in the country.

Manufacturing Operations

The Company has a state-of-the-art manufacturing unit in Goa which is equipped with internationally accredited infrastructure and seamless technology integration. Our manufacturing facility produces approximately 4.5 billion oral solid dosage forms and has prioritized safer, healthier, and environment-friendly working practices with strong quality systems. The manufacturing operations are heavily regulated by governmental health authorities worldwide, including Regierungspräsidium Darmstadt – Germany, USFDA, Australia - TGA, WHO, UK-MHRA, Russian health Authorities, NMRA – Sri Lanka and various 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 the manufacturing process, removal of physical leaflets and implementation of the QR Code.

The manufacturing operations at the Goa site are done in compliance with local and global regulatory norms, ensuring that environmental exposures stay within the specified limits. The waste generated from manufacturing operations is disposed as per the local regulations/ Sanofi guidelines.

Our customer service level has been >99% in 2023 and we intend to maintain the same. The manufacturing process is done on market demand basis to ensure Sanofi products are not out of stock. The Goa site is equipped with state-of-the-art automation systems for the manufacturing process, which ensures closed-loop operations with minimum manual material handling. The automation is further being enhanced to adhere to DIRA (Data Integrity Risk Assessment) compliance and reduction of manual errors. 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.

The Goa site has an in-house effluent treatment plant, wherein the effluent generated by the process is treated in-house and used for landscaping. There is ZERO discharge of our treated effluent outside the site.

The site has a system for periodic medical check-ups to ensure employee wellness. Voluntary stress tests have been initiated for employees above 40 years post COVID. There are bi-monthly health awareness programs conducted at the site by the internal or external faculty.

All activities are assessed for operational safety risks, and actions are outlined to mitigate any risk identified. Internal audits and external agency audits are conducted to ensure HSE standards are met. Employees are trained on operational safety. The site leadership team and managers conduct managerial safety visits to ensure safe working practices and employees are encouraged to proactively identify workplace weak signals.

As per the POBOS (Pharmaceutical Benchmarking of Solids) study conducted in 2023 by McKinsey, the Goa site is the 3rd most cost-competitive solids manufacturing site globally and also, among 35 sites in Asia. Sanofi Goa cost of goods is in the TOP decile of the Rating. We were at 7 US cents as compared to 10.1 US cents which is the TOP decile bench mark. This ranking has been maintained by the site since 2017, in spite of the challenges and inflation. Goa is also rated in TOP quartile for productivity. Furthermore, the Company is planning to invest in recent technology chillers (viz. centrifugal chillers) in the Goa site in 2024. These energy-efficient chillers will contribute to reducing CO_2 emissions by approximately 3000 tons, in addition to the Solar Project that the site has already installed.

The Company continues to consolidate the network of CMOs (Contract Manufacturing Organizations) 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.

Operational Overview

Operational Performance FY 2023

The Company's performance for the year under review in the key therapeutic areas is highlighted below:

Diabetes Portfolio

Insulin for Diabetes

India is referred to as the diabetes capital of the world. According to ICMR (Indian Council of Medical Research), the number of diabetic people in India increased by 44% and reached 101 million in 2023 from 70 million in 2019. Around 136 million people, or 15.3% of the population, have prediabetes. However, Sanofi, boasting a 75-year legacy, is dedicated to bringing about a transformation and treating people with diabetes by providing high-quality medicines and services. Our differentiated offerings give us a unique position as the only company with a substantial presence in oral anti-diabetes drugs and insulin.

The year 2023 witnessed almost a 20% negative price rationalization on our flagship brand Lantus®, with Lantus® getting included in the National List of Essential Medicines. The challenge heightened as the market experienced almost flat volume growth and increased competitive pressure. However, the price rationalization of Lantus presented a valuable opportunity for the Company to impact incremental volumes. Our strategies, focusing on expanding reach and prescription depth, have proven successful, with most lead parameters instilling confidence that the Company is on the correct trajectory for success with Lantus®.

20% sales growth

for our strategic product Toujeo® in 2023

In addition to Lantus®, another strategic product of our portfolio, Toujeo® performed exceptionally well in 2023, by clocking more than 20% sales growth *(Source: IQVIA MAT Dec '23)* and contributed to 43% of the incremental sales in its represented market. With the increasing wall of evidence around Toujeo®, we play an important role in familiarizing the medical community with the developing science of time in range and glycemic variability through our educational initiatives. Apidra®, our rapid-acting insulin analog, also recorded around 25% incremental sales in 2023.

(Source: IQVIA MAT Dec '23)

The Company is committed to enhancing its product portfolio to solidify its future leadership in the years ahead. In 2023, we received approvals and positive comments for three new products, which we would launch in the first half of 2024. The Company eagerly anticipates the upcoming launch of its global blockbuster product, Soliqua®, in India. As part of the Company's 'India for India' strategic outlook, it would also work towards the launch of local innovative products in its insulin as well as oral portfolio.

We would consistently invest in scientific endeavors, conducting clinical studies and research to deepen our understanding of diabetes paradigms in India. In 2023, the publication of the first and only real-world evidence study LANDMARC was published, which would serve as a pivotal reference document in the field of diabetes management in the future. Few additional real-world evidence (RWE) studies are set to be published in the coming months, addressing crucial aspects of diabetes management.

Portfolio for Oral Diabetes

Sanofi's Oral Diabetes Portfolio has been a pioneer for quality and first-in-class medicines with Amaryl-the Original Glimepiride since 1997. In the evolving landscape of Diabetes management, Amaryl has maintained a strong position and relevance for over 25 years with the launch of successful line extensions like Amaryl M, Amaryl MV, Amaryl MP and strong play in the metformin category via differentiated formulation of Cetapin XR; each of which features amongst top brands in the industry in respective categories. The Portfolio is currently ranked #5 and continues to consolidate its market position via new Go to Market Models, reinvention of its medico-marketing initiatives to stay differentiated and embrace the power of the digital world to enhance reach and impact. The flagship program 'Safe & Smart Summit' has evolved from focusing on molecule science and evidence to partnering with thought leaders in Diabetes in co-creating meaningful and impactful initiatives for HCP education and patient empowerment with simple and practical self-management strategies.

The program aims to create an inclusive environment for HCPs, Patients and Caregivers to better manage diabetes and has been able to create a strong pull for HCPs across the country. Sanofi continues to strengthen its oral portfolio by entering the category of Modern OADs with the upcoming launch of Cetapin S, a quality medication and bioequivalent to the innovator at an affordable price.

Patient Support Programs - Diabetes

As leaders in this segment, we acknowledge the significance of capability and capacity building amongst our stakeholders to alleviate the diabetes burden in our country. It is incumbent on the Company to shape and sustainably manage the diabetes ecosystem.

Our commitment to patients in the country is underlined by our longest and largest serving structured patient support program: Saath 7. This is done with a two-way engagement with patients via a blend of home-based face-to-face (or even remote video call) and tele-counseling over a period of 6 months. It touches the lives of more than 100,000 patients each year, in every major city of India, by educating and hand-holding them through their insulin journey. Through this period, they are provided with better education and training which empowers them to self-manage diabetes and increase medical adherence to help them achieve better therapeutic outcomes.

Digitalization

Through our customer-awareness initiative 'INTOLIFE' (www.intolife.in), we have launched the National Communications Campaign: 'Sanofi Diabetes Dialogues', a series of social media programs to educate people about various aspects of diabetes management. This campaign successfully generated 90.5 million views across India.

**More details about the success of 'INTOLIFE' initiative are available at (www.intolife.in) and Facebook page of Intolife (https://www.facebook.com/IntoLife.in?mibextid=YMEMSu)*

Digital channels for HCP communication have played an important part in our endeavor to reach a large number of HCPs to inform them about the improved affordability of Lantus post NLEM announcement on price cut.

We amplified Lantus price drop Share of Voice (SoV) on 600K HCPs (including uncovered HCPs) on various Digital platforms for HCPs, within the first 3 weeks of NLEM price drop notification. This campaign generated 2 million impressions across various digital channels, resulting in 77% of HCPs becoming aware of the new price for Lantus within the first month.

Under our HCP capability building model, we focused on providing more than 2000 HCPs with a customized learning experience. These digital educational programs were specifically designed to enhance their understanding of early insulinization and to introduce them to our flagship Time in Range (TIR) concept, with an emphasis on the application and benefits of second-generation basal insulins in TIR.

In 2023, we also initiated the 'Emerging Clinicians Guidance' webinar series, for supporting young healthcare professionals in their academic journey. These webinars are designed to impart practical skills to medical college students, such as creating poster presentations and submitting journal articles, which helps in their academic journey. The topics covered are carefully chosen to be unbiased, unbranded, and universally applicable. Although there are numerous knowledge-sharing programs available, our webinars are clutter-breaking because of the content that is relevant for young doctors. The success of our first three webinars is demonstrated by the growing number of participants and the keen interest from heads of departments (HODs) at various colleges and student coordinators.

As leaders in this segment, we acknowledge the significance of capability and capacity building amongst our stakeholders to alleviate the diabetes burden in our country. It is incumbent on the Company to shape and sustainably manage the diabetes ecosystem.

Central Nervous System (CNS)

The Company's epilepsy portfolio recorded positive growth during the year, with Frisium® registering a double-digit growth. The CNS portfolio maintained its market share in epilepsy, through different go-to-market approach, regular digital customer connects, market-shaping activities and academic engagements.

A world-class Healthcare Professional education and e-certification program, Neuro eZone was developed in collaboration with the University College of London enrolling 1000+ Neurologists.

Approximately 12 million people in India are living with epilepsy – a neurological condition – which contributes to nearly one-sixth of the global burden*. It is surrounded by social stigma and taboos that emanate due to lack of correct information. To help bust many common myths and spread right information about epilepsy, we created a film in partnership with Filter Copy – one of India's leading digital content channels with social news and entertainment for the youth. This video got 25 million views across the multiple social media platforms. Many viewers shared their personal stories related to epilepsy, their challenges and their success stories which sparked a positive discussion among the community. Some comments from viewers expressed gratitude for raising awareness about epilepsy and debunking misconceptions.

**Reference- Epilepsy in India I: Epidemiology and public health - PMC (nih.gov), available at https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4564458/*

Frisium® Suspension: Strengthening commitment towards epilepsy management in India

With the purpose of 'Not let epilepsy control the childhood' we strengthened our commitment towards epilepsy management in India with the launch of Frisium® Suspension. Frisium Suspension comes in unique taste masked formulation of very bitter drug through innovative CBS technology for enhanced patient compliance.

GEMS Portfolio

Thrombosis

For over 25 years, Clexane® has been the standard in anti-coagulant care, leading the way with its vision for a 'VTE free India.' The brand is dedicated to raising awareness about Venous Thromboembolism (VTE) in hospitalized patients.

Digital Initiatives:

Our collaborations with esteemed international scientific associations like the American College of Chest Physicians and innovative initiatives such as the 'VTE Unplugged' podcasts which has garnered support from over 2800 HCPs. Notably, our latest podcast series featuring Chest Faculty Prof. Beverley Hunt saw HCPs spending an average of 22.5 hours engaging with invaluable medical insights. This year, we expanded our reach, recording podcasts with four international faculties, generating 4.5 hours of enriching medical content focused on Clexane, reinforcing our commitment to advancing medical knowledge and patient care.

Clexane® continues to strengthen its leadership position in thrombosis care. The brand is also actively driving patient education on VTE risk factors, On World Thrombosis Day, the brand orchestrated a comprehensive omnichannel experience, gaining significant traction among healthcare professionals.

In a strategic collaboration with Times of India, a renowned community education platform, Clexane took a significant step forward in driving patient awareness. This partnership facilitated a well-coordinated omnichannel approach reaching 1.34 lakh users and amassed ~17 lakh Impressions via TOI website and social media platform (FB posts and videos), resulting in tremendous engagement and disease awareness with substantial impact.

Cardiology

Cardace®, the flagship brand in cardiology with more than 29 years of Indian clinical experience, maintains its position as the foremost Angiotensin Converting Enzymes (ACE) inhibitor brand. The brand is diligently dedicated to enhancing the Post Myocardial Infarction (MI) Protection Space, aiming to optimize cardiovascular outcomes and mitigate the underutilization of ACE inhibitors within this patient demographic. The implementation of a strategically devised omnichannel approach has proven instrumental in elevating brand preference for the Cardace® group within the Post MI domain.

Antibiotics

Targocid® leverages over two decades of practical experience, unwaveringly dedicated to achieving unmatched patient safety outcomes. As the preferred anti-MRSA agent in the realm of resistant Gram-positive pathogens, particularly for critically ill patients, Targocid® has garnered unanimous favor among stakeholders. The brand consistently upholds its leadership in this specialized therapeutic domain. Targocid® has exhibited robust performance, achieving growth rates that surpass market benchmarks, both in terms of internal metrics and external indicators.

This success can be attributed to the effective reacquisition of a significant portion of crucial accounts, along with strategic utilization of regular digital customer interactions, market-influencing endeavours, and academic engagements. Moving forward, Targocid® is strategically prioritizing the continued emphasis on the early initiation of antibiotics to diminish mortality rates among hospitalized patients.

A bold leap in thrombosis and heart failure management

In our 25+ years journey of trust and protection, Clexane® (Thrombosis Management) and Cardace® (Post MI Management) have saved countless lives. In line with our 'India for India' strategy aimed at bringing first-in-class and best-in-class drugs to India, we proudly introduce two new brands - Sanoxaban™ and Carmada™ marking the evolution of our unwavering commitment to healthcare excellence.

Sanoxaban™ (Apixaban): A Leap in Thrombosis Management

Sanoxaban™, also known as Apixaban, takes center stage in our commitment to advancing patient care. It addresses stroke and embolism prevention in Non-Valvular Atrial Fibrillation (NVAF) and Venous Thromboembolism (VTE). With NVAF contributing to 70% of atrial fibrillation cases globally, Sanoxaban™ stands as a beacon of progress, offering superior prevention over traditional methods.

Carmada™ (Sacubitril + Valsartan): Revolutionizing Heart Failure Management

Our commitment to progress continues with Carmada™, a revolutionary Angiotensin Receptor Neprilysin Inhibitor. Targeting heart failure, Carmada™ relaxes blood vessels, lowers blood pressure, and improves heart function. With heart failure affecting 22.7 million in India, Carmada™ represents hope for improved outcomes.

Consumer Healthcare Portfolio

Allergy

Allegra® and Avil®, our flagship brands, continue to occupy leading positions in the allergy category. While the Allergy category was muted in the year, Allegra demonstrated a robust performance that outpaced the market, driven by Allegra M in the Nasal segment which continues to be a key driver of the category.

During the year, Allegra focused on delivering robust, scientific engagement to HCPs through a series of international and Indian doctor symposiums in partnership with renowned doctor associations like American Rhinologic Society and American College of Chest Physicians under the Best of Allergy banner. Through these symposiums Allegra delivered more than 5 lakh touchpoints. This was augmented with strong outreach digitally leveraging doctor networking platforms.

At Sanofi, we are committed to addressing some of the world's most pressing challenges to build a healthier and more resilient world. In that spirit, Allegra stepped up to the cause of building a healthier environment through improving air quality. As part of the CHC Purpose Week, volunteers from the CHC teams were deeply engaged and involved in planting thousands of trees (as per Miyawaki concept) across 24 cities in India to maintain green spaces and help fight the inequality of air quality.

Nutritional Health

It has been an exciting year for DePURA. To unlock the tremendous potential of DePURA 60K, the brand was internalized and is now being promoted by the Sanofi scientific engagement team to the key specialties of Orthos, Gynecologists and Pediatricians with relevant science-backed content. Since the move back to Sanofi, DePURA 60K has undergone a revival and delivered a market-beating performance in the second half of the year.

In addition, DePURA proudly launched a new patent-pending formulation developed by the Sanofi Development Center in Goa. This new Wee dispersion technology – launched for both DePURA 60k and DePURA KIDS – has achieved a remarkable reduction in particle size expected to improve patient outcomes and will be a formulation exclusive to Sanofi, providing a compelling competitive advantage in the category.

Pain Care

Combiflam®, our heritage brand in the pain care segment, exhibited 5% value growth at the back of multi-layered channel engagement campaigns. Through a robust combination of distributor and wholesale programs, supplemented with various initiatives to enhance indirect distribution coverage, Combiflam delivered growth and retained its position as the preferred choice in pain management.

New Product Launches

The Company continues to launch a slew of new products. Below is the list of new product launches in the pipeline:

Segment	Products	Year
Neurology	Frisium	2023
Cardiology	Sanoxaban, Carmada	2023
Diabetes	Soliqua, Insutage, Cetapin	2024
CHC	Allegra- D	2025

Financial Overview

The Company registered ₹ 28,511 million Revenue from Operations for the year ended December 31, 2023, compared to ₹ 27,701 million in the previous year, representing growth of 2.9%. Net revenue from India, which constituted 81.5% of Net Revenue from Operations, declined from ₹ 23,421 million in 2022 to ₹ 23,227 million in 2023, reflecting a marginal de-growth of 0.8% due to flagship brand Lantus® bought under NLEM.

The Profit Before Tax and exceptional items increase from 7,323 million to 8,280 million, representing a growth of 13.1% for the year ended December 31, 2023. The Profit After Tax (PAT) decreased from ₹ 6,206 million in 2022 to ₹ 6,032 million representing a de-growth of 2.8% for the year ended December 31, 2023. Profit is not comparable due to exception items involve between period and price reduction due to NLEM.

Despite the challenges posed by the revised pricing of products listed in the NLEM, the Company recorded consistent growth in operating profit margins which escalated from 24.37% in 2022 to 27.43% in 2023. The improved operating margins were achieved primarily due to the Company's focus on cost optimization, facilitated by operational efficiencies through 'India for India' (IFI) strategy.

Key Financial Ratios

Particulars	2023	2022
Operating Profit Margin (%)	27.43	24.37
Net Profit Margin (%)	21.15	22.40
Debtors' Turnover Ratio	21.86	20.37
Current Ratio	1.91	2.17
Inventory Turnover Ratio	2.24	2.97
Interest Coverage Ratio	NA	NA
Debt Equity Ratio	NA	NA
Return on Net Worth (%)	83.45	67.88

Opportunities and Risks

Opportunities

- **Adoption of the latest technologies and innovations:** The landscape of pharmaceutical manufacturing is undergoing a transformative shift. The growing adoption of digital technologies such as artificial intelligence (AI), telemedicine and machine learning (ML) is expected to improve healthcare delivery and amplify the demand for innovative medicines, revolutionize distribution channels and propel the pharmaceutical market in India.
- **Collaborations and partnerships:** Indian pharmaceutical companies are increasingly forming strategic alliances with global counterparts, enabling knowledge exchange, resource sharing, access to newer geographies and co-marketing deals for new drugs. These collaborations and cooperative agreements foster innovation, offer opportunities to broaden existing portfolios and benefit both parties.
- **China plus one strategy:** China plus one diversification strategy is expected to benefit Indian companies as global companies are actively exploring alternatives to Chinese contractors, driven by concerns over geopolitical tensions and supply chain vulnerabilities. India has greater appeal as an attractive alternative and it has tremendous potential to emerge as a reliable base for the manufacture of raw materials and pharmaceutical production. Furthermore, growth in domestic manufacturing will reduce India's reliance on the import of key active pharmaceutical ingredients (APIs) from China.

Risks

The Company is exposed to several risks. However, it has a structured risk management framework for the effective identification, assessment and mitigation of key risks. The major risks are listed below:

- **Stringent regulatory environment:** The Indian pharmaceutical industry operates under a highly regulated environment. Stringent and evolving regulations in both domestic and international markets and tighter norms for clinical trials as well as for the development of new drugs may hamper innovation and impact the growth of the industry.
- **Price control and NLEM:** The drugs in the National List of Essential Medicines (NLEM) are scheduled drugs that are under price control by the central government. The NLEM can lead to pricing pressures for pharmaceutical companies, affecting their profitability. Inclusion of Sanofi's products in the NLEM could adversely impact its growth. Any unfavorable alterations in government policies related to pricing or trade margins may impact the Company's performance.
- **Counterfeit and sub-standard drugs:** The pharma industry has been grappling with issues related to counterfeit or spurious drugs. The presence of fake and substandard drugs in the market erodes trust and tarnishes the industry's image.
- **Data breaches and cyber threats:** The data collected by pharmaceutical companies, including proprietary information about patented drugs, data related to pharmaceutical advances and technologies, and patient information are highly sensitive and valuable. Hence, the pharmaceutical industry is vulnerable to cybersecurity and data breach threats.
- **Fluctuations in costs of key ingredients:** Volatility in prices of active pharmaceutical ingredients (APIs) and intermediates due to several factors, including inflation, changes in government policies, fluctuations in the foreign exchange rates and demand and supply conditions may impact manufacturing cost and profit margins.
- **Investment in R&D:** Increasing investment in R&D increases capital expenditure significantly and creates

pressure on profit margins. Further, the Company manufactures products in major therapy areas including Diabetes, Cardiology, Thrombosis, Anti-infectives, CNS, Allergy and Vitamins, Minerals and Supplements. The Company depends on the research and development conducted by Sanofi group for new product commercialization. The future research and product pipeline strategy of the Sanofi group may not always cover these therapy areas, which may impact the growth of the Company in the future.

Outlook

With its well-established prowess in drug manufacturing, Sanofi India is well-positioned to capitalize on substantial opportunities in the domestic and international markets. The Company's established presence in chronic therapies with a focus on diabetology, cardiology, gastro, and CNS products, rationalization of operations and new product launches are expected to drive profitability and bolster its growth.

The Company is steadily advancing its 'India for India' (IFI) strategy by implementing go-to-market initiatives, enhancing operational efficiency, and demonstrating its commitment to accelerate innovation. Through its IFI strategy, the Company focuses on all growth pillars, diabetes, consumer health, a combination of product innovation, supply localization, and strategic partnerships. Furthermore, the Company is demerging its consumer healthcare business into a separate entity, its wholly owned subsidiary, Sanofi Consumer Healthcare India Limited (SCHIL) by the second half of 2024. The demerging will enable the Company to focus on niche therapy areas, bring its global pipeline to India and optimize its growth potential in both pharmaceutical and consumer healthcare sectors in India.

Human Resources

The Company values its employees as the most important asset and integral to its growth and competitive position. We promote a conducive, productive and harmonious work environment. We also motivate employees with recognition and rewards and support them through various training programs to enhance their skills and competencies. The Company's employee strength stood at 2,174 as on December 31, 2023. The overall industrial relations atmosphere continued to be cordial. Further details on Human resources form part of the "Human Capital" chapter of the Integrated Report.

Internal Control Systems and Their Adequacy

The Company maintains robust internal control systems which are configured in the ERP (SAP) in accordance with the size and complexity of its operations. The internal control systems are strengthened through a blend of standard operating procedures, authorization delegation for approval, and segregation of responsibilities of critical activities. The adequacy of the internal control systems is regularly reviewed as per the Audit Plan approved by the Audit Committee. Internal audit findings and recommended corrective action plans for the improvement of the business process and internal control system are presented to the Audit Committee. Regular follow-ups are conducted to ensure the implementation of necessary remedial measures. Additionally, quarterly testing of key mandatory controls is undertaken which includes the financial control framework (FCF).

The internal control framework is responsible for timely and accurate reporting of operational and financial transactions, safeguarding of assets against loss or unauthorized disposal, addressing the evolving risks in the business, reliability of financial information, and stringent adherence to the regulations to ensure strong corporate culture governance practices.

The Internal Audit department has adapted to a hybrid auditing approach (physical or remote) based on business dynamics and external context to ensure the Management that all key controls were functioning according to our guidelines.

Furthermore, there has been a concerted effort to automate the monitoring controls of the business through the use of automation tools. This has resulted in a significant increase in employee productivity by automating repetitive and manual tasks, allowing the reallocation of resources to pursue our strategic goals. We are consistently broadening the scope of automated controls monitoring to further streamline and standardize operations, thereby continually enhancing operational efficiency.

The Audit Committee of the Board of Directors reviews the quarterly audit findings presented by the Internal Audit department and the audit program, covering all risks including operational, financial, strategic, technological, etc.

To strengthen the Internal Controls and Compliance culture, the Company has designated individuals as "Compliance/ Control Champions" who serve as ambassadors for the Internal Controls and Compliance teams, disseminating messages across various areas through peer-to-peer communication in a common language.

Medical Affairs

In the area of Diabetes, the final year results of the LANDMARC study were published in the Endocrine, Diabetes and Metabolism Journal and five posters were presented at the American Diabetes Association Congress 2023, addressing the need for timely initiation and intensification from LANDMARC data. The team disseminated the study results extensively through print media. The team also published review articles on Gla-300 (Toujeo) in special populations, Effectiveness of Gla-100 (Lantus) from Electronic medical records/ Registries (LIVE INDIA and REALITY) and Evolution of Guidelines on Insulin Therapy in International diabetes journals. Furthermore, Mentor-mentee education programs were conducted through virtual forums, upskilling more than 2,000 healthcare professionals on insulin initiation and titration.

GEMS medical team also conducted international speaker meets and webinars for Thrombosis and as part of the launch of Carmada and Sanoxaban. A review on Venous Thromboembolism risk assessment models for different patient populations was published. Online newsletters were created and disseminated to physicians to increase awareness of recent updates in the management of Venous Thromboembolism.

The flagship program on Sulphonylureas (Amaryl) namely 'Safe and Smart' summit involving experts was conducted followed by regional rollouts to physicians. Additionally, the program 'Ideas Evolve' (Targocid) for critical care specialists on anti-infectives was extended to physicians across India.

In the Consumer Health segment, the Allegra medical team in association with ICS and AOI, organized the Pause Atopic March program. This event was attended by pulmonologists, ENTs, pediatricians, dermatologists, and physicians. An oral presentation on the safety and effectiveness of Fexofenadine HCL 60 Mg+ Pseudoephedrine HCL 120 Mg in participants with Allergic Rhinitis was delivered at AOICON 2023.

Our teams gathered customer insights through interactions with physicians. Advisory boards and consultations are carried out through office-based medical engagements. Expert group meetings, one-to-one hybrid interactions with >6000 physicians, and responses to on-demand queries were executed with quick turnaround time through field-based medical teams, achieving a Customer Experience score of 100%.

Cautionary Statement

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.

Business Responsibility and Sustainability Report

Section A: General Disclosures

I. Details of the Company

1.	Corporate Identity Number (CIN) of the Company:	L24239MH1956PLC009794
2.	Name of the Company:	Sanofi India Limited
3.	Year of incorporation:	1956
4.	Registered office address:	Sanofi House, CTS No. 117-B, L&T Business Park, Saki Vihar Road, Powai, Mumbai – 400072
5.	Corporate address:	Sanofi House, CTS No. 117-B, L&T Business Park, Saki Vihar Road, Powai, Mumbai – 400072
6.	E-mail:	igrc.sil@sanofi.com
7.	Telephone:	(022) 28032000
8.	Website:	www.sanofiindialtd.com
9.	Financial year for which reporting is being done:	January 2023 – December 2023
10.	Name of the Stock Exchange(s) where shares are listed:	BSE Limited and National Stock Exchange of India Limited
11.	Paid-up Capital:	230 Million
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report :	Ms. Radhika Shah, Head of Legal and Company Secretary Address: Sanofi House, CTS No. 117-B, L&T Business Park, Saki Vihar Road, Powai, Mumbai – 400072, India Tel. No.: (022) 28032000 E-mail: igrc.sil@sanofi.com
13.	Reporting boundary:	The disclosures made in this report are on a standalone basis
14.	Name of assurance provider:	Not Applicable
15.	Type of assurance obtained:	Not Applicable

II. Product/Services

16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Company
1.	Manufacture and sale of pharmaceutical products	Drugs and Pharmaceuticals	100%

17. Products/Services sold by the company (accounting for 90% of the company's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Drugs and Pharmaceuticals	21002	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the company are situated:

Location	Number of Plants	Number of Offices	Total
National	1	2	3
International	0	0	0

19. Markets served by the company

a. Number of locations

Location	Number
National (No. of States)	Pan India
International (No. of Countries)	28*

**The number of international countries served by Sanofi India is for products exported to its affiliates in the respective countries.*

b. What is the contribution of exports as a percentage of the total turnover of the company?

Our contribution of export is 18.5% of our total turnover during the Financial Year 2023.

c. A brief on types of customers

Our Company serves a diverse customer base including stockists, Health Care Professionals (HCPs), and Government Institutions. We supply our products to these stakeholders and actively engage with them to ensure efficient distribution and utilization of our offerings. Our approach fosters collaborative relationships founded on reliability, quality, and mutual benefit. By prioritizing excellence and customer satisfaction, we aim to cultivate strong relationships across all sectors, thereby contributing to the progress of healthcare delivery and public health.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
EMPLOYEES						
1.	Permanent(D)	1,812	1,517	84%	295	16%
2.	Other than Permanent (E)	37	9	24%	28	76%
3.	Total employees (D+E)	1,849	1,526	83%	323	17%
WORKERS						
4.	Permanent(F)	361	349	97%	12	3%
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total workers (F+G)	361	349	97%	12	3%

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent(D)	1	0	0%	1	100%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D+E)	1	0	0%	1	100%
DIFFERENTLY ABLED WORKERS						
4.	Permanent(F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total differently abled workers (F+G)	-	-	-	-	-

21. Participation/Inclusion/Representation of women:

	Total (A)	Number and percentage of Females	
		No.(B)	%(B/A)
Board of Directors	8	2	25%
Key Management Personnel*	4	2	50%

** 3 out of 4 KMPs are also Board Members.*

22. Turnover rate for permanent employees and workers:

	CY 2023			CY 2022			CY 2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12%	16%	13%	13%	17%	13%	16%	14%	15%
Permanent Workers	0%	0%	0%	1%	0%	1%	2%	0%	2%

V. Holding, Subsidiary and Associate companies (including joint ventures)

23. Names of holding/ subsidiary/ associate companies/ joint ventures

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by company	Does the company indicated at column A, participate in the Business Responsibility initiatives of the company? (Yes/No)
1.	Hoechst GmbH	Holding company	60.37%	No
2.	Sanofi S.A.	Ultimate holding company	0.02%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹): 28,511 Million

(iii) Net worth (in ₹): 10,155 Million

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	CY 2023 Current Financial Year			CY 2022 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, we have a mechanism in place to receive and redress stakeholder complaints. (web link Sanofi India (sanofiindialtd.com))	Nil	Nil	-	Nil	Nil	-
Shareholders	Yes, we have a mechanism in place to receive and redress stakeholder complaints. (web link Contact Us - Sanofi India (sanofiindialtd.com))	20	Nil	-	28	Nil	-
Employees and workers	Yes, we have an internal mechanism in place to receive and redress stakeholder complaints.	4	1	-	23	9	Includes anonymous complaints
Customers	Yes, we have a mechanism in place to receive and redress stakeholder complaints. (web link https://www.sanofi.in/)	756*	1	-	791*	47	Product quality / technical complaints

**Complaints are received from different stakeholders like Patients, Distributors, Pharmacists, HCPs via Phone, Email, Website & Social media. For Customer complaints we have only enlisted product technical complaints in the table given above. These include all received, including those that may later not be classified as a quality complaint (e.g. - lack of understanding on how to use the device) and are addressed with relevant response to the customer.*

26. Overview of the company's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications:

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Ethical Business Practices	Risk	Running our daily activities in an ethical way (e.g., ethical marketing, lobbying, anti-bribery measures etc.)	i. Development of Code of Conduct ii. Development of policies, programs and mechanisms for avoiding unethical practices	Any instances of unethical practices have the risk of tarnishing our reputation and attracting fine / penalty / lawsuits which can in turn affect business continuity
2.	Safe and qualitative treatments for patients and clinical trial participants	Risk and Opportunity	Ensuring the safety of our patients and clinical trial participants by providing high quality, safe and effective medicines and recording and communicating on any safety or quality issues	We believe that it is our responsibility to provide our consumers with safe products that positively impact health outcomes for the society. Our Quality and Pharmacovigilance teams proactively tracks regulatory and non-regulatory complaints and grievances and works towards redressing them in a timely and effective manner.	Any health and safety incident can lead to decreased trust amongst our customers and adversely impact the demand of products. Moreover, instances of non-compliance with product marketing and labeling can lead to legal implications and reputation damage.
3.	Employee health, safety, wellbeing and working condition	Risk and Opportunity	Providing a safe & healthy (both physical and mental) work environment for all employees and ensuring fair employment practices (e.g., upholding labor rights, freedom of association)	i. Implementation of a Company-wide robust HSE management system ii. Ensuring periodic internal and external audits iii. Training all employees and workers on safe working practices iv. Investigation of each reported case and taking corrective actions to avoid reoccurrence	The nature of operations exposes Sanofi India's employees and contractors to a wide range of occupational health hazards as well as safety risks due to complexity of operational requirements
4.	Responsible governance practices	Opportunity	Governing our business in a responsible way by considering ESG factors in our operational and strategic business decisions (e.g., remuneration, providing transparency to stakeholders, capital allocation etc.)	-	Leadership oversight on the ESG strategy, action plan and performance promote the Sanofi India's positive impact on environment and community. It also enables us to further embed robust ESG mechanisms across our business operations.
5.	Health system strengthening	Opportunity	Contributing to improving healthcare infrastructure, healthcare access, and health education (e.g. health literacy, disease prevention awareness)	-	We strive to improve the healthcare system across our markets and understand the importance of being a responsible organization. We endeavour to solve the problems of lack of product availability and pricing and work towards business growth in the long term.

Section B: Management and Process Disclosures

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

Principle 1: Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

Principle 4: Businesses should respect the interests of and be responsive towards all its stakeholders

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 engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Principle 8: Businesses should promote inclusive growth and equitable development

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

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management processes									
1. a. Whether your company's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available:	Policies are uploaded on the website of the Company at www.sanofiindialtd.com and on the Company's intranet portal.								
2. Whether the company has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your company and mapped to each principle.	Policies have been formulated taking into account pertinent national standards such as the Factories Act, 1948, Companies Act, 2013, Listing Regulations, and various other statutes. Additionally, these policies have been aligned with various global standards, including those established by the United Nations, the International Labour Organization, and various ISO standards. Sanofi is committed to the principles of the UN Global Compact and has signed a pact with the United Nations Decade of Action for Road Safety. Moreover, Sanofi has joined the Alliance for Water Stewardship (A4WS), a global network of public, private, and civil society organizations actively engaged in effective water stewardship initiatives. Furthermore, Sanofi pledges to following frameworks and initiatives for a sustainable economy.								

5. Specific commitments, goals and targets set by the company with defined timelines, if any.	Globally, Sanofi is working to minimize the impact of its activities on the environment by committing: ▪ 100% Renewable Electricity by 2030 across all global operations and; ▪ Net Zero emissions by 2045. ▪ As part of the global commitment, Sanofi India will also accelerate its sustainability journey. ▪ Achieve ZERO landfill status
6. Performance of the company against the specific commitments, goals and targets along-with reasons in case the same are not met.	Sanofi India has set up solar energy project at Mumbai office and Goa site in CY 2022 as per our alignment with Sanofi Global commitment towards renewable energy and emission reduction. We are recycling and reusing all wastewater generated at our manufacturing plant within the premises for gardening and flushing purpose. We have implemented a comprehensive program for the management of solid waste generated from our operations. We achieved zero waste to landfill by adopting 3R approach (Reduce, Reuse, Recycle) at our office and manufacturing plant.
Governance, leadership, and oversight	
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.	We believe in cultivating a nurturing workplace and encourage gender diversity and inclusion, non-discrimination policies, and work-life balance and further encourage employee wellbeing and safety. It is our constant endeavour to deliver products and services of the highest quality to our customers, in the most responsible manner ensured by the highest standard of governance, while ensuring minimal harm to the environment and society. Our robust business model, adoption of emerging technology and automation, brand strength, and customer-centric approach back our robust economic performance. We aim to continue strengthening our ESG efforts to accelerate the embedding of ESG in our business ecosystem to place Sanofi on a positive trajectory with regard to achieving sustainability across our operations as we chase the miracles of science to improve people's lives.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Rodolfo Hrosz - Managing Director, reports to Board periodically on progress made on the ESG agenda of the Company.
9. Does the company have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Mr. Rodolfo Hrosz, Managing Director A Committee at the Management level oversees ESG matters, consisting of the Managing Director, Chief Financial Officer, Company Secretary, HR representative, Head of Health, Safety and Environment, Head of Ethics and Business Integrity, Manufacturing Site Director, and Head of Communication and CSR. This group convenes at regular intervals to assess the advancements made in ESG initiatives.

10. Details of review of NGRBCs by the company:

Subject for review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other-please specify								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	The policies and performance undergo periodic review								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	The policies undergo periodic review for ensuring compliance with statutory requirements								

Note: In line with Sanofi Code of Conduct, all Board level meetings and business meetings are led by the Managing Director for sustainability and business responsibility discussions on continual basis. The Directors and Senior Management members affirm compliance with the Code of Conduct on annual basis.

The Company publishes the BRSR 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 Committee meets regularly to assess the heath and sustainability aspects.

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the company carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No) If yes provide name of the agency.	The majority of our policies are internal, with only a few falling under Sanofi Global policies. Our Company adheres to these policies and conducts regular internal reviews, excluding external partners from the review process.								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The company does not consider the principles material to its business (Yes/No)	Not Applicable								
The company is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The company does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Section C: Principal wise Performance Disclosure

Principle 1: Business should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	6	During Board/Committee Meetings, directors receive regular presentations covering a range of topics essential to the Company's operations. These include the Company's strategy, business operations, market performance, organizational structure, product brands, finance, risk management framework, quarterly and annual financial results, human resources, technology, health safety & environment, regulatory updates, whistleblower complaints and future outlook. Furthermore, updates are provided on: ▪ Internal Controls and Compliance ▪ HR Policies, Compensation & Benefits, Talent - Management, and Succession Planning programs ▪ Cybersecurity and Internal Controls related to Cybersecurity Risk Management Strategy and Framework.	100%
Key Managerial Personnel	6		100%
Employees other than BoD and KMPs	44	Through PDLi training, we offer instruction in various areas including career management, leadership, human rights, the Code of Conduct, POSH, safety, creating an inclusive workplace, and environmental awareness. Additionally, sales training is provided during induction, transitions between functions, brand launches, and through annual refresher sessions focusing on our core business brands.	100%
Workers			

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the company or by Directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year:**

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil				
Settlement					
Compounding fee					

Non-Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil			
Punishment				

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in case where monetary or non-monetary action has been appealed.**

Not Applicable

4. **Does the company have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, The Anti-bribery policy within the Company's Global Code of Conduct articulates the firm's dedication to conducting business with integrity, adhering to relevant anti-bribery laws and standards. These policies aim to provide clear guidance, ensure compliance with anti-corruption laws, foster an ethical culture, and protect its employees' reputations while minimizing the risk of fines and penalties. As an integral part of the Global Code of Conduct, the Anti-bribery policy applies universally to all employees. The Company also expects adherence to these principles from its business partners, which include suppliers, service providers, agents, and channel partners (such as dealers and distributors). Sanofi's Global Code of Conduct is accessible globally which can be accessed in the link - https://www.codeofconduct.sanofi/

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	CY 2023 Current Financial Year	CY 2022 Previous Financial Year
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. **Details of complaints with regard to conflict of interest:**

	CY 2023 Current Financial Year		CY 2022 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

7. **Provide details of any corrective action taken or underway on issues related to fines/ penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable

8. **Number of days of accounts payables [(Accounts payable *365) / Cost of goods/services procured]:**

	CY 2023 Current Financial Year	CY 2022 Previous Financial Year
Number of days of accounts payables	89	109

9. **Openness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties:

Parameter	Metrics	CY 2023 Current Financial Year	CY 2022 Previous Financial Year
Concentration of Purchases*	a. Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	85%	88%
	b. Number of dealers distributors to whom sales are made	3,215	3,405
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	9%	12%
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	65%	57%
	b. Sales (Sales to related parties/ Total Sales)	20%	16%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	d. Investments (Investments in related parties/ Total Investments made)	100%	0

** Sanofi purchases directly from suppliers, and opts for direct procurement.*

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
As part of Onboarding process, 100% of our value chain partners are made aware of Sanofi's supplier Code of Conduct. Additionally 107 programs were held in CY 2023	1. Counterfeit Medication 2. Paramedic Educational Program for better patient care like nurses education program 3. Cold chain management & Medicine 4. Disease awareness program like Sepsis care meet, Pulmonary care meet, DVT awareness meet	All value chain partners are trained on supplier code of conduct

2. **Does the company have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No). If yes, provide details of the same.**

Sanofi upholds the highest standards of corporate governance through the implementation of a robust Code of Conduct for the Board. This foundational document meticulously defines and addresses conflicts of interest, providing preventive measures and guidelines for resolution. During Board meetings, a proactive stance is taken with Members transparently disclosing any potential conflicts related to agenda items. A dedicated policy governs related party transactions, ensuring accountability and integrity. In any conflict scenario, Board members abstain from voting on pertinent matters. For detailed insights, interested parties can refer to our Code of Business Conduct and Ethics for Directors and Sr. Management, highlighting our commitment to ethical leadership and governance excellence. For in depth insights, follow our weblink: Code of Conduct and Policies - Sanofi India (sanofiindialtd.com)

Principle 2: Business should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the company, respectively.**

	CY 2023 Current Financial Year	CY 2022 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0	0	
Capex	0	7.11%	

During the reporting year, proposals are approved for chiller replacements targeting both operational efficiency and reduced carbon footprint.

2. a. **Does the company have procedures in place for sustainable sourcing? (Yes/No)**

Yes, at Sanofi we proudly uphold our Supplier Code of Conduct, endorsed by Sanofi Global, which underscores our commitment to sustainable procurement practices. Our dedication extends beyond mere compliance; we actively seek to bolster our environmental and societal footprint by proactively mitigating risks through a meticulously crafted, risk-based strategy.

Sanofi assess the supplier in key areas such as Health, Safety, and Environment (HSE), Corporate Social Responsibility (CSR), Anti-Bribery, Due Diligence (ABDD), cyber security and financial stability. We conduct the assessments related to CSR and HSE through the third-party platform. Sanofi recognizes the risk of significant adverse impact which may be associated with extracting, trading, handling, and exporting minerals from conflict-affected and high-risk areas. We are committed to our social responsibility to respect human rights and not contribute to conflict. We have identified these critical suppliers, who are audited each year. In addition, sustainability team has also identified suppliers with higher emission and are regularly assessed to measure the environmental impact.

b. **If yes, what percentage of inputs were sourced sustainably?**

Our practices are aligned with the global Supplier Code of Conduct laid down by Sanofi Global. As part of this commitment, 6.5% of total suppliers were audited globally out of which many suppliers are from India.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

At our manufacturing site and office, a robust waste management program is in place, ensuring responsible handling and disposal of all waste materials. From the point of generation, waste is segregated and managed according to its nature, adhering to strict protocols. Non-hazardous materials such as plastic, paper, wood, metal, and glass are carefully collected and provided to authorized recyclers, while e-waste is entrusted to Pollution Control Board approved facilities for recycling. Pharmaceutical waste and ETP sludge are efficiently utilized in co-processing at cement plants, while used oil undergoes refining through approved agencies. Through our diligent efforts, we have achieved a zero landfill outcome from our operations. Moreover, adherence to Plastic Waste Management Rules ensures that plastic waste from product packaging in the market is effectively managed, underscoring our commitment to environmental sustainability and regulatory compliance.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the company's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, Sanofi adheres to the Plastic Waste Management Rules, as periodically amended and mandated by the statute. The Company engages with a waste management agency to gather post-consumer plastic waste, sourced from municipal garbage. Additionally, Sanofi has presented a collection plan delineating its strategy for retrieving plastic waste and multilayered packaging resulting from its products, by the stipulations of the Plastic Waste Management Rules. To fulfil the obligations outlined in Extended Producer Responsibility (EPR) regulations, the Company has made necessary arrangements.

Leadership Indicators

1. **Has the company conducted Life Cycle Perspective / Assessments (LCA) for any of its products? If yes, provide details:**

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
21002	TOUSTAR – For India Market	0.04%	Cradle to Grave – Which includes all steps of the life cycle (Raw materials, Manufacturing, Packaging, Distribution, Use and End of life)	No	No

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
TOUSTAR	Weight of plastic, use of natural resources, Emissions generated at different stages	TouStar Toujeo® has garnered prestigious accolades such as the Eco-Design award at Pharmapack and the Good Design award in 2022 as the first-in-class reusable pen. It marks a significant advancement as the inaugural reusable injection pen for concentrated insulin, featuring a dedicated replaceable cartridge system. In the Indian market, TouStar outperforms SoloStar, demonstrating its superiority as a three-year reusable device. The potential environmental benefits are substantial, including a 57% reduction in climate change impact, a 74% decrease in water usage, and a 58% decline in fossil resource depletion. These results stem from the efficient utilization of plastics, which are saved and reused within a closed loop over the span of three years. Moreover, TouStar contributes to environmental conservation by minimizing airfreight during component imports to India, optimizing device packaging, and incorporating recyclable/takeback features.

Sanofi group has embraced an eco-design approach aimed at enhancing the environmental performance of products or services from their inception throughout their entire life cycle. This approach encompasses a holistic perspective covering raw materials, manufacturing, packaging, distribution, use, and end-of-life considerations. Products are assessed based on multi-criteria indicators such as climate change, ecosystems, resources, water, and human health, with the overarching goal of reducing environmental impacts on a global scale.

Sanofi believes that integrating eco-design principles into projects can stimulate innovation, lower costs, and mitigate the environmental footprint of its operations while also enhancing the social dimension of its endeavors.

3. **Percentage of recycled or reused input material to total material (by value) used in production:**

Indicate input material	Recycled or re-used input material to total material	
	CY 2023 Current Financial Year	CY 2022 Previous Financial Year
Not Applicable		

Being a pharmaceutical products manufacturer, utilizing reused or recycled input materials poses challenges for our production process, limiting our options.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

The packaging of our Company's products plays a crucial role in ensuring the safe delivery of medicines that are stable and trusted. In line with our commitment to environmental sustainability, we adhere to Extended Producer Responsibility (EPR) obligations. We have collected a total of 1166 metric tons of post-consumer plastic waste from the market, which is then recovered and recycled through authorized third parties. This process aligns with the guidelines issued by the Central Pollution Control Board.

Sanofi India has established a process for reclaiming non salable medicine stock from the direct distribution network. In 2023, a total of 64.76 metric tons of expired medicine stock were collected and disposed of safely in accordance with regulatory guidelines.

	CY 2023 Current Financial Year			CY 2022 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	1,166	Nil	Nil	877	Nil
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	Nil	Nil	Nil	Nil
Other waste- non salable Pharmaceutical products waste	Nil	Nil	64.76	Nil	Nil	44

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Nil.

Principle 3: Business should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

Category	Total (A)	Health Insurance Number (B)	Health Insurance % (B / A)	Accident Insurance Number (C)	Accident Insurance % (C / A)	Maternity Benefits Number (D)	Maternity Benefits % (D / A)	Paternity Benefits Number (E)	Paternity Benefits % (E / A)	Day Care Facilities Number (F)	Day Care Facilities % (F / A)
Permanent employees											
Male	1,517	1,517	100%	1,517	100%	NA	NA	1,517	100%	1,517	100%
Female	295	295	100%	295	100%	295	100%	NA	NA	295	100%
Total	**1,812**	**1,812**	**100%**	**1,812**	**100%**	**295**	**16%**	**1,517**	**84%**	**1,812**	**100%**
Other than Permanent employees											
Male	9	9	100%	9	100%	NA	NA	9	100%	NA	NA
Female	28	28	100%	28	100%	28	100%	NA	NA	NA	NA
Total	**37**	**37**	**100%**	**37**	**100%**	**28**	**100%**	**9**	**100%**	**NA**	**NA**

b. **Details of measures for the well-being of workers:**

Category	Total (A)	Health Insurance Number (B)	Health Insurance % (B / A)	Accident Insurance Number (C)	Accident Insurance % (C / A)	Maternity Benefits Number (D)	Maternity Benefits % (D / A)	Paternity Benefits Number (E)	Paternity Benefits % (E / A)	Day Care Facilities Number (F)	Day Care Facilities % (F / A)
Permanent workers											
Male	349	349	100%	349	100%	NA	NA	349	100%	349	100%
Female	12	12	100%	12	100%	12	100%	NA	NA	12	100%
Total	**361**	**361**	**100%**	**361**	**100%**	**12**	**3%**	**349**	**97%**	**361**	**100%**
Other than Permanent workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent)**

	CY 2023 Current Financial Year	CY 2022 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.26%	0.29%

2. **Details of retirement benefits, for Current financial year and Previous financial year**

Benefits	CY 2023 Current Financial Year			CY 2022 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	100%	100%	Y	100%	100%	Y
Others		-		-	-	-

3. **Accessibility of workplaces**

Are the premises / offices of the company accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the company in this regard.

Yes, the premises/offices of the Company accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act including Dedicated Parking, Security Support, Washrooms, Adequate space for Wheelchair movement, Visual and Audio alarms, Emergency Evacuation Chair, Ramps in the basement at entry points, Braille in Lifts etc. Some of the specific focus areas are as follows:

Specially Abled Parking - Accessible parking spots for specially abled individuals are located on all three basement levels. Each spot is strategically chosen to allow for a full turning radius, ensuring maximum convenience for users. Additionally, a charging point is installed for electric vehicles (EVs), catering to the needs of environmentally conscious individuals within this community.

Visual Contrast Staircase to reduce risk of slip injury – All the stair cases are coated with contrasting anti-skid paint to the edges of steps. This measure enhances visibility and reduces the risk of slip injuries.

Braille Signages – Braille signages are installed in essential common areas such as the cafeteria, washrooms, and fire exits. This initiative assists visually impaired colleagues in navigating these spaces effectively.

Inclusive Reception Desk - A reception desk tailored for wheelchair users has been created to ensure accessibility.

Employee Resource Groups (ERG) actions: Awareness and sensitisation programmes are conducted on 'Embracing Equity'. Three prioritised Employee Resource Groups (ERG) as a part of 'All In+' Approach on viz Gender+, PRIDE+ & Ability+ were launched. Workshops were conducted in partnerships with Humsafar Trust & PRIDE Circle on Being more Inclusive towards LGBTQ+ Community during Explore More Week. Workshops focussing on 'Demystifying the subject of Disability' during Explore More Week is conducted to enhance basic understanding of the barriers preventing people with disabilities from full participation in society in collaboration with Trinayani foundation. Few sessions were conducted for promoting inclusive work environment and equal opportunities for all. These include Beyond Barriers: An interactive & Experimental Workshop with New Horizon Solutions

The Company's measures reflect its commitment to creating an inclusive and accessible environment for everyone at Sanofi.

4. **Does the company have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.**

At Sanofi, our steadfast commitment to fostering diversity, equity, and inclusion is exemplified through our 'All In' initiative. We recognize the inherent value of embracing diverse perspectives and experiences, understanding that it enriches our workplace culture and drives innovation. Grounded in our Code of Conduct and guided by the principles of 'Reflect,' 'Unleash,' and 'Transform,' we are dedicated to cultivating a workforce that mirrors the vibrant tapestry of our global communities.

Through concerted efforts, we strive to cultivate an inclusive environment where trust, compassion, and mutual respect flourish. Our approach encompasses multifaceted strategies aimed at building representative leadership, empowering our workforce, and catalyzing positive societal change. Few initiatives include the extension of maternity leave, implementation of robust safety measures, and the facilitation of bias sensitization workshops to foster awareness and understanding.

Weblink: https://www.codeofconduct.sanofi/

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	95%	Nil	Nil
Female	100%	87%	Nil	Nil
Total	**100%**	**93%**	**Nil**	**Nil**

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

Sanofi India upholds the Global Code of Conduct, applicable worldwide, which serves as a guiding beacon for employees and contractors, ensuring adherence to the highest ethical standards in conducting business. Additionally, the Company has implemented a robust Prevention of Sexual Harassment policy, affirming the following commitments:

(a) All employees are entitled to dignity and respect.

(b) Sexual harassment in the workplace is strictly prohibited.

(c) Individuals experiencing harassment have the right to lodge grievances, with the assurance of appropriate action in accordance with legal provisions.

(d) Comprehensive training is provided to all employees, with proactive measures taken to address and prevent instances of harassment.

(e) Fair treatment is extended to all stakeholders regardless of gender, with all forms of harassment handled justly and equitably.

(f) A culture of mutual respect, dignity, and equality is actively fostered within the organization.

(g) The Company swiftly intervenes to prevent and address instances of sexual harassment.

(h) In appropriate and exceptional cases, concerns may be raised directly to the Chairperson of the Audit Committee at: Chairman.SIL auditcommittee@sanofi.com

Moreover, Sanofi maintains a Vigil Mechanism/Whistle blower policy under its Code of Conduct, providing employees with a platform to raise concerns or report any irregularities.

7. Membership of employees and worker in association(s) or Unions recognised by the company:

Category	CY 2023 Current Financial Year			CY 2022 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	1,812	0	0%	2,445	165	7%
Male	1,517	0	0%	2,075	159	8%
Female	295	0	0%	370	6	2%
Total	**1,812**	**0**	**0%**	**2,445**	**165**	**7%**
Total Permanent Worker	361	306	85%	206	142	69%
Male	349	300	86%	200	142	71%
Female	12	6	50%	6	0	0%
Total	**361**	**306**	**85%**	**206**	**142**	**69%**

8. Details of training given to employees and workers:

Category	CY 2023 Current Financial Year					CY 2022 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1,517	1,517	100%	310	20%	2,075	2,075	100%	405	20%
Female	295	295	100%	154	52%	370	370	100%	110	30%
Total	**1,812**	**1,812**	**100%**	**464**	**26%**	**2,445**	**2,445**	**100%**	**515**	**21%**
Workers										
Male	349	349	100%	349	100%	200	200	100%	0	0%
Female	12	12	100%	12	100%	6	6	100%	0	0%
Total	**361**	**361**	**100%**	**361**	**100%**	**206**	**206**	**100%**	**0**	**0%**

9. Details of performance and career development reviews of employees and worker:

Category	CY 2023 Current Financial Year			CY 2022 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1,517	1,517	100%	2,075	2,075	100%
Female	295	295	100%	370	370	100%
Total	**1,812**	**1,812**	**100%**	**2,445**	**2,445**	**100%**
Workers						
Male	349	349	100%	202	202	100%
Female	12	12	100%	6	6	100%
Total	**361**	**361**	**100%**	**208**	**208**	**100%**

10. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the company? (Yes/No). If yes, the coverage such system?**

Yes, the Company is firmly committed to adhering to the guidelines and principles outlined in ISO 45001. This commitment extends to providing a secure working environment for employees, contractors, sub-contractors, visitors, and neighbouring communities at both our Mumbai office and Goa site. We implement measures to prevent work-related injuries and illnesses, reduce risks, and consistently enhance safety performance. Sanofi India's Goa site holds certifications for both ISO 45001 and ISO 14001, underscoring our dedication to occupational health and safety standards.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the company?**

Sanofi has established robust procedures to identify workplace hazards and evaluate associated risks. This involves the development and implementation of our unique strategies, Health, Safety, and Environment (HSE) manuals, and Standard Operating Procedures (SOPs). Through comprehensive risk assessments, the organization ensure the effective management of HSE risks. Additionally, Sanofi conducts regular audits and inspections of its occupational health and safety management systems to uphold stringent standards. The organization's on-site team has autonomously instituted an internal review mechanism to assess performance. This system gets audited on a timely basis. This proactive approach aligns with Sanofi's commitment to maintaining a safe and secure work environment, reflecting our dedication to the well-being of our employees and the overall success of our operations.

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)**

The Company has established provisions allowing employees and workers to report work-related hazards and hazardous situations. These reports are diligently reviewed by the Health, Safety, and Environment (HSE) management system, following a predefined protocol. To mitigate such risks, we have implemented life-saving rules that are expected to be adhered to by all Sanofi employees. These rules serve as a crucial framework to enhance safety across our organization, emphasizing our commitment to fostering a secure working environment.

d. **Do the employees/worker of the company have access to non-occupational medical and healthcare services? (Yes/No)**

Yes, the Company places a high priority on the well-being of all its employees, extending this focus to encompass everyone associated with the organization. The provision of access to non-occupational medical and healthcare services, along with comprehensive medical insurance coverage during hospitalization, underscores the commitment to ensuring the health and safety of the entire team. In addition to conventional healthcare measures, the Company has established cutting-edge occupational health centres at both its Goa site and corporate office in Mumbai, each staffed by dedicated visiting physicians. As part of a holistic approach to employee welfare, the Company has introduced the 'All Well' program—a transformative initiative concentrating on cultivating a 'healthy mind' and a 'healthy body.' This program aims to address non-communicable diseases and reduce absenteeism through four key initiatives. These initiatives actively promote a balanced and varied diet, regular physical activity, support for smoking cessation and disease prevention, and improvement in sleep quality coupled with effective stress management.

11. **Details of safety related incidents:**

Safety Incident/Number	Category	CY 2023 Current Financial Year	CY 2022 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.82	2.20
	Workers	0.61	0
Total recordable work-related injuries	Employees	11	12
	Workers	1	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. **Describe the measures taken by the company to ensure a safe and healthy workplace.**

Sanofi embedded the guidelines and principles of ISO 45001: 2018 OSHA standards, and other level regulatory requirements within its Environment Health and Safety (EHS). Our EHS policy advocates the provision of safe working environments to all employees of Sanofi. The following steps are undertaken in Sanofi India business to ensure a safe and healthy workplace:

- Establishment of HSE policy, targets, and management system.
- Safety initiatives are promoted through safety champions and site-level safety committees.
- Periodically HSE performance reviews are conducted, with findings discussed in country HSE committee meetings led by the Managing Director and senior leadership.
- Robust audit mechanism in place for monitoring safety performance.
- Hazard Identification and Risk Assessment (HIRA) is used to identify hazards, risks, and control measures.
- Resources allocated to eliminate identified risks during activities.
- Incident investigations are conducted with the implementation of corrective and preventive action plans.
- Safety competence is ensured through education, work experience, and training requirements.
- Arrangements are maintained to ensure all individuals are competent in the safety and health aspects of their duties.

13. **Number of Complaints on the following made by employees and workers:**

	CY 2023 Current Financial Year			CY 2022 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. **Assessment for the year:**

	% of your plants and offices that were assessed (by company or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & and safety practices and working conditions.**

All safety related incidents and near misses are investigated as per HSE management system. Identified Corrective and Preventive Action (CAPA) are defined and implemented horizontally across our operations to prevent incidents. We keep track on safety related incidents and is reviewed periodically to check the implementation and effectiveness.

Road risk has been recognized as key risk and targeted measures to mitigate potential hazards are implemented to ensure the safety of our employees, customers, and communities. These include Training Programs (Induction, Theoretical, Practical Defensive Driver training), Road Safety Coaching Program, Helmet distribution to all riders, Preventive Maintenance Allowance etc.

We have also signed pact with "United Nations Decade of action for Road safety" to work with different stakeholders in community.

Leadership Indicators

1. **Does the company extend any life insurance or any compensatory package in the event of death of (A) Employees (Yes/No) (B) Workers(Yes/No).**

Yes, the Company extends life insurance or any compensatory package for its workforce in the event of death for its Employees & Workers.

2. **Provide the measures undertaken by the company to ensure that statutory dues have been deducted and deposited by the value chain partners.**

At our organization, we prioritize compliance with statutory requirements by ensuring that all applicable statutory dues are deducted and deposited in accordance with relevant regulations. This crucial activity undergoes thorough review during both internal and statutory audits to maintain the highest standards of accountability and transparency. Moreover, we hold our value chain partners to similar standards, expecting them to uphold business responsibility principles and prioritize transparency and accountability throughout their operations. Through these collective efforts, we strive to foster a culture of integrity and adherence to legal obligations across our entire value chain.

3. **Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	CY 2023 Current Financial Year	CY 2022 Previous Financial Year	CY 2023 Current Financial Year	CY 2022 Previous Financial Year
Employees	0	0	0	0
Workers	0	0	0	0

4. **Does the company provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Yes, we provide transition assistance on termination of employment.

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Sanofi prioritizes responsible partnerships and implements a rigorous supplier assessment process. This process evaluates key areas such as Health, Safety & Environment (HSE), Corporate Social Responsibility (CSR), Anti-Bribery Due Diligence (ABDD), cybersecurity, and financial stability. A multi-pronged approach is employed, involving direct assessments for critical and high-emitting suppliers, and leveraging third-party platforms for CSR and HSE. The scope of this assessment program demonstrates Sanofi's commitment to responsible sourcing.
Working Conditions	

6. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Our rigorous supply chain assessments have revealed no significant risks in health and safety practices or working conditions. Through due diligence, we identify and mitigate risks across our supply chain. Our Active Pharmaceutical Ingredient (API) suppliers and third-party logistics partners undergo assessment by auditors to ensure compliance with our standards.

Principle 4: Business should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the company.**

Engaging with stakeholders is crucial for us at Sanofi in addressing sustainability related concerns. We strongly believe that engaging with diverse stakeholder groups introduces a wide array of perspectives. This inclusivity fosters trust and understanding among stakeholders. Within our organization, we identify key internal and external stakeholders through peer review and analyse stakeholder groups that may have a potential impact or influence on our business operations.

2. List stakeholder groups identified as key for your company and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as a Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Patients	No	▪ Market research surveys ▪ Grievance redressal mechanism ▪ Workshops and conferences with patient advocacy group ▪ Patient support / assistance programs	Continuous (but limited and on need basis)	▪ Insights on strengthening R&D and improving product quality ▪ Responding to queries and complaints
HealthCare Professionals	No	▪ Regular business interactions ▪ Customer satisfaction surveys ▪ Feedback system ▪ Grievance redressal mechanism ▪ Workshops and conferences ▪ Educational programs	Continuous	▪ Information in and around the product and therapy area ▪ Insights on strengthening R&D and improving product quality ▪ Frequent engagement and understanding HCP and patient needs ▪ Responding to queries and complains
Local Communities / NGOs	Yes	▪ Need assessment surveys ▪ Regular meeting ▪ Trainings and workshops ▪ Emails and telephonic conversations ▪ CSR reports	Continuous	▪ Increasing awareness and understanding of disease ▪ Providing access to affordable healthcare ▪ CSR Activities
Suppliers	No	▪ Emails and meetings ▪ Training workshops and seminars ▪ Supplier assessment and review ▪ Supplier grievance mechanism	Continuous	▪ Supplier development ▪ Promoting local suppliers ▪ Supplier assessments ▪ Promoting shared growth
Employees	No	▪ Townhall meeting ▪ Training programmes ▪ Employee engagement surveys ▪ Employee engagement programs ▪ Performance appraisal reviews ▪ Grievance redressal mechanism ▪ Emails and meetings	Continuous	▪ Employee health, safety and well-being initiatives ▪ Providing E-learning and development platforms for behavioral and skill development ▪ Employee engagement and satisfaction ▪ Updates and communication on policies, processes, systems
Shareholder/ Investors	No	▪ Integrated annual report ▪ Annual General Meetings (AGM) ▪ One-on-one interactions ▪ Announcement through stock exchanges and media releases ▪ Company website ▪ Dedicated email ID for Investor Grievances ▪ Investor/Analyst meet ▪ Quarterly financial statements	Continuous/ Need Basis	▪ Financial performance ▪ Operational performance ▪ New product launches ▪ Business Outlook ▪ Sustainability ▪ CSR programs ▪ Corporate Governance ▪ Material disclosures ▪ MoU, partnerships
Trade Partners	No	▪ Emails and Meetings	Periodically/ Need Basis	▪ Constant evaluation of GTM models ▪ Ensure availability of products ▪ Explain emerging channels of trade

Leadership Indicator

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   As part of our standard business practice, departmental heads engage in regular interactions with both internal and external stakeholders. Insights gathered from these engagements are diligently shared with top management and subsequently with Board Members to facilitate informed decision-making and appropriate actions. Additionally, we have established a dedicated Stakeholder Relationship Committee to address matters concerning shareholders and investors, ensuring transparency and accountability in our operations. Moreover, we conduct quarterly meetings with our Board members to assess Environmental, Social, and Governance (ESG) factors, including safety metrics, environmental performance, and Company-wide safety practices. Our CSR Committee maintains close communication with local communities to address their concerns and issues effectively, with regular updates provided to the Board during meetings which happens thrice in a year. Through these structured processes, we uphold our commitment to stakeholder engagement, corporate governance, and responsible business practices.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into the policies and activities of the company.**

   Yes, as a part of our Materiality Assessment, engagements were conducted in collaboration with our key stakeholder groups, both internal and external. Through one-on-one dialogues, we solicited input from these stakeholders to identify and prioritize sustainability issues relevant to our business operations. This inclusive approach ensured that we comprehensively understood the concerns and perspectives of our stakeholders, enabling us to focus on addressing the most significant issues that align with our business strategy and values.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   We have CSR programs focusing on two key areas:

   a. Promotion of healthcare, with a particular emphasis on preventive solutions for non-communicable diseases.

   b. Advancement of educational initiatives in healthcare services or systems.

Through these programmes, we are dedicated to improving access to quality healthcare and enhancing the well-being of underprivileged communities. Our commitment lies in making a tangible difference in people's lives by fostering healthier communities and promoting education for sustainable healthcare solutions.

Principle 5: Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the company, in the following format:**

Category	CY 2023 Current Financial Year			CY 2022 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1,812	1,812	100%	2,445	1,449	59%
Other than permanent	37	0	0	64	0	0
Total Employees	**1,812**	**1,812**	**100%**	**2,509**	**1,449**	**59%**
Workers						
Permanent	361	361	100%	206	109	53%
Other than permanent	0	0	0%	0	0	0
Total Workers	**361**	**361**	**100%**	**206**	**109**	**53%**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	CY 2023 Current Financial Year					CY 2022 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent Employees										
Male	**1,517**	-	-	1,517	100%	2,075	-	-	2,075	100%
Female	**295**	-	-	295	100%	370	-	-	370	100%
Other than Permanent										
Male	**9**	-	-	9	100%	20	-	-	20	100%
Female	**28**	-	-	28	100%	44	-	-	44	100%
Permanent Workers										
Male	**349**	-	-	349	100%	200	-	-	200	100%
Female	**12**	-	-	12	100%	6	-	-	6	100%
Other than Permanent										
Male	Not Applicable									
Female										

3. **Details of remuneration/ salary/ wages:**

a. **Median remuneration/wages:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	-	-	-	-
Key Managerial Personnel (KMP)**	2	19,040,000	2	8,856,169
Employees other than BoD and KMP	1,515	1,259,618	293	1,530,653
Workers	349	618,593	12	544,817

**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.*

**Non-Executive Directors who are employees of Sanofi group do not receive any Sitting Fees or Commission.*

***KMPs include the Executive Directors on the Board of the Company.*

***KMP who resigned or changed designation during the year have not been included in the above statement.*

b. **Gross wages paid to females as % of total wages paid by the company:**

	CY 2023 Current Financial Year	CY 2022 Previous Financial Year
Gross wages paid to females as % of total wages	17.9%	17.60%

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, there is Human Right policy in place at global level.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Regular meetings with employees are conducted across various forums, both collectively and individually. These sessions include innovative platforms like Open Mic, facilitated by our Senior Leadership team, fostering open dialogue and engagement. Additionally, we maintain ongoing bilateral dialogues with unions to ensure effective communication and collaboration.

6. **Number of Complaints on the following made by employees and workers:**

	CY 2023 Current Financial Year			CY 2022 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	2	0	NA	Nil	Nil	NA
Discrimination at workplace	1	0	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour/ Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human rights related issues	Nil	Nil	NA	Nil	Nil	NA

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

	CY 2023 Current Financial Year	CY 2022 Previous Financial Year
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2	-
Complaints on POSH as a % of female employees / workers	1.0%	-
Complaints on POSH upheld	2	-

8. **Mechanisms to prevent adverse consequences to the complaint in discrimination and harassment cases.**

In handling all complaints, confidentiality of the complainant's details is strictly maintained. Investigations are conducted with the utmost sensitivity to prevent any inadvertent exposure of the complainant's identity. Our commitment to privacy and respect ensures a safe and secure environment for all involved.

9. **Do human rights requirements form part of your business agreements and contracts?**

At our organization, rigorous due diligence is carried out to ensure compliance with human rights standards. We prioritize active communication of our human rights framework both internally and externally, embedding these principles within agreements, contracts, and our comprehensive Code of Conduct. Through these measures, we reaffirm our commitment to upholding human rights at every level of our operations and relationships. By fostering transparency and accountability, we strive to create a culture where human rights are respected and upheld in all aspects of our business endeavours.

10. **Assessment for the year:**

	% of your plants and offices that were assessed (by company or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

11. **Provide details of any corrective actions taken or underway to address significant risks/ concerning arising from the assessments at Question 10 above.**

Not Applicable

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

   No grievances or complaints related to Human Rights principles and guidelines have been reported. In a proactive stance, we have implemented a paternity leave policy and travel guidelines for the safety of our female colleagues at the workplace and during commute.

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

   All employees and workers on the Company's roll are encompassed within our human rights due diligence framework. This encompasses assessments on Freedom of Association, Prohibition of Forced Labour, Prohibition of Child Labour, POSH policy, and more. Annually, the internal controls team meticulously uploads a comprehensive report onto the global tool, detailing adherence to the Human Rights policy.

3. **Is the premise/office of the company accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   We prioritize accessibility for differently abled visitors at our premises by providing dedicated parking, security support, wheelchair accessible washrooms, ample space for movement, visual and audio alarms, emergency evacuation chairs, ramps at entry points in basements, and Braille signage in lifts. Constantly identifying and addressing visitor needs, we strive to enhance accessibility standards throughout our office premises. Our ongoing efforts reflect our commitment to ensuring inclusivity and accommodating diverse needs within our community.

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment Discrimination at workplace Child labour Forced/involuntary labour Wages Others-please specify	Sanofi prioritizes responsible partnerships and implements a rigorous supplier assessment process. This process evaluates key areas such as Health, Safety & Environment (HSE), Corporate Social Responsibility (CSR), Anti-Bribery Due Diligence (ABDD), cybersecurity, and financial stability. A multi-pronged approach is employed, involving direct assessments for critical and high-emitting suppliers, and leveraging third-party platforms for CSR and HSE. The scope of this assessment program demonstrates Sanofi's commitment to responsible sourcing.

5. **Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above.**

   Not Applicable

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

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity:**

Parameter	Unit	CY 2023 Current Financial Year	CY 2022 Previous Financial Year
From renewable sources			
Total electricity consumption (A)	GJ	12,673.15	5,391
Total fuel consumption (B)	GJ	28,408	25,648
Energy consumption through other sources (C)	GJ	0	0
Total energy consumed from renewable sources (A+B+C)	**GJ**	**41,082**	**31,039**
From non-renewable sources			
Total electricity consumption (D)	GJ	37,079	40,605
Total fuel consumption (E)	GJ	5,507.03	6,633
Energy consumption through other sources (F)	GJ	0	0
Total energy consumed from non-renewable sources (D+E+F)	**GJ**	**42,586**	**47,238**
Total energy consumed (A+B+C+D+E+F)	**GJ**	**83,668**	**78,276**
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	GJ/Million INR	2.94	2.82
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/ Revenue from operations adjusted for PPP)	GJ/Million INR adjusted to PPP	0.13	0.12
Energy intensity in terms of physical output	GJ/Million Tablets	21.87	19.60
Energy intensity (optional)- the relevant metric may be selected by the company		-	

Note: Limited assurance was carried out for the year 2023 by Ernst & Young.

2. **Does the company have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   Sanofi India does not have any sites or facilities identified as designated consumers under the Perform, Achieve, and Trade (PAT) scheme.

3. **Provide details of the following disclosures related to water:**

Parameter	CY 2023 Current Financial Year	CY 2022 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface Water	0	0
(ii) Ground Water	1,404	12,785
(iii) Third Party Water	117,342	89,967
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**118,746**	**102,752**
Total volume of water consumption (in kilolitres)	**118,746**	**102,752**
Water intensity per rupee of turnover (Total Water consumption / Revenue from operations) in kL/Million INR	4.17	2.72
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations adjusted for PPP) in kL/ Million INR adjusted to PPP	0.18	0.12
Water intensity in terms of physical output in kL/Million Tablets	31.04	18.89
Water intensity (optional) – the relevant metric may be selected by the company		

Note: Limited assurance was carried out for the year 2023 by Ernst & Young.

4. **Provide the following details related to water discharged:**

Parameter	CY 2023 Current Financial Year	CY 2022 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)		
i) To surface water		
- No treatment	-	-
- With treatment-please specify level of treatment		-
ii) To Groundwater		
- No treatment	-	-
- With treatment-please specify level of treatment	-	-
iii) To Seawater		
- No treatment	-	-
- With treatment-please specify level of treatment	-	-
iv) Sent to third-parties		
- No treatment	-	-
- With treatment-please specify level of treatment	-	-
v) Others		
- No treatment	-	-
- With treatment- Tertiary Treatment		
Total water discharge (in kilolitres)		

Note: Limited assurance was carried out for the year 2023 by Ernst & Young.

5. **Has the company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

At the Goa site, we have installed a state-of-the-art and implemented an effluent treatment plant to responsibly manage the wastewater generated from production processes. Following treatment, the effluent is utilised for gardening purposes, aligning with our commitment to sustainable water management practices. Across our Mumbai site, we have installed a sewage treatment plant to effectively treat domestic sewage. The treated sewage effluent is then utilized for toilet flushing and gardening, minimizing our environmental impact while maximizing resource efficiency. Any excess quantity beyond our internal requirements at the Mumbai office is discharged in accordance with regulations set forth by the Pollution Control Board, ensuring compliance with environmental standards. Through these initiatives, we uphold our dedication to environmental stewardship and sustainable business practices, actively contributing to the preservation of our natural resources and the well-being of our communities.

6. **Please provide details of air emissions (other than GHG emissions) by the company:**

Parameter	Unit	CY 2023 Current Financial Year	CY 2022 Previous Financial Year
NOx	MT	2.87	1.67
SOx	MT	6.32	5.43
Particulate matter (PM)	MT	3.68	3.16
Persistent organic compounds (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others-please specify			

**SOx includes SO2 only*

Note: Limited assurance was carried out for the year 2023 by Ernst & Young.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:**

Parameter	Unit	CY 2023 Current Financial Year	CY 2022 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	486.63	484.01
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	8,476.77	9,282.79
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	emission intensity per million rupee of turnover	0.31	0.35
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	emission intensity per million rupee of turnover adjusted for Purchasing Power Parity (PPP)	0.014	0.015
Total Scope 1 and Scope 2 emission intensity in terms of physical output	emission intensity per million tablets	2.30	2.40
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the company		-	-

Note: Limited assurance was carried out for the year 2023 by Ernst & Young.

8. **Does the company have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Sanofi India has taken significant steps towards sustainability by installing solar energy panels at both our Mumbai office and Goa site during the year 2022. These solar plants have substantially reduced our reliance on the grid for purchased electricity consumption, aligning with our commitment to minimizing our environmental footprint. Additionally, we have proactively transitioned towards green energy procurement at Sanofi House, our Mumbai office, starting from the year 2022 wherein we sourced green energy from Tata Power to meet 100% requirements. This strategic shift underscores our dedication to environmental stewardship and sustainability, reinforcing our position as responsible corporate citizens committed to minimizing our carbon footprint.

9. **Provide details related to waste management by the company:**

Parameter	CY 2023 Current Financial Year	CY 2022 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	33.21	40.38
E-waste (B)	2.40	1.30
Biomedical Waste (C)	0.01	0.01
Construction and demolition waste (D)	-	-
Battery waste (E)	0.00	3.21
Radioactive waste (F)	-	-
Other Hazardous Waste (Process Waste, ETP sludge, etc.) (G)	83.37	31.02
Used Oil (H)	0.00	13.21
Other Non-hazardous waste generated. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Paper & Cardboard (I)	75.14	92.04
Metal Scrap (J)	146.92	157.22
Glass Waste (K)	1.85	2.07
Wood Waste (L)	36.32	44.32
Miscellaneous Non-Hazardous (M)	69.74	46.79
Total (A+B + C + D + E + F + G + H + I + J + K + L + M)	**448.96**	**418.36**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.015	0.015
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.703	0.696
Waste intensity in terms of physical output (MT/Million Tablets)	0.117	0.108
Waste intensity (optional) – the relevant metric may be selected by the company	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
i) Recycled	365.58	400.55
ii) Re-used	0.00	0.00
iii) Other recovery operations (Co processing)	83.37	31.02
Total	**448.95**	**431.57**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
i) Incineration	0.01	0.01
ii) Landfilling	0	0
iii) Other disposal operations	0	0
Total	**0.01**	**0.01**

Note: Limited assurance was carried out for the year 2023 by Ernst & Young.

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Sanofi has implemented a comprehensive waste management strategy in line with its commitment to creating a cleaner and more environmentally friendly setting. The Company has embraced the 3R approach, focusing on reducing, reusing, and recycling, which has significantly minimized waste generation and fostered a culture of circularity across its operations.

At Mumbai Office we are ensuring to go paperless in our transactions by implementing digitalization across the operations & electronic payments. All hazardous waste produced on-site, including ETP sludge, e-waste, used oil, batteries, and biomedical waste, undergo appropriate disposal methods such as co-processing, recycling, refining, or incineration, depending on the waste category. Notably, the Company has successfully eliminated the practice of landfilling hazardous waste from its operations. For non-hazardous waste such as plastic, paper, wood, glass, and metal, Sanofi follows recycling practices and adheres to the applicable Plastic Waste Management rules. We also abide by Extended Producer Responsibility (EPR) by collecting end-use plastic and ensuring approved disposal methods sanctioned by the Central Pollution Control Board. Additionally, all non-saleable pharmaceutical products at distributor locations are collected and sent for incineration.

11. **If the company has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details:**

Sanofi India's manufacturing facility and office location are strategically situated away from ecologically sensitive areas. We prioritize environmental stewardship by ensuring minimum environmental footprint and maximising value for all stakeholders.

12. **Details of environmental impact assessments of projects undertaken by the company based on applicable laws, in the current financial year:**

Name and brief details of the project	EIA Notification No.	Date	Whether conducted by an independent external agency (Yes/No)	Results communicated in the public domain (Yes/No)	Relevant Web link
During the reporting period, Sanofi India has not conducted any environment impact assessment.					

13. **Is the company compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances:**

During the reporting period, there were no cases of non-compliance to applicable laws, regulations, guidelines in India. Our Goa Site and Mumbai office has got Valid Consent to Operate, issued by the respective state Pollution Control Board.

Leadership Indicators

1. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility/ plant located in areas of water stress, provide the following information:

i) **Name of the area**

ii) **Nature of operations**

iii) **Water withdrawal, consumption and discharge:**

At Sanofi, none of the sites falls under the purview of Water Stress areas.

2. **Please provide details of total Scope 3 emissions & its intensity:**

Sanofi India is currently not tracking its Scope 3 emissions, however shall start mapping the same across its operations in the upcoming years.

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the company on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable as our business operations do not operate in any of the ecologically sensitive zones.

4. **If the company has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives:**

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	HVAC optimization project	Road map to reduce 2,952 MWh	Reduced 2,352 MWh of Energy
2	LEED platinum	Sanofi House has been awarded the LEED Platinum Certification, making it one of the first 100 environmentally friendly buildings in India.	Savings include water conservation, water recycling, water reuse, Improved indoor air quality, noise protection, energy efficiency, ground water recharge, and safe chemical use.
3	Solar Energy	All energy requirements in Mumbai office are met from renewable energy sources. Solar power plant installed at roof top of Mumbai office is having capacity of 104.16 KWp. Additionally, for our operations in Goa, we have implemented a solar panel project generating 1,800 KWh to partially meet energy needs	Solar energy utilised from these establishments stands at 9,435.39 kWh in CY 2023
4	Bio-diversity park	In line with Sanofi's global Planet Mobilization program, we are committed to nurturing biodiversity across all our sites by 2030. As a part of our commitment to fostering bio-diversity at our site, we have taken initiative for maintaining the ecosystem by developing a butterfly garden at our Goa site.	In collaboration with the Goa Bio-diversity Board, a government organization dedicated to preserving local ecosystems, we brought to life our vibrant butterfly garden.

5. **Does the company have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Sanofi has a robust disaster management plan, addressing Health, Safety, and Environment (HSE) emergencies with a defined command structure for efficient crisis response. A global business continuity and impact assessment guides the formulation of disaster recovery plans, covering life safety, health, product crisis, cyberattacks, customer service, revenue, public image, regulatory compliance, and product development. This proactive approach ensures preparedness to safeguard operations, employees, customers, and the community in times of crisis. Furthermore, Business Continuity and Impact Assessment is carried out periodically for all functions and operations across the global, basis which business continuity and disaster recovery plans are reviewed and strengthened further.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the company. What mitigation or adaptation measures have been taken by the company in this regard?**

We ensure regular due diligence for mapping risks across our supply chain to maintain the resilience and business continuity across operations. Our assessments in the reporting period indicated no significant risks or concerns with respect to violation of human rights, environment and health and safety across the value chain.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Sanofi prioritizes responsible partnerships and implements a rigorous supplier assessment process. This process evaluates key areas such as Health, Safety & Environment (HSE), Corporate Social Responsibility (CSR), Anti-Bribery Due Diligence (ABDD), cybersecurity, and financial stability. A multi-pronged approach is employed, involving direct assessments for critical and high-emitting suppliers, and leveraging third-party platforms for CSR and HSE. The scope of this assessment program demonstrates Sanofi's commitment to responsible sourcing.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/associations.**

   There are 8 affiliations with trade and industry chambers/associations.

   b. **List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the company is a member of/ affiliated to:**

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National/International)
1.	Organisation of Pharmaceuticals Producers of India (OPPI)	National
2.	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
3.	Confederation of Indian Industry (CII)	National
4.	Indo French Chamber of Commerce and Industry (IFCCI)	National and International
5.	The Associated Chambers of Commerce & Industry of India (ASSOCHAM)	National and International
6.	US India Strategic Partnership Forum (USISPF)	National and International
7.	Bombay Chamber of Commerce & Industry (BCCI)	National
8.	Phamaceutical Supply Chain Initiative (PSCI)	National and International

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the company, based on adverse orders from regulatory authorities.**

   Not Applicable, as no cases of anti-competitive conduct were identified during the reporting period.

Leadership Indicators

1. **Details of public policy positions advocated by the company:**

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify)	Web Link, if available
1.	Sanofi India works closely with various trade and industry associations to put forth industry representations to the government and regulators. We ensure that policy advocacy is carried out in a transparent and responsible manner considering national interests.	We have representation across key industry and business associations. We also actively participate in policy advocacy on important sectoral topics for the benefit of all.	No	NA	NA

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the company based on applicable laws, in the current financial year:**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
KiDS program Goa	-	-	Yes	Yes	CSR (sanofiindialtd.com)

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your company, in the following format:**

   Not Applicable

3. **Describe the mechanisms to receive and redress grievances of the community.**

   At Sanofi, we value engagement with communities and have a dedicated grievance redressal correspondence email corporate-responsibility@sanofi.com. Our CSR team diligently manages incoming emails, ensuring prompt responses and appropriate redirection to relevant departments wherever required for a quick resolution.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	CY 2023 Current Financial Year	CY 2022 Previous Financial Year
Directly sourced from MSMEs/ small producers	5%	6%
Directly from within India	47%	65%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	CY 2023 Current Financial Year	CY 2022 Previous Financial Year
Rural	-	-
Semi-urban	-	-
Urban	-	-
Metropolitan	100%	100%

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Nil	NA

2. **Provide the following information on CSR projects undertaken by your company in designated aspirational districts as identified by government bodies:** None

3. a. **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable group? (Yes/ No)**

No

b. **From which marginalized /vulnerable groups do you procure?**

Not Applicable

c. **What percentage of total procurement (by value) does it constitute?**

Not Applicable

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your company (in the current financial year), based on traditional knowledge:**

Sr. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
	-	-	-	-

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the Case	Corrective action taken
-	-	-

6. **Details of beneficiaries of CSR Projects:**

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Type 1 Diabetes Programme	1,406	100%
2.	KiDS Goa	143,130,520	NA
3.	Mobile Medical Units in Maharashtra	2,97,525	100%
4.	ASPIRE. NCD awareness & screening in Hyderabad	28,811	100%
5.	Awareness on Cervical and oral cancers	32,524,716	NA
6.	Himachal floods support	1,000	100%

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

Essential indicator

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

At Sanofi India, we have established a systematic approach to address consumer complaints. When it comes to product-related issues, our dedicated Quality Team takes charge. They diligently engage with customers, ensuring thorough follow-up and swift resolution, which may include providing replacements for any defective products. On the other hand, complaints concerning personnel, supply, or service matters are channelled directly to the respective specialized teams. These teams handle the complaints promptly, leveraging their expertise to provide effective solutions tailored to the specific nature of each concern. This structured process allows us to uphold our commitment to customer satisfaction and maintain the highest standards across all aspects of our operations.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

Sanofi is committed to utilizing environmentally sustainable, recyclable, and reusable materials. This includes the responsible recycling and safe disposal of products , ensuring alignment with the Pollution Control Board approved protocols.

3. **Number of consumer complaints in respect of the following:**

	CY 2023* Current Financial Year			CY 2022* Previous Financial Year		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	4	1	Nil	-	-	-
Advertising	0	0	Nil	-	-	-
Cyber-security	0	0	Nil	-	-	-
Delivery of essential services	289	0	Nil	-	-	-
Restrictive Trade Practices	0	0	Nil	-	-	-
Unfair Trade Practices	0	0	Nil	-	-	-
Other (Products defects reported)	463	0	Nil	-	-	-

** The mechanism for the receipt and resolution of consumer complaints has been set up during the current financial year. Hence, there are no comparable figures for the previous financial year.*

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. **Does the company have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy**

The Internal Auditor conducts multiple annual assessments to ensure operational integrity. In addition to traditional audits, we employ penetration tests and BugBounty programs to fortify our security measures. Any identified deviations and risks are precisely documented and promptly addressed to uphold our commitment to excellence and mitigate potential vulnerabilities.

The organization has implemented an international Privacy Policy regarding data confidentiality for its operations, which can be accessed via the provided web link: Privacy & data protection (sanofi.com)

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Not Applicable as no such instances were recorded.

7. **Provide the following information relating to data breaches:**

a. Number of instances of data breaches: Nil

b. Percentage of data breaches involving personally identifiable information of customers: Not Applicable

c. Impact, if any, of the data breaches: Not Applicable

Leadership Indicator

1. **Channels/platforms where information on products and services of the company can be accessed (provide web link, if available).**

Information related to our products and services can be found on our website: www.sanofi.in

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.**

   Each product is accompanied by packaging or information labels that clearly communicate essential details to our consumers. These labels include instructions for safe use, composition, effects, and guidance on appropriate storage conditions, among other pertinent information. Furthermore, we enhance consumer access to in-depth product information by incorporating QR codes that open links containing comprehensive details related to product safety and proper usage. This commitment reflects our dedication to transparency and ensuring the well-informed use of our products. Consumers are effectively communicated on the critical significance of procuring genuine products exclusively from authorized distributors rather than opting for unverified online platforms. This concerted effort underscores our commitment to ensuring consumer trust and upholding the integrity of our brand.

3. **Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services.**

   In adherence to the regulations set forth by the National Pharmaceutical Pricing Authority, we adhere to a transparent process regarding the discontinuation of any scheduled formulation. This entails issuing a public notice to relevant stakeholders and notifying the Government at least six months in advance of the intended discontinuation date.

4. **Does the company display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**

   Yes, we have implemented product information for our products ranges as per the local laws viz., pregnancy warning labelling across our Sodium Valproate range of products marketed in India. By prominently displaying clear and concise warnings on product packaging, we aim to enhance awareness among healthcare professionals and patients.

Report on Corporate Governance

Company's philosophy on Code of Governance

Sanofi India Limited ('the Company') believes that good Corporate Governance fosters long-term corporate goals and enhances stakeholders' value. Every day at Sanofi, we chase the miracles of science to improve people's lives. This means being exemplary in how we do business and unlock our innovation potential because when it comes to building trust, the actions we take and decisions we make speak louder than words. Our Code of Conduct is our constitution, supporting each of us to maximize opportunities while minimizing risks; to make bold and ethical decisions that activate our purpose; and to keep our patients and customers at the heart of all we do.

We implement policies and guidelines, communicate, and train all stakeholders to develop a culture of compliance at every level of the organization. With more than 67 years of presence in India and building a legacy of heritage brands and best-in-class medicines for the people, the Company's governance framework has evolved over decades fueled by its purpose. Conducting the operations with ethics and integrity is fundamental to the Company's philosophy and business ambitions. The Company will continue to foster responsible growth, creating long-term value for our stakeholders and business partners.

The Company continues to be in compliance with the provisions of Corporate Governance as set out in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Board of Directors

The Board is at the helm of the governance structure at the Company. The Board 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 Listing Regulations. As on date of this Report, the Board consists of eight Directors comprising three Independent Directors, two Non-Executive Directors and three Executive 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 of the approval 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 Nomination and Remuneration Committee, the Risk Management Committee and the Corporate Social Responsibility Committee of the Board and Mr. Rahul Bhatnagar, Independent Director is the Chairman of the Audit Committee and the Stakeholders Relationship Committee of the Board. Mr. Marc-Antoine Lucchini and Mr. Vaibhav Karandikar were the Non-Executive Directors of the Company as on the date of this report. However, Mr. Lucchini resigned as Non-Executive Director of the Company with effect from March 28, 2024 i.e. after the date of this report. Mr. Rodolfo Hrosz is the Managing Director, Ms. Renee Amonkar is the Whole-time Director and Mr. Rachid Ayari is the Whole time Director and Chief Financial Officer of the Company.

Changes in Directorate

During the year under review, Ms. Annapurna Das resigned as Non-Executive Director of the Company effective from the close of business hours on July 31, 2023. Mr. Cherian Mathew, resigned as the Whole-time Director of the Company effective from the close of business hours on September 26, 2023. Ms. Renee Amonkar, was appointed as the Whole-time Director of the Company with effect from September 26, 2023. Mr. Vaibhav Karandikar transitioned to another role within the Sanofi group. As a result, he ceased to hold the position of Whole-time Director and Chief Financial Officer effective from the close of business hours on November 30, 2023. However, Mr. Vaibhav Karandikar continued his engagement with the Company as a Non-Executive Director, effective from December 1, 2023. Mr. Rachid Ayari was appointed as the Whole-time Director and Chief Financial Officer of the Company with effect from December 1, 2023. Furthermore, subsequent to the date of this report, Mr. Marc-Antoine Lucchini resigned from his role as Non-Executive Director of the Company, effective as of the close of business hours on March 28, 2024.

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 the 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 December 31, 2023, none of the Directors of the Company hold shares or convertible instruments in the Company.

The Company has obtained a certificate from M/s. MMJB & Associates LLP, 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 the 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 December 31, 2023 are given below:

Name of the Director	Category	No. of Directorships/Committee Memberships/ Chairmanships (Including Sanofi India Limited) as on December 31, 2023			
		Directorships under Section 165[1] Public Companies		Committee Memberships[2]	Committee Chairmanship[2]
		Listed	Unlisted		
Mr. Aditya Narayan	Non-Executive Independent Director and Chairman	1	-	-	-
Mrs. Usha Thorat	Non-Executive Independent Director	1	-	1	1
Mr. Rahul Bhatnagar[3]	Non-Executive Independent Director	3	1	4	3
Mr. Marc-Antoine Lucchini[4]	Non-Executive Director	1	-	-	-
Mr. Vaibhav Karandikar[5]	Non-Executive Director	1	-	1	-
Mr. Rodolfo Hrosz	Managing Director	1	1	1	-
Mr. Rachid Ayari[6]	Whole-time Director and Chief Financial Officer	1	-	1	-
Ms. Renee Amonkar[7]	Whole-time Director	1	-	-	-

Notes:

1. *Excludes 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 December 31, 2023, whether listed or not, including Sanofi India Limited.*
3. *As on December 31, 2023, 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. *Mr. Marc-Antoine Lucchini resigned as Non-Executive Director w.e.f. the close of business hours on March 28, 2024.*
5. *Change in category of Mr. Vaibhav Karandikar from Whole-time Director and Chief Financial Officer to Non-Executive Director.*
6. *Mr. Rachid Ayari was appointed as Whole-time Director and Chief Financial Officer w.e.f. December 1, 2023.*
7. *Ms. Renee Amonkar was appointed as Whole-time Director w.e.f. September 26, 2023.*

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.

Board Meetings

During the year ended December 31, 2023, 6 (Six) Board Meetings were held on the following dates through video conferencing/other audio-visual means:

February 23, 2023, April 18, 2023, May 10, 2023, August 10, 2023, September 26, 2023, and November 8, 2023.

Attendance details of each Director at the Board Meetings held during the year ended December 31, 2023 and the last Annual General Meeting are given below:

Name of the Director	No. of Board Meetings held during the tenure of the Director	No. of Board Meetings attended	Attendance at last AGM held on May 11, 2023
Mr. Aditya Narayan	6	6	Yes
Mrs. Usha Thorat	6	5	Yes
Mr. Rahul Bhatnagar	6	6	Yes
Mr. Marc-Antoine Lucchini^	6	3	Yes
Ms. Annapurna Das*	3	3	Yes
Mr. Rodolfo Hrosz	6	5	Yes
Mr. Cherian Mathew**	5	5	Yes
Mr. Vaibhav Karandikar	6	6	Yes
Ms. Renee Amonkar#	1	1	-
Mr. Rachid Ayari##	-	-	-

**Resigned as Non-Executive Non-Independent Director w.e.f. the close of business hours on July 31, 2023.*

***Resigned as Whole-time Director w.e.f. the close of business hours on September 26, 2023.*

#Ms. Renee Amonkar was appointed as Whole-time Director w.e.f. September 26, 2023.

##Mr. Rachid Ayari was appointed as Whole-time Director & Chief Financial Officer w.e.f. December 1, 2023.

^After the approval date of this report, Mr. Marc-Antoine Lucchini resigned as a Non-Executive Director, effective as of the close of business hours on March 28, 2024.

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

Board processes:

1. 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.
2. The Directors are provided with the video conferencing (VC) facility to participate in Board and Committee meetings. The Directors participated in these meetings either through the VC facility or in person.
3. 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.
4. 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.
5. 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. At each Board meeting, the Chairperson of respective Committees briefs the Board on matters discussed by the Committee at

their respective 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 have been accepted by the Board.

6. 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.

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 December 31, 2023, the Independent Directors met once on February 23, 2023. Mr. Aditya Narayan chaired the meeting.

Familiarization Programme for Directors:

Familiarization 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 an Independent Director is inducted on the Board, a detailed induction program is conducted including organization 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 familiarization programmes for Independent Director(s) are put up on the website of the Company and can be accessed through the following link: Familiarization Programme - Sanofi India (sanofiindialtd.com)

Committees of the Board:

Audit Committee

The Audit Committee comprises three Directors of which, two are Independent Directors and one is Non-Executive Non-Independent Director, with the Chairperson being an Independent Director. All the members of the Committee have relevant accounting or related financial management expertise.

The terms of reference of the Audit Committee are wide and cover all the matters specified for Audit Committee 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.

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 and control 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 meets the Statutory Auditors in absence of the Management.

During the year, the Audit Committee was re-constituted due to resignation of Ms. Annapurna Das, Mr. Aditya Narayan was appointed as a Member for the period July 31, 2023 to September 26, 2023. Ms. Renee Amonkar, Whole-time Director was appointed as a Member of the Committee for the period September 26, 2023 to December 01, 2023 and Mr. Vaibhav Karandikar, Non-Executive Director was appointed as a Member with effect from December 01, 2023.

During the year ended December 31, 2023, 6 (Six) Audit Committee meetings were held on February 22, 2023, May 08, 2023, May 09, 2023, August 09, 2023, November 08, 2023 and December 19, 2023.

The constitution of the Audit Committee and attendance details during the year ended December 31, 2023, are given below:

Name of the Director	Category	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings attended
Mrs. Usha Thorat#	Chairperson of the Committee, Independent Director	6	6
Mr. Rahul Bhatnagar#	Member, Independent Director	6	6
Ms. Annapurna Das*	Member, Non-Executive Director	3	3
Mr. Aditya Narayan**	Member, Independent Director	3	3
Ms. Renee Amonkar***	Member, Whole-time Director	1	1
Mr. Vaibhav Karandikar	Member, Non-Executive Director	1	1

** Resigned as Non-Executive Non-Independent Director w.e.f. the close of business hours on July 31, 2023 and accordingly ceased to be a Member as on said date.*

*** From July 31, 2023 to September 26, 2023.*

**** Ms. Renee Amonkar ceased to be a Member w.e.f. December 01, 2023.*

#As of the approval date of this report, the Audit Committee was reconstituted. Mr. Rahul Bhatnagar was designated as the Chairman of the Committee, and Mrs. Usha Thorat as a member, effective from February 23, 2024.

The Company Secretary acts as Secretary to the Committee.

Nomination and Remuneration Committee

The Nomination & Remuneration Committee comprises three Directors of which, two are Independent Directors and one is Non-Executive Non-Independent Director, with the Chairperson being an Independent Director.

The terms of reference of the Committee are in line with the requirements of Regulation 19 read with Part D of Schedule II to the Listing Regulations and the Act, which 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 as per 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 of performance evaluation of Independent Directors.

During the year ended December 31, 2023, 3 (Three) Nomination and Remuneration Committee Meetings were held on February 22, 2023, September 26, 2023 and November 07, 2023.

The constitution of the Nomination and Remuneration Committee and attendance details during the financial year ended December 31, 2023, are given below:

Name of the Director	Category	No. of Committee Meetings held during the tenure of the Director	No. of Committee Meetings attended
Mrs. 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	2

**After the approval date of this report, Mr. Marc-Antoine Lucchini resigned as a Non-Executive Director, effective as of the close of business hours on March 28, 2024 and accordingly, ceased to be a Member of the committee as of that date.*

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, recognize their achievements, and promote excellence in performance.

Overall, 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 at Code of Conduct and Policies - Sanofi India (sanofiindialtd.com)

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 Regulations requirement.
- 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 Regulations requirement.
- The candidate should also have the ability to exercise sound business judgment, 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:

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 organizations with understanding of changes in external environment, business development and competitive landscape.

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:
Understanding of the governance principles, Board accountability, internal control and regulatory environment, risk management in a large complex organization and emerging local and global trends.

Mr. Aditya Narayan

Mrs. Usha Thorat

Mr. Rahul Bhatnagar

Mr. Marc-Antoine*

Mr. Vaibhav Karandikar

Mr. Rodolfo Hrosz

Mr. Rachid Ayari

Ms. Renee Amonkar

**After the approval date of this report, Mr. Marc-Antoine Lucchini resigned as a Non-Executive Director, effective as of the close of business hours on March 28, 2024.*

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 and in line with the Nomination and Remuneration Policy. 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.

The details of remuneration paid to the Managing Director and the Whole-time Directors during the year ended December 31, 2023 are given below:

Name of the Executive Director	Salary and Allowances (₹ million)	Perquisites and Allowances as per Income Tax Rules (₹ million)	Company's contribution to the Funds (₹ million)	Performance Linked Incentive (₹ million)	Total (₹ million)	Contract Period
Mr. Rodolfo Hrosz	22.73	7.61	1.49	4.56	36.39	3 years w.e.f June 01, 2022
Mr. Rachid Ayari#	0.99	0.45	0.07	-	1.51	3 years w.e.f December 01, 2023
Ms. Renee Amonkar***	1.63	0.11	0.11	-	1.85	3 years w.e.f September 26, 2023
Mr. Vaibhav Karandikar**	11.95	1.67	0.70	5.91	20.23	Not Applicable as ceased to be Whole-time Director
Mr. Cherian Mathew*	14.67	0.73	0.80	6.07	22.27	Not Applicable as ceased to be a Director

**Mr. Cherian Mathew was Whole-time Director for part of the year 2023.*
*** Mr. Vaibhav Karandikar was Whole-time Director & Chief Financial Officer for part of the year 2023.*
**** Ms. Renee Amonkar was appointed as Whole-time Director w.e.f. September 26, 2023.*
 # Mr. Rachid Ayari was appointed as Whole-time Director & Chief Financial Officer w.e.f. December 01, 2023.

The Company does not have a scheme for grant of stock options. However, the Managing Director and the Whole-time Directors and few 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 December 31, 2023 for stock options/performance shares granted to Mr. Rodolfo Hrosz, Mr. Rachid Ayari, Ms. Renee Amonkar, Mr. Vaibhav Karandikar, Mr. Cherian Mathew and Ms. Radhika Shah are ₹ 10 Million, ₹ 0.2 Million, ₹ 0.2 Million, ₹ 5 Million, ₹ 4 Million and ₹ 0.05 Million respectively.

Remuneration to Non-Executive Directors

The Non-Executive 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 Sitting fees or Commission 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 May 7, 2019, the Independent Directors 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 Independent Director for the year ended December 31, 2023 is given below:

Name of the Director	Sitting Fees paid (₹ million)	Commission Payable (₹ million)	Total (₹ million)
Mr. Aditya Narayan (Chairman)	0.96	2.58	3.54
Mrs. Usha Thorat	1.37	1.31	2.68
Mr. Rahul Bhatnagar	1.73	1.31	3.04

Performance Evaluation of the Board/ Committees/Directors:

The Company follows a structured 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 judgment 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 December 31, 2023, evaluation forms were circulated to the Board Members. Each Director completes the evaluation form and shares feedback.

The feedback scores as well as qualitative comments are then shared with the Nomination and Remuneration Committee and presented by the Chairman to the Board. The feedback on Committee Evaluation is shared by the Committee Chairperson with the Committee Members. Nomination and Remuneration Committee is convened to discuss the outcome of performance evaluation exercise. The Chairman of the Board and the Chairperson of the Nomination and Remuneration Committee briefs the Board on the overall outcome.

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

During the year, Board evaluation exercise was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and Peer evaluation of the Directors. The outcome and action points were discussed by the Board in February 2024. The Board agreed to focus on areas of succession planning for key roles and implementation of strategic initiatives as part of the outcome of Board evaluation for the year 2023.

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 December 31, 2023, 1 (One) Stakeholders Relationship Committee Meeting was held on August 9, 2023. The composition of the Committee was also changed once when Mr. Vaibhav Karandikar ceased to be Whole-time Director and Member w.e.f. the close of business hours on November 30, 2023. At the Board meeting held on November 08, 2023, Mr. Rachid Ayari, Whole-time Director & Chief Financial Officer was appointed as a Member of the Stakeholders Relationship Committee with effect from December 01, 2023.

Constitution of the Stakeholders Relationship Committee and attendance details during the Financial Year ended December 31, 2023, are given below:

Name of the 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. Rodolfo Hrosz	Member, Managing Director	1	1
Mr. Vaibhav Karandikar*	Member, Whole-time Director & Chief Financial Officer	1	1
Mr. Rachid Ayari**	Whole-time Director & Chief Financial Officer	-	-

** Mr. Vaibhav Karandikar ceased to be Whole-time Director and Chief Financial Officer with effect from close of business hours on November 30, 2023 and accordingly ceased to be a Member as on the said date.*

*** Mr. Rachid Ayari was appointed as Whole-time Director & Chief Financial Officer and Member w.e.f. December 01, 2023.*

Ms. Radhika Shah, Company Secretary of the Company acts as the Secretary and Compliance Officer to the meetings of the Stakeholders Relationship Committee.

During the year, 20 (Twenty) complaints were received from Shareholders. All these were attended/resolved and there were no pending complaints from Shareholders as on December 31, 2023.

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 the CSR Report.

During the year ended December 31, 2023, (3) three CSR Committee Meetings were held on February 23, 2023, August 9, 2023 and November 07, 2023.

The constitution of the CSR Committee and attendance details during the year ended December 31, 2023 are given below:

Name of the 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	3	3
Mrs. Usha Thorat*	Member, Independent Director	3	3
Mr. Rodolfo Hrosz	Member, Managing Director	3	2

**As of the approval date of this report, the CSR Committee was reconstituted. Mrs. Usha Thorat was designated as the Chairperson of the Committee, and Mr. Rahul Bhatnagar as a member, effective from February 23, 2024.*

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 minimize the same.

The terms of reference of the Risk Management Committee are in line with the requirements of Regulation 21(4) read with Part D of Schedule II to the Listing Regulations and the Act which include:

1. Formulate a detailed risk management policy which shall include:
   a) A framework for identification of internal and external risks specifically faced by the Company, 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 December 31, 2023, 3 (three) Risk Management Committee Meetings were held on February 22, 2023, May 9, 2023 and August 10, 2023. The details of the governance and process followed is covered in the Governance chapter of the Integrated Annual Report.

The composition of the Committee was changed when Mr. Cherian Mathew ceased to be a Member w.e.f. September 26, 2023 and Ms. Renee Amonkar was appointed as a Member of the Committee with effect from September 26,2023. Mr. Vaibhav Karandikar ceased to be a Member w.e.f. November 30, 2023 and Mr. Rachid Ayari was appointed as a Member of the Committee w.e.f. December 01, 2023.

The constitution of the Risk Management Committee and attendance details during the year ended December 31, 2023 are given below:

Name of the 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	3	3
Mr. Rodolfo Hrosz	Member, Managing Director	3	3
Mr. Cherian Mathew*	Member, Whole-time Director	3	3
Mr. Vaibhav Karandikar**	Member, Whole-time Director and Chief Financial Officer	3	3
Ms. Renee Amonkar***	Member, Whole-time Director	-	-
Mr. Rachid Ayari#	Member, Whole-time Director and Chief Financial Officer	-	-

** Mr. Cherian Mathew ceased to be Whole-time Director with effect from close of business hours of September 26, 2023 and accordingly ceased to be a Member as on the said date.*

*** Mr. Vaibhav Karandikar ceased to be Whole-time Director and Chief Financial Officer with effect from close of business hours of November 30, 2023 and accordingly ceased to be a Member as on the said date.*

**** Ms. Renee Amonkar was appointed as Whole-time Director and Member of the Committee w.e.f. September 26, 2023.*

 # Mr. Rachid Ayari was appointed as Whole-time Director and Chief Financial Officer and Member of the Committee w.e.f. December 01, 2023.

^ As of the approval date of this report, the Risk Management Committee was reconstituted. Mrs. Usha Thorat was designated as the Chairperson of the Committee, and Mr. Rahul Bhatnagar as a member, effective from February 23, 2024.

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 December 31, 2023.

A certificate from the Managing Director to this effect is attached to this Report.

The Code has been displayed on the Company's website at Code of Conduct and Policies - Sanofi India (sanofiindialtd.com)

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, Whistleblower and other Governance Policies of the Company. Sanofi's Code of Conduct (Code of Conduct and Policies - Sanofi India (sanofiindialtd.com), Via web-form - https://app.convercent.com/en-US/LandingPage/9145e3cc-c0d4-ed11-a99e-000d3ab9f062) lays out the defining principles of highest ethical standards. Sanofi employees are trained to use the Code of Conduct 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: EthicsPoint-Sanofi-Aventis Group where employees can report incidents with complete anonymity.

Besides this, as required under Listing Regulations, the Company has a Whistle Blower Policy which has been displayed on its website at Code of Conduct and Policies - Sanofi India (sanofiindialtd.com). 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 on Related Party Transactions. Policy on transactions with related parties has been displayed on the Company's website at Code of Conduct and Policies - Sanofi India (sanofiindialtd.com). 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, disclosures of related party transactions, for the half year in the format specified in the relevant accounting standards for annual results and same is also available on the website of the Company at Related Party Disclosures - Sanofi India (sanofiindialtd.com)

General Body Meetings

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Location
January- December 2020	April 27, 2021	3:00 p.m.	At Registered Office-through Video Conferencing facility
January - December 2021	April 26, 2022	3:00 p.m	At Registered Office-through Video Conferencing facility
January - December 2022	May 11, 2023	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
April 27, 2021	Re-appointment of Mr. Aditya Narayan as Independent Director for a second term of five consecutive years from April 30, 2021 to April 29, 2026. Re-appointment of Ms. Usha Thorat as Independent Director for a second term of five consecutive years from April 30, 2021 to April 29, 2026.
April 26, 2022	None
May 11, 2023	None

Details of NCLT Convened Meetings

As per the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT), the following meetings were held during the year ended December 31, 2023

Meetings	Date & Time	Location
NCLT convened meeting of Equity Shareholders	December 18, 2023 at 11:00 a.m.	The meeting was held via VC/OAVM pursuant to the directions of Hon'ble NCLT, Mumbai Bench vide order dated November 9, 2023 and in compliance with the applicable provisions of the Act and Listing Regulations.
NCLT convened meeting of Unsecured Creditors	December 18, 2023 at 3:00 p.m.	The meeting was held via VC/OAVM pursuant to the directions of Hon'ble NCLT, Mumbai Bench vide order dated November 9, 2023 and in compliance with the applicable provisions of the Act and Listing Regulations.

During the NCLT convened meeting of Equity Shareholders and Unsecured Creditors, following resolutions were passed:

Meetings	Date	Resolutions
NCLT convened meeting of Equity Shareholders	December 18, 2023	Approval of Scheme
NCLT convened meeting of Unsecured Creditors	December 18, 2023	Approval of Scheme

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

Postal Ballot

For the year 2023, the following Ordinary Resolutions were passed by the Company through Postal Ballot by way of remote e-voting:

Sr. No.	Resolution	Votes in favour of the resolution (%)	Votes against the resolution (%)
1.	Appointment of Ms. Renee Amonkar (DIN: 10335917) as a Director	96.01	3.99
2.	Appointment of Ms. Renee Amonkar (DIN : 10335917) as a Whole-time Director	95.89	4.11
3.	Appointment of Mr. Rachid Ayari (DIN: 10408699) as a Director	99.69	0.31
4.	Appointment of Mr. Rachid Ayari (DIN: 10408699) as Whole-time Director and Chief Financial Officer	99.95	0.05

Procedure for Postal ballot

The Company had issued Postal Ballot Notice dated September 26, 2023 and November 08, 2023 for Ms. Renee Amonkar and Mr. Rachid Ayari respectively to the Members, seeking their consent with respect to the aforesaid resolutions.

The Postal Ballots were conducted in compliance with Section 108 and 110 of the Act, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations and in accordance with the guidelines prescribed by the Ministry of Corporate Affairs for holding General Meetings/ conducting Postal Ballot process, vide General Circulars Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 10/2022 dated December 28, 2022 and the latest one being General Circular No. 09/2023 dated September 25, 2023.

The results of the voting by Postal Ballot along with the Scrutinizer's Report was intimated to BSE Limited and National Stock Exchange of India Limited where the equity shares of the Company are listed. Additionally, the results were uploaded on the Company's website and on the website of National Securities Depository Limited.

No Special Resolution is proposed to be conducted through Postal Ballot as on the date of this Integrated Annual Report.

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 at Financial results - Sanofi India (sanofiindialtd.com)

During the year, the Company held Investor Calls on February 24, 2023, May 11, 2023 and November 15, 2023 to discuss India for India Strategy results, Financial performance and Consumer Healthcare Demerger.

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

General Shareholder Information

AGM Date, Time and Venue:	Tuesday, May 14, 2024 at 3:30 p.m. through Video Conferencing facility
Financial Year:	January to December
First Quarter Results:	1st Fortnight of May, 2024
Half Yearly Results:	1st Fortnight of August, 2024
Third Quarter Results:	1st Fortnight of November, 2024
Fourth Quarter and Annual Results:	2nd Fortnight of February, 2025
Dates of Book Closure:	Saturday, May 4, 2024 to Tuesday, May 14, 2024 (both days inclusive).
Dividend payment date:	On or after May 24, 2024, if declared at ensuing Annual General Meeting scheduled on Tuesday, May 14, 2024.
Listing on Stock Exchanges:	The Company's Shares are listed on the Stock Exchanges mentioned below and accordingly the Company has paid the Listing Fees to them for the year 2023. BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. National Stock Exchange of India Limited (NSE) C-1, Block G, 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

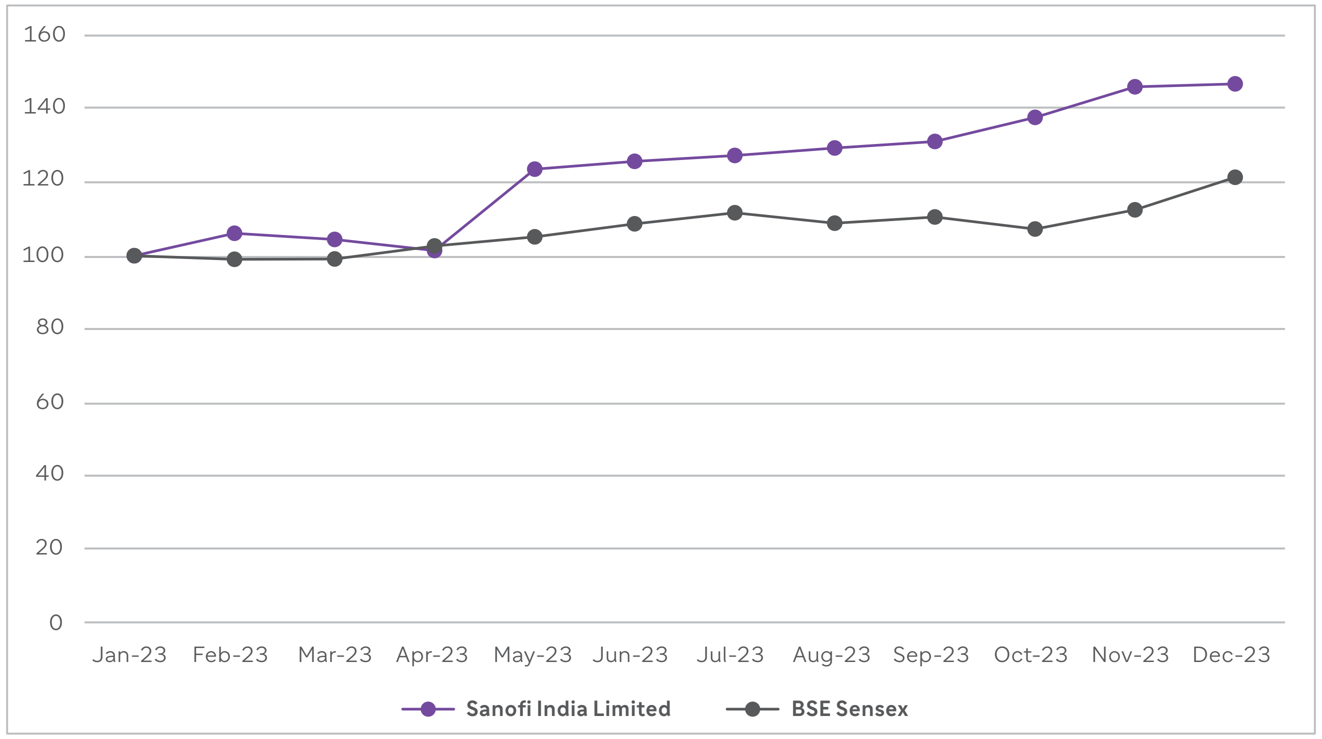
Market Price Data

High/Low during each month in the year 2023. Share Price on BSE and NSE (Face Value ₹10 each)

Months	BSE		NSE	
	High	Low	High	Low
Jan-23	5,907.90	5,450.00	5,865.00	5,475.30
Feb-23	5,979.95	5,240.00	5,980.00	5,202.10
Mar-23	5,899.00	5,575.00	5,899.00	5,600.00
Apr-23	6,038.95	5,521.05	6,041.20	5,550.00
May-23	6,907.30	5,329.70	6,910.00	5,400.00
Jun-23	7,230.55	6,759.15	7,244.00	6,755.05
Jul-23	7,105.75	6,809.30	7,109.80	6,850.00
Aug-23	7,587.95	6,858.85	7,590.00	6,856.05
Sep-23	7,335.05	6,900.00	7,345.00	7,048.00
Oct-23	7,569.00	7,154.60	7,575.00	7,160.00
Nov-23	8,090.00	7,524.25	8,080.00	7,525.00
Dec-23	8,277.60	7,866.00	8,280.00	7,854.25

(Source: Websites of BSE and NSE)

Stock Performance in comparison to BSE Sensex



Note: The monthly closing prices of the BSE Sensex and Sanofi equity shares have been indexed to 100 as on January 1, 2023.

Registrar and Share Transfer Agents

Link Intime India Pvt. Ltd., C-101, 247 Park,
L.B.S. Marg, Vikhroli West, Mumbai 400083.
Contact person: Ms. Sujata Poojary,
Telephone No.: 810 811 6767;
Fax No.: (022) 49186060;
Email: 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 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 at Unclaimed shares - Sanofi India (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 unpaid or 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 at Unclaimed dividends - Sanofi India (sanofiindialtd.com)

Members who have not claimed their dividend for last seven years are requested to write to the Company's Registrar and Share 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 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
Final and One Time Special Dividend 2021	490	26-04-2022	02-06-2029
Interim Dividend 2022	193	26-07-2022	01-09-2029
Final and Second Special Dividend 2022	377	11-05-2023	17-06-2030

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:

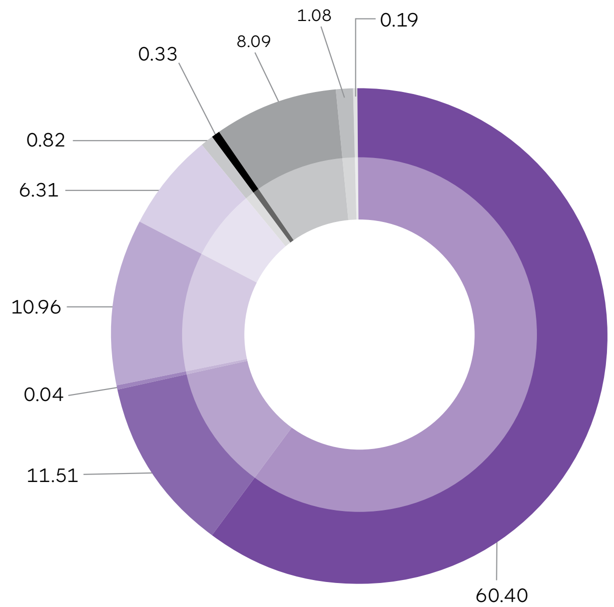
Particulars	No. of Records	No. of Shareholders	No. of Equity Shares
Aggregate number of shareholders/records and the Outstanding Shares in the Unclaimed Suspense Account	204	189	10,000
Number of shareholders who approached the Company for Transfer of shares and shares transferred from suspense account during the year	6	6	300
Number of shareholders/records whose shares were transferred From suspense account to demat account of Investor Education And Protection Fund under the provisions of Section 124(6) of The Companies Act, 2013	4	4	200
Number of shareholders/records and aggregate number of shares transferred to the Unclaimed Suspense Account during the year	0	0	0
Aggregate number of shareholders and outstanding shares in The Unclaimed Suspense Account lying as on December 31, 2023	194	179	9,500

All Corporate benefits on such shares i.e., bonus shares, split shares etc., including dividend shall be credited to the account of the IEPF Authority. The 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 December 31, 2023

Sr. No	Range of the number of shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1.	1 to 500	64,196	99.14	1,703,607	7.40
2.	501 to 1,000	255	0.40	186,791	0.81
3.	1,001 to 5,000	182	0.28	411,377	1.79
4.	5,001 to 10,000	34	0.05	251,390	1.09
5.	10,001 & Above	84	0.13	20,477,457	88.91
	Total	**64,751**	**100**	**23,030,622**	**100**

Shareholding Pattern as on December 31, 2023



Particulars	No. of Shares held	% of Shares held
Promoters	13,909,587	60.40
Mutual Funds	2,651,427	11.51
Financial Institutions/Banks	202	0.00
AIF	9,647	0.04
Insurance Companies	2,523,428	10.96
Foreign Institutional Investors	1,454,072	6.31
Bodies Corporate	1,89,339	0.82
Body Corporate - Ltd Liability Partnership	4,488	0.02
Overseas Corporate Bodies	500	0.00
Trusts	439	0.00
Clearing Members	56	0.00
NBFCs registered with RBI	45,555	0.20
Hindu Undivided Family	76,624	0.33
Resident Individuals	1,863,000	8.09
Non-Resident Indians	249,580	1.08
Foreign Nationals	50	0.00
Unclaimed Suspense Account	9,500	0.04
IEPF	43,128	0.19
Total	**23,030,622**	**100**

Dematerialization of shares and liquidity

As on December 31, 2023, 99.65% of the paid-up share capital had been dematerialized.

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

There are no outstanding GDRs/ADRs/warrants or any convertible instruments as at December 31, 2023.

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 – 403722

Address for correspondence

Shareholders correspondence should be addressed to the Company's Registrar and Share Transfer Agent or contact the Company Secretary and Compliance Officer at the addresses mentioned below.

Link Intime India Pvt. Ltd.,
C-101, 247 Park, L.B.S. Marg,
Vikhroli West, Mumbai 400083.
Contact person: Ms. Sujata Poojary,
Telephone No.: 810 811 6767;
Fax No.: (022) 49186060;
Email: rnt.helpdesk@linkintime.co.in.

Radhika Shah, Head of Legal and Company Secretary, Sanofi House, CTS No.117-B, L&T Business Park, Saki Vihar Road, Powai, Mumbai - 400072.
Telephone No.: (022) 28032000;
Fax No.: (022) 28032939;
E-mail: igrc.sil@sanofi.com

Shareholders holding shares in dematerialized 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.

Other Disclosures and Affirmations:

a) 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 December 31, 2023. The Certificate has been reviewed by the Audit Committee and taken on record by the Board.

b) The Company has not obtained any credit rating for the Financial Year ended December 31, 2023.

c) 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.

d) During the year under review, a wholly owned subsidiary of the Company named Sanofi Consumer Healthcare India Limited was incorporated on May 10, 2023, to undertake the consumer healthcare business of Sanofi India Limited as part of Scheme of Demerger. The Company has in place the Policy on Material Subsidiary and same is available on the website at Code of Conduct and Policies - Sanofi India (sanofiindialtd.com)

e) The Company has not raised any funds through preferential allotment or QIP in the Financial Year ended December 31, 2023.

f) The total fees for all services paid by the Company and its subsidiary, on a consolidated basis, to Price Waterhouse & Co Chartered Accountants LLP, Statutory Auditors and all entities in the network firm for the Financial Year ended December 31, 2023 is as under:

Particulars	Amount (₹ million)
Audit Fees	5.15
Certificates	0.08
Reimbursement of Expenses	0.20
Total	**5.43**

g) During, the year 2023, the Company had received two complaints of alleged sexual harassment and same were disposed of. As on December 31, 2023, no complaints related to sexual harassment are pending for disposal.

h) During the year, the Company has not provided any loans and advances in the nature of loans to firms/ companies in which directors are interested.

i) The Company has complied with the requirements as mentioned in Schedule V, Para C, sub-paras (2) to (10) of the Listing Regulations.

j) The Company has complied with all the requirements as specified in the Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

Non-Mandatory Requirements:

The Board: The Chairman of the Board does not maintain a Chairman's office at the Company's expense.

Shareholders' Rights: The half-yearly financial performance of the Company is sent to all Members whose email IDs are registered with the Company/Depositories. Additionally, the results are available under the 'Investor' section on the Company's website at Home Page - Sanofi India (sanofiindialtd.com).

Modified opinion(s) in audit report: The Company has adopted a discretionary requirement of the Listing Regulations and confirm that the Financial Statements of the Company are unqualified.

Separate posts of Chairperson and the Managing Director: Mr. Aditya Narayan, Non-Executive Independent Director is the Chairman and Mr. Rodolfo Hrosz is the Managing Director of the Company.

Reporting of Internal Auditor: 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.

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 Sanofi India Limited, for the year ended December 31, 2023 as stipulated in Regulations [17, 17A, 18, 19, 20, 21, 22, 23,24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) 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 and on behalf of Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Arun Kumar Ramdas
Partner
Membership No:112433
UDIN : 24112433BKFWDF1028

Place: Mumbai
Date: February 23, 2024

Certificate of Non-Disqualification of Directors

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

To,
The Members,
SANOFI INDIA LIMITED

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to **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 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, based on (i) Documents available on the website of the Ministry of Corporate Affairs (MCA) (ii) Verification of Directors Identification Number (DIN) status on the website of the MCA, and (iii) disclosures provided by the Directors to the Company, 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, MCA or any such other statutory authority as on December 31, 2023.

Table A

Sr. No.	Name of the Directors	DIN	Date of appointment in Company
1.	Mr. Aditya Narayan	00012084	April 30, 2016
2.	Mrs. Usha Thorat	00542778	April 30, 2016
3.	Mr. Rahul Bhatnagar	07268064	July 29, 2020
4.	Mr. Marc-Antoine Lucchini	08812302	July 29, 2020
5.	Mr. Vaibhav Vinayak Karandikar	09049375	February 23, 2021
6.	Mr. Rodolfo Hrosz	09609832	June 01, 2022
7.	Mr. Rachid Ayari	10408699	December 01, 2023
8.	Mrs. Renee Viswonath Amonkar	10335917	September 26, 2023

For MMJB & Associates LLP
Company Secretaries

Saurabh Agarwal
FCS: 9290
CP: 20907
PR: 904/2020
UDIN: F009290E003355226

Date: February 01, 2024
Place: Mumbai

Independent Auditor's Report

To the Members of Sanofi India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Sanofi India Limited ("the Company"), which comprise the Standalone Balance Sheet as at December 31, 2023, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone 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 standalone 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 December 31, 2023, 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 Standalone 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 standalone 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 matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Tax litigations and contingencies. (Refer Notes 9(a), 9(b), 23, 39(a), 39(b) and 43 to the standalone financial statements) As at December 31, 2023, several litigations under direct and indirect tax laws are pending for decision at various authority levels, in respect of which, the Company has disclosed contingent liabilities of ₹ 2,909 million. The management's assessment with regard to the tax matters is supported by views 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 standalone 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 provision, or to be disclosed as a contingent liability, needs careful evaluation and judgement to be applied by the management.	Our audit procedures included the following: ▪ Understanding and evaluation of the design and testing the operating effectiveness of key controls in respect of assessment of tax litigations and contingencies, its accounting and disclosures in the standalone financial statements; ▪ Obtaining a complete list of litigation matters and reading the underlying orders and other communications received from tax authorities and management's responses thereto, to assess the status of the litigations; ▪ Evaluating the independence, objectivity and competence of management's experts involved; ▪ Reading the management's experts' views, as applicable; ▪ Evaluating the management's assessment on the probability of outcome and the magnitude of potential outflow of economic resources in respect of tax matters including involvement of our tax specialists for assessing complex tax matters, based on recent rulings and latest developments in case laws; ▪ Evaluating appropriateness of the Company's disclosures in the standalone financial statements. Based on the audit procedures performed, we did not identify any significant exceptions relating to the provisions recognised and disclosures made in the standalone financial statements in respect of the 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 standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 standalone 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 standalone 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 judgments 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 standalone 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 standalone 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 standalone financial statements

8. Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 standalone financial statements of the current period 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, 2020 ("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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone 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 December 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2023, 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 standalone 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 (as amended), 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 standalone financial statements – Refer Notes 23, 39, 43 and 45 to the standalone financial statements.

      ii. The Company was not required to recognise a provision as at December 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at December 31, 2023.

      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.

      iv. a) The management has represented that, to the best of its knowledge and belief and as disclosed in the note 52(vii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the

Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 52(vii) to the standalone financial statements);

b) The management has represented that, to the best of its knowledge and belief and as disclosed in the note 52(vii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 52(vii) to the standalone financial statements); and

c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the Company only with effect from financial year beginning January 1, 2024, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

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

Arunkumar Ramdas
Partner
Membership Number: 112433
UDIN: 24112433BKFWDE7230

Place: Mumbai
Date: February 23, 2024

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Sanofi India Limited on the standalone financial statements for the year ended December 31, 2023.

Report on the Internal Financial Controls with reference to Standalone 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 standalone financial statements of Sanofi India Limited ("the Company") as of December 31, 2023 in conjunction with our audit of the standalone 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 ("the Guidance Note") 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 standalone 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 standalone 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 standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at December 31, 2023, 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 issued by ICAI.

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

Arunkumar Ramdas
Partner
Membership Number: 112433
UDIN: 24112433BKFWDE7230

Place: Mumbai
Date: February 23, 2024

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 standalone financial statements as of and for the year ended December 31, 2023

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment 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 Property, Plant and Equipment 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 all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 5(a) Property, Plant and Equipment to the standalone financial statements, are held in the name of the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.

ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.

iii. (a) The Company has, during the year, made investments in one subsidiary company. The Company has during the year not granted secured/ unsecured loans/advances in nature of loans, to companies, firms, Limited Liability Partnerships and other parties other than loans to 506 employees, including one of the directors. The Company, during the year, did not stand guarantee, or provided security to companies, firms, Limited Liability Partnerships and other parties. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans are as per the table given below:

	Loan (₹ In million)
Aggregate amount granted during the year - Employees - Director	33 *
Balance outstanding as a balance sheet date in respect of the above - Employees - Director	19 -

(* denotes figures less than a million)

(Also refer Note 15 to the standalone financial statements)

(b) In respect of the aforesaid investments and loans, the terms and conditions under which such loans were granted and investments were made are not prejudicial to the Company's interest.

(c) In respect of the loans to employees including loan to a director, the schedule of repayment of principal has been stipulated, and the employees including director are repaying the principal amounts, as stipulated. As per the Company's policy these loans are interest-free.

(d) In respect of the loans, there is no amount which is overdue for more than ninety days.

(e) There were no loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.

(f) The loans granted during the year, including to a director had stipulated the scheduled repayment of principal and the same were not repayable on demand. As per the Company's policy these loans are interest-free.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section186 of the Companies Act, 2013 in respect of the investment made by it. The Company has not granted any loans or provided any guarantees or security to the parties covered under Sections 185 and 186of the Companies Act, 2013.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under 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 goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, duty of customs, cess, and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 39(d) to the standalone 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 statutory dues of provident fund, employees' state insurance, duty of customs, cess, goods and service tax, service tax and value added tax which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at December 31, 2023 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
		1,158	Assessment Years 2008 - 2009, 2011 - 2012 to 2020 - 2021	Upto Commissioner's level
		66	Assessment Year 2021 - 2022	Company is in process of filing appeal to Commissioner of Income Tax (Appeals).

Name of the statute	Nature of dues	Amount (₹ in million)^	Period to which the amount relates	Forum where the dispute is pending
The Central Sales Tax Act, 1956 and Local Sales Tax Acts	Sales tax	2	1999 - 2000	Sales Tax Appellate Tribunal
		1	1998 - 1999, 2008 - 2009	Commissioner, Sales Tax
		8	2015 - 2016	Additional Commissioner, Sales Tax
The Central Excise Act, 1944	Excise Duty including interest and penalty, as applicable	5	2005 - 2006, 2006 - 2007, 2015 - 2016	Assistant Commissioner of Central Excise, Service Tax and Customs
		1	2015 - 2016	Additional Commissioner of Central Excise, Service Tax and Customs
		53	2004 - 2005 to 2006 - 2007	Commissioner of CGST
	Disallowance of MODVAT	39	2007 - 2008 to 2011 - 2012	High Court
Goods and Service Tax, 2017	Goods and Service Tax, including interest and penalty, as applicable	8	2017 - 2018	Assistant Commissioner (Appeals), Goods and Service Tax, Goa
		2	2017 - 2018	Assistant Commissioner, Goods and Service Tax, Orissa
		7	2020 - 2021	Commissioner (Appeals), Goods and Service Tax, Madhya Pradesh
		1	2017- 2018	Commissioner, Goods and Service Tax, Chandigarh
		3	2017- 2018	Commissioner, Goods and Service Tax, Haryana
Medicinal and Toilet Preparation (Levy of Excise Duty) Act,1955	Dispute whether Central or State Excise Duty	23	1990-1991 to 1997-1998	Central Board of Excise and Customs
		13	1996 - 1997 to 1998 - 1999	Commissioner of State Excise Duty, Maharashtra

^ Net of amount paid under protest.

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, the Company has not raised funds on short term basis.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary company. The Company did not have any joint ventures or associate companies during the year.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary company. The Company did not have any joint ventures or associate companies during the year.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) 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, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) 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, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is 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 related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 53 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Arunkumar Ramdas
Partner
Membership Number: 112433
UDIN: 24112433BKFWDE7230

Place: Mumbai
Date: February 23, 2024

Standalone Balance Sheet

as at December 31, 2023

(₹ in Million)

Particulars	Notes	As at December 31, 2023	As at December 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	5 (a)	2,544	2,463
Capital work-in-progress	5 (b)	133	188
Right-of-use assets	5 (c)	556	589
Intangible assets	6 (a)	49	3
Intangible assets under development	6 (b)	26	48
Financial assets			
i. Investment in subsidiary	7	20	-
ii. Other financial assets	8	111	147
Income tax assets (net)	9 (a)	1,194	1,099
Other non-current assets	10	55	77
Total non-current assets		**4,688**	**4,614**
Current assets			
Inventories	11	6,638	4,080
Financial assets			
i. Trade receivables	12	1,317	1,291
ii. Cash and cash equivalents	13	3,929	10,049
iii. Bank balances other than (ii) above	14	120	120
iv. Loans	15	19	20
v. Other financial assets	16	78	70
Other current assets	17	362	463
Total current assets		**12,463**	**16,093**
Assets classified as held for sale	18	-	10
Total current assets		**12,463**	**16,103**
TOTAL ASSETS		**17,151**	**20,717**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19 (a)	230	230
Other equity			
Reserves and surplus	19 (b)	9,925	12,528
Total equity		**10,155**	**12,758**

Standalone Balance Sheet

as at December 31, 2023

(₹ in Million)

Particulars	Notes	As at December 31, 2023	As at December 31, 2022
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	5 (c)	139	149
Employee benefit obligations	20	307	355
Deferred tax liabilities (net)	35 (d)	37	49
Total non-current liabilities		**483**	**553**
Current liabilities			
Financial liabilities			
i. Lease liabilities	5 (c)	51	87
ii. Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	21	283	198
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	21	2,632	3,366
iii. Other financial liabilities	22	167	113
Provisions	23	1,341	1,427
Employee benefit obligations	24	928	1,130
Current tax liabilities (net)	9 (b)	1,015	900
Other current liabilities	25	96	176
		6,513	**7,397**
Liabilities directly associated with assets classified as held for sale	26	-	9
Total current liabilities		**6,513**	**7,406**
Total liabilities		**6,996**	**7,959**
TOTAL EQUITY AND LIABILITIES		**17,151**	**20,717**

The above standalone balance sheet should be read in conjunction with the accompanying notes.
This is the standalone balance sheet referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. : 304026E/E-300009

Arunkumar Ramdas
Partner
Membership No: 112433
Place: Mumbai
Date: February 23, 2024

For and on behalf of the Board of Directors

Rodolfo Hrosz
Managing Director
DIN: 09609832
Place: Mumbai
Date: February 23, 2024

Usha Thorat
Director
DIN: 00542778
Place: Mumbai
Date: February 23, 2024

Rachid Ayari
Whole Time Director & CFO
DIN: 10408699
Place: Mumbai
Date: February 23, 2024

Radhika Shah
Company Secretary
Membership No: A19308
Place: Mumbai
Date: February 23, 2024

Standalone Statement of Profit and Loss

for the year ended December 31, 2023

(₹ in Million)

Particulars	Notes	Year ended December 31, 2023	Year ended December 31, 2022
Revenue from operations	27	28,511	27,701
Other income	28	653	715
Total income		**29,164**	**28,416**
Expenses			
Cost of materials consumed	29	5,644	5,497
Purchases of stock-in-trade		9,290	6,510
Changes in Inventories of work-in-progress, stock-in-trade and finished goods	30	(2,924)	(111)
Employee benefits expense	31	3,706	4,059
Finance costs	32	17	17
Depreciation and amortisation expense	33	396	419
Other expenses	34 (a)	4,755	4,702
Total expenses		**20,884**	**21,093**
Profit before exceptional item and tax		**8,280**	**7,323**
Exceptional items (Net)	48	178	1,320
Profit before tax		**8,458**	**8,643**
Tax expense			
- Current tax	35 (a)	2,433	2,452
- Deferred tax	35 (a)	(7)	(15)
Total tax expense		**2,426**	**2,437**
Profit for the year		**6,032**	**6,206**
Other comprehensive income			
Items that will not be reclassified to the statement of profit and loss			
- Remeasurements of post-employment benefit obligations	42 (v)	(18)	6
- Income Tax impact relating to these items	35 (b)	5	(1)
Other comprehensive income for the year, net of tax		**(13)**	**5**
Total comprehensive income for the year		**6,019**	**6,211**
Earnings per Share – Basic and Diluted (Refer note 38) (in ₹) [per Equity Share of ₹ 10 each]		261.91	269.47

The above standalone statement of profit and loss should be read in conjunction with the accompanying notes.

This is the standalone 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

Arunkumar Ramdas
Partner
Membership No: 112433
Place: Mumbai
Date: February 23, 2024

For and on behalf of the Board of Directors

Rodolfo Hrosz
Managing Director
DIN: 09609832
Place: Mumbai
Date: February 23, 2024

Usha Thorat
Director
DIN: 00542778
Place: Mumbai
Date: February 23, 2024

Rachid Ayari
Whole Time Director & CFO
DIN: 10408699
Place: Mumbai
Date: February 23, 2024

Radhika Shah
Company Secretary
Membership No: A19308
Place: Mumbai
Date: February 23, 2024

Standalone Statement of Cash Flows

for the year ended December 31, 2023

(₹ in Million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Cash flows from operating activities		
Profit before tax	**8,458**	**8,643**
Adjustment for :		
Depreciation and amortization expenses	396	419
Unrealised exchange (gain) / loss (net)	(4)	23
Gain on sale of property, plant and equipment / asset held for sale (net) (net of incidental expenses)	(218)	(318)
Impairment on assets classified as held for sale	-	29
Gain on transfer of distribution business of Soframycin and Sofradex (net of incidental expenses)	-	(1,181)
Gain on termination/retirement of lease (net)	(13)	*
Finance costs	17	17
Interest income	(475)	(589)
Share based payment (net)	61	21
Provision for bad and doubtful debts (net)	(8)	(15)
Provision for doubtful advances and deposits (net)	(4)	1
Operating profit before working capital changes	**8,210**	**7,050**
Adjustments for (increase) / decrease in operating assets		
Non-current financial assets	40	10
Other non-current assets	1	-
Inventories	(2,558)	(314)
Trade receivables	6	206
Current financial assets and loans	(7)	(43)
Other current assets	101	(24)
Adjustments for increase / (decrease) in operating liabilities		
Employee benefit obligations	(268)	(192)
Trade payables	(669)	(280)
Current financial liabilities	40	15
Other current liabilities & provisions	(175)	166
Cash generated from operations	**4,721**	**6,594**
Taxes paid (net of refunds)	(2,413)	(2,607)
Net Cash inflow from operating activities (A)	**2,308**	**3,987**
Cash flows from Investing activities		
Sale proceeds of property, plant and equipment and assets held for sale (net of incidental expenses)	243	353
Sale proceeds of distribution business of Soframycin and Sofradex (net of incidental expenses)	-	1,339
Interest received	475	589
Repayment of loan given	-	4,450
Investment in Subsidiary	(20)	-
Purchase of property, plant and equipment and Intangible assets including Capital work-in-progress and Intangible assets under development	(343)	(222)
Net cash inflow from investing activities (B)	**355**	**6,509**

Standalone Statement of Cash Flows

for the year ended December 31, 2023

(₹ in Million)

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Cash flows from financing activities		
Principal elements of lease payments	(83)	(80)
Interest paid for leases	(17)	(17)
Dividend paid	(8,683)	(15,730)
Net cash used in financing activities (C)	**(8,783)**	**(15,827)**
Net decrease in cash and cash equivalents (A+B+C)	**(6,120)**	**(5,331)**
Effect of Exchange differences on cash and cash equivalents held in foreign currency	*	*
Cash and Cash Equivalents at the beginning of the year	10,049	15,380
Cash and Cash Equivalents at the end of the year	**3,929**	**10,049**
Non- cash financing and investing activities (D)		
Acquisition of Right-of-use assets	106	78
Components of Cash and Cash Equivalents		
Cash and Cash Equivalents	**3,929**	**10,049**

* denotes figure less than a million.

Notes:

The above Standalone Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 Statement of Cash Flows.

The above standalone statement of cash flows should be read in conjunction with the accompanying notes.

This is the standalone 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

Arunkumar Ramdas
Partner
Membership No: 112433
Place: Mumbai
Date: February 23, 2024

For and on behalf of the Board of Directors

Rodolfo Hrosz
Managing Director
DIN: 09609832
Place: Mumbai
Date: February 23, 2024

Usha Thorat
Director
DIN: 00542778
Place: Mumbai
Date: February 23, 2024

Rachid Ayari
Whole Time Director & CFO
DIN: 10408699
Place: Mumbai
Date: February 23, 2024

Radhika Shah
Company Secretary
Membership No: A19308
Place: Mumbai
Date: February 23, 2024

Standalone Statement of changes in equity

for the year ended December 31, 2023

A. Equity share capital

(₹ in Million)

Particulars	Amount
As at January 1, 2022	**230**
Changes in equity share capital	-
As at December 31, 2022	**230**
Changes in equity share capital	-
As at December 31, 2023	**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 January 01, 2022	**601**	**20**	**17,951**	**3,454**	**22,026**
Profit for the year	-	-	6,206	-	6,206
Other comprehensive income	-	-	5	-	5
Total comprehensive income for the year	**-**	**-**	**6,211**	**-**	**6,211**
Transactions with owners in their capacity as owners:					
Dividend paid	-	-	(15,730)	-	(15,730)
Employee stock options expense (net) (Refer note 41)	21	-	-	-	21
As at December 31, 2022	**622**	**20**	**8,432**	**3,454**	**12,528**
Profit for the year	-	-	6,032	-	6,032
Other comprehensive income	-	-	(13)	-	(13)
Total comprehensive income for the year	**-**	**-**	**6,019**	**-**	**6,019**
Transactions with owners in their capacity as owners:					
Dividend paid	-	-	(8,432)	(251)	(8,683)
Employee stock options expense (net) (Refer note 41)	61	-	-	-	61
As at December 31, 2023	**683**	**20**	**6,019**	**3,203**	**9,925**

The above standalone statement of changes in equity should be read in conjunction with the accompanying notes.

This is the standalone 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

Arunkumar Ramdas
Partner
Membership No: 112433
Place: Mumbai
Date: February 23, 2024

For and on behalf of the Board of Directors

Rodolfo Hrosz
Managing Director
DIN: 09609832
Place: Mumbai
Date: February 23, 2024

Usha Thorat
Director
DIN: 00542778
Place: Mumbai
Date: February 23, 2024

Rachid Ayari
Whole Time Director & CFO
DIN: 10408699
Place: Mumbai
Date: February 23, 2024

Radhika Shah
Company Secretary
Membership No: A19308
Place: Mumbai
Date: February 23, 2024

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

1. Corporate Information

Sanofi India Limited ('the company') is a 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 – 400072, 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 also has various independent contract / third party manufacturers based across the country. The Company sells its products through independent distributors primarily in India.

These standalone financial statements were authorised for issue by the Board of Directors on February 23, 2024.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation

The standalone 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 standalone 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 standalone 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 Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are applicable to Sanofi India Limited effective from 01 January 2023. The amendments did not have a material impact on the Company.

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
- 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.

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

ii. Investment in subsidiary

Investment in subsidiary is carried at cost, less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investment, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

iii. 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 standalone 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 recognizes transfers between levels of fair value hierarchy at the end of reporting period during which the change has occurred.

iv. 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.

v. Foreign currency translation

Functional and presentation currency

Items included in the standalone financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The standalone 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

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

exchange rates are generally recognized 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.

vi. 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 discounts offered by the Company as part of the contract. Revenue (net of variable consideration) is recognized 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 recognized 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 obsolescence and loss pass to the customer and the Company has present right to payment. Revenue is measured at the transaction price 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 recognized 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.

vii. 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.

viii. 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.

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

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

basis, or to realize 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 recognized 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 utilized.

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 utilized. 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 realized 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.

ix. Leases

Leases are recognized 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 recognized 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.

x. 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.

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.

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

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 recognized 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.

xi. 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.

xii. Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

xiii. 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 realizable 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 realizable 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.

xiv. 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 amortized cost.

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 recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets (excluding trade receivables which do not contain a significant financing component) are recognized 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
- amortized cost.

Debt instruments

Debt instruments are subsequently measured at amortized 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 recognized 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 Standalone Financial Statements

as at and for the year ended December 31, 2023

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized 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 derecognized 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 derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

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 derecognized 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 recognized to the extent of continuing involvement in the financial asset.

Income recognition

Interest income

Interest income from debt instruments is recognized 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 amortized 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 recognized in the Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

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 recognized amounts and there is an intention to settle on a net basis or realize 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.

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

xv. Property, Plant and Equipment (PPE)

Items of Property, plant and equipment acquired or constructed are initially recognized 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 derecognized.

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 - Factory	30
Buildings – Non-Factory*	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.

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'.

xvi. Intangible assets

Intangible assets are stated at cost of acquisition less accumulated amortization / impairment losses.

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 amortizes 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

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

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 amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized on a straight-line basis over the period of expected future benefit from the related project, i.e., the estimated useful life. Amortization is recognized in the Statement of Profit and Loss. During the period of development, the asset is tested for impairment annually.

xvii. Provisions and contingent liabilities

Provisions

Provisions are recognized 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.

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 recognized as a finance cost.

Contingencies

Contingent liabilities are disclosed in the Notes to the standalone 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.

xviii. 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 recognized in the period in which the employee renders the related service.

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

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 Nepal and

b) defined benefit plans such as gratuity, pension plan and provident fund (other than 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 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 Nepal, defined benefit plans for post-employment benefits in the form of Provident 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 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.

xix. Share based payments

Sanofi S.A. France, 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 recognizes 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

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

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.

xx. 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."

xxi. 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.

xxii. 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.

xxiii. 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.

xxiv. 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 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.

xxv. 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

New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are applicable to Sanofi India Limited effective 1 January 2024.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

4. Significant Judgements and Estimates

The preparation of the Company's standalone 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 standalone financial statements 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.

The areas involving critical estimates and judgements are:

- Useful lives of Property, plant and equipment and intangibles [Refer Note 2.3 (xv) and (xvi)]
- Measurement of defined benefit obligations (Refer Note 42)
- Provision for inventories (Refer Note 11)
- Measurement and likelihood of occurrence of rovisions and contingencies (Refer Notes 23, 39, 43 and 45)
- Impairment of trade receivables (Refer Note 12)

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

5 (a)- Property, plant and equipment

(₹ in Million)

Particulars	Buildings	Leasehold Improvements	Plant and Equipments	Furniture and Fixtures	Office Equipments	Computers	Motor Vehicles	Total
Year ended December 31, 2022								
Gross Carrying Amount								
As at December 31, 2021	2,301	28	1,611	283	69	359	16	4,667
Additions	1	1	9	2	9	8	-	30
Transferred during the year from CWIP	2	-	65	*	*	1	-	68
Disposals	(112)	(6)	(46)	(11)	(3)	(59)	-	(237)
Closing Gross Carrying Amount	**2,192**	**23**	**1,639**	**274**	**75**	**309**	**16**	**4,528**
Accumulated Depreciation								
As at December 31, 2021	516	18	851	187	45	316	10	1,943
Depreciation charge during the year	90	3	157	32	6	34	2	324
Disposals	(90)	(6)	(36)	(8)	(2)	(60)	-	(202)
Closing Accumulated Depreciation	**516**	**15**	**972**	**211**	**49**	**290**	**12**	**2,065**
Net Carrying Amount as at December 31, 2022	**1,676**	**8**	**667**	**63**	**26**	**19**	**4**	**2,463**
Year ended December 31, 2023								
Gross Carrying Amount								
As at December 31, 2022	2,192	23	1,639	274	75	309	16	4,528
Additions	8	-	14	2	-	18	-	42
Transferred during the year from CWIP	162	-	175	1	-	22	-	360
Disposals	-	(23)	(34)	(14)	(32)	(95)	-	(198)
Closing Gross Carrying Amount	**2,362**	**-**	**1,794**	**263**	**43**	**254**	**16**	**4,732**
Accumulated Depreciation								
As at December 31, 2022	516	15	972	211	49	290	12	2,065
Depreciation charge during the year	98	2	147	31	7	19	2	306
Disposals	-	(17)	(31)	(11)	(29)	(95)	-	(183)
Closing Accumulated Depreciation	**614**	**-**	**1,088**	**231**	**27**	**214**	**14**	**2,188**
Net Carrying Amount as at December 31, 2023	**1,748**	**-**	**706**	**32**	**16**	**40**	**2**	**2,544**

* denotes figure less than a million

5 (b)- Capital work-in-progress

Capital work-in-progress of ₹ 133 million (December 31, 2022: ₹ 188 million) mainly comprises of plant and equipment and building being constructed in India.

(a) Ageing of Capital work-in-progress:

As on December 31, 2023

(₹ in Million)

Capital work-in-progress	Amount for Capital work-in-progress				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	67	38	28	-	133
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**67**	**38**	**28**	**-**	**133**

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

(b) Completion schedule for Capital work-in-progress whose completion has exceeded compared to its original plan:

Capital work-in-progress	To be Completed In				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

(c) Ageing of Capital work-in-progress:

As on December 31, 2022

Capital work-in-progress	Amount for Capital work-in-progress				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	160	28	-	-	188
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**160**	**28**	**-**	**-**	**188**

(d) Completion schedule for Capital work-in-progress whose completion has exceeded compared to its original plan:

Capital work-in-progress	To be Completed In				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

5 (c)- Leases

i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases of warehouse premises and factory land.

a) Right-of-use assets

The changes in the carrying value of Right-of-use assets for the year ended are as follows :

(₹ in Million)

Particulars	December 31, 2023	December 31, 2022
Office premises	177	210
Land	379	379
Total	**556**	**589**

Amounts recognised in balance sheet

Right-of-use assets:

Particulars	December 31, 2023	December 31, 2022
Opening balance	589	604
Add: Additions during the year	106	78
Less: Termination of leases during the year	(56)	(8)
Less: Depreciation during the year	(83)	(85)
Closing balance	**556**	**589**

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

b) **Lease liabilities**

Set out below are the carrying amounts of lease liabilities and the movements during the year :

(₹ in Million)

Particulars	December 31, 2023	December 31, 2022
Opening balance	236	246
Add: Additions during the year	106	78
Add: Interest for the year	17	17
Less: Lease payments made during the year	(100)	(97)
Less: Termination of leases during the year	(69)	(8)
Closing balance	**190**	**236**

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)
Cash balance / (Net Debt) as at December 31, 2021	15,380	(246)	15,134
Cash flows	(5,331)	-	(5,331)
Movement in lease liabilities (Refer table above)	-	10	10
Cash balance / (Net Debt) as at December 31, 2022	**10,049**	**(236)**	**9,813**
Cash flows	(6,120)	-	(6,120)
Movement in lease liabilities (Refer table above)	-	46	46
Cash balance / (Net Debt) as at December 31, 2023	**3,929**	**(190)**	**3,739**

The following is the break-up of current and non-current lease liabilities for the year ended:

Particulars	December 31, 2023	December 31, 2022
Current lease liabilities	51	87
Non-current lease liabilities	139	149
Total	**190**	**236**

ii) Amounts recognised in the Standalone Statement of Profit & Loss

Particulars	December 31, 2023	December 31, 2022
Depreciation charge on right-of-use assets (Refer Note 33)	83	85
Interest expense (Refer Note 32)	17	17
Expenses relating to short term and low value leases [Refer Note 34 (a)]	11	17
Gain on termination of leases (Refer Note 28)	(13)	(*)
Total	**98**	**119**

iii) Variable lease payments

The Company does not have any variable lease payments for the above leases.

iv) Extension and termination options

Extension and termination options are included in an number of leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations.

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

6 (a) - Intangible assets

(₹ in Million)

Particulars	Software	Technical know-how	Total
Year ended December 31, 2022			
Gross Carrying Amount			
As at December 31, 2021	97	95	192
Additions	-	-	-
Disposals	-	-	-
Closing Gross Carrying Amount	**97**	**95**	**192**
Accumulated amortisation			
As at December 31, 2021	89	90	179
Amortisation charge during the year	8	2	10
Disposals	-	-	-
Closing Accumulated Depreciation	**97**	**92**	**189**
Net Carrying Amount as at December 31, 2022	**-**	**3**	**3**
Year ended December 31, 2023			
Gross Carrying Amount			
As at December 31, 2022	**97**	**95**	**192**
Additions	5	48	53
Disposals	(97)	-	(97)
Closing Gross Carrying Amount	**5**	**143**	**148**
Accumulated amortisation			
As at December 31, 2022	**97**	**92**	**189**
Amortisation charge during the year	1	6	7
Disposals	(97)	-	(97)
Closing Accumulated Depreciation	**1**	**98**	**99**
Net Carrying Amount as at December 31, 2023	**4**	**45**	**49**

6 (b) - Intangible assets under development

Intangible assets under development of ₹ 26 million (December 31, 2022: ₹ 48 million) mainly comprises of product development and technical know- how.

(a) Ageing of Intangible Assets Under Development:

As on December 31, 2023

Intangible Assets Under Development	Amounts in Intangible Assets under Development for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	-	-	-	26	26
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**26**	**26**

(b) Completion schedule for intangible assets under development whose completion has exceeded compared to its original plan:

As on December 31, 2023

Intangible Assets Under Development	To be Completed In				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

(c) Ageing of Intangible Assets Under Development:

As on December 31, 2022

(₹ in Million)

Intangible Assets Under Development	Amounts in Intangible Assets under Development for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	9	10	13	16	48
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**9**	**10**	**13**	**16**	**48**

(d) Completion schedule for intangible assets under development whose completion has exceeded compared to its original plan:

As on December 31, 2022

Intangible Assets Under Development	To be Completed In				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

7 - Investment in subsidiary

Particulars	December 31, 2023	December 31, 2022
Equity Instruments (Unquoted):		
Investment in subsidiary		
2,000,000 (December 31, 2022 : Nil) Equity Shares of ₹ 10 each, fully paid up, held in Sanofi Consumer Healthcare India Limited	20	-
Total	**20**	**-**

8 - Non current financial assets-Other financial assets

Particulars	December 31, 2023	December 31, 2022
Unsecured, considered good		
Margin money deposits (Refer note 14)	5	23
Other receivables	39	44
Other deposits	15	15
Security deposits	52	65
Unsecured, considered doubtful		
Security deposits	17	21
Less: Loss allowance	(17)	(21)
Total	**111**	**147**

9 (a) - Income tax assets (net)

Particulars	December 31, 2023	December 31, 2022
Advance income tax (net of provision of ₹ 11,046 million; December 31, 2022: ₹ 7,534 million)	1,194	1,099
Total	**1,194**	**1,099**

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

9 (b) -Current tax liabilities (net)

(₹ in Million)

Particulars	December 31, 2023	December 31, 2022
Income Tax provision (net of advance tax ₹ 18,834 million; December 31, 2022: ₹ 20,028 million)	1,015	900
Total	**1,015**	**900**

10 - Other non-current assets

Particulars	December 31, 2023	December 31, 2022
Capital advances	20	41
Prepaid rentals	35	36
Total	**55**	**77**

11 - Inventories

Particulars	December 31, 2023	December 31, 2022
Raw materials and packing materials	1,785	2,151
(Including in transit ₹ 178 million; December 31, 2022 : ₹ 230 million)		
Work-in-progress	36	57
Finished goods	738	600
Stock-in-trade	4,079	1,272
(Including in transit ₹ 4 million; December 31, 2022 : ₹ 131 million)		
Total	**6,638**	**4,080**

The Company has created provision amounting to ₹ 101 million (December 31,2022 : ₹ 66 million) which is mainly on account of inventory which is expired, near expiry, damaged etc.

12 - Trade receivables

Particulars	December 31, 2023	December 31, 2022
Trade receivables from contract with Customers	377	472
Trade receivables from contract with Customers - related parties (Refer note 40)	985	872
Less: Allowance for credit losses	(45)	(53)
Total	**1,317**	**1,291**

Breakup up of security details

Particulars	December 31, 2023	December 31, 2022
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	1,362	1,344
Trade receivables considered good which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Total	**1,362**	**1,344**
Less: Allowance for credit losses	(45)	(53)
Total	**1,317**	**1,291**

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

Ageing schedule for Trade receivables

As at December 31, 2023

(₹ in Million)

Particulars	Outstanding for the following periods from due date							
	Unbilled	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables								
Considered good	-	1,212	92	13	5	6	34	1,362
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Less: Allowance for credit losses	-	-	-	-	(5)	(6)	(34)	(45)
Disputed Trade Receivables								
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Less: Allowance for credit losses	-	-	-	-	-	-	-	-
Total	**-**	**1,212**	**92**	**13**	**-**	**-**	**-**	**1,317**
Expected loss rate	**0%**	**0%**	**0%**	**0%**	**100%**	**100%**	**100%**	

As at December 31, 2022

Particulars	Outstanding for following periods from due date							
	Unbilled	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables								
Considered good	-	1,240	46	6	10	12	30	1,344
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Less: Allowance for credit losses	-	-	(1)	-	(10)	(12)	(30)	(53)
Disputed Trade Receivables								
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Less: Allowance for credit losses	-	-	-	-	-	-	-	-
Total	**-**	**1,240**	**45**	**6**	**-**	**-**	**-**	**1,291**
Expected loss rate	**0%**	**0%**	**2%**	**0%**	**100%**	**100%**	**100%**	

1. Refer note (50(A)) for credit and market risk on trade receivables.
2. There are no outstanding receivables due from directors or other officers of the company as year end.
3. No element of financing is deemed present and sales are generally made with a credit period as specified by the companies policy which is consistent with the market practice. The company does not have any contracts where the period between transfer of the promised goods and services to the customer and the payment by the customer exceeds 1 year. As a consequence, the company does not adjust any transaction prices for the time value of money.

13 - Cash and cash equivalents

Particulars	December 31, 2023	December 31, 2022
Balances with banks		
-in current accounts	628	326
-in EEFC accounts	12	52
Deposits with banks with original maturity of less than 3 months	3,289	9,671
Total	**3,929**	**10,049**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the current and previous year.

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

14 - Other bank balances

(₹ in Million)

Particulars	December 31, 2023	December 31, 2022
Margin money deposits (Refer note below)	38	42
Unpaid dividend accounts	82	78
Total	**120**	**120**

Margin money deposits given as security

Margin money deposits with carrying amount of ₹ 43 million (December 31, 2022 : ₹ 65 million) are subject to first charge to secure bank guarantees issued by banks on behalf of the Company.

15 - Current loans

Particulars	December 31, 2023	December 31, 2022
Unsecured, considered good		
Loans to employees	19	20
Total	**19**	**20**

Loan to employees includes amount due from directors / KMP amounting to Nil (PY : ₹*) (Refer note 40)

The Company has not granted loans to its promoters, directors, key managerial personnel (KMP) and the other related parties (as defined under the Companies Act, 2013) which are repayable on demand or without specifying any terms or period of repayment or any other loans or advance in the nature of loans during the current year and previous year.

* denotes figure less than a million

16 - Other current financial assets

Particulars	December 31, 2023	December 31, 2022
Security deposits	11	10
Other receivables	67	60
Total	**78**	**70**

17 - Other current assets

Particulars	December 31, 2023	December 31, 2022
Advance payments to suppliers	16	55
Export benefits receivable	7	1
Balance with government authorities	260	308
Prepaid expenses	71	81
Other Advances	5	1
Others	3	17
Total	**362**	**463**

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

18 -Assets classified as held for sale

(₹ in Million)

Particulars	December 31, 2023	December 31, 2022
Pertaining to Mumbai - Mulund		
Buildings	-	3
Freehold land	-	7
Plant and equipment	-	*
Net Carrying Value (a)	**-**	**10**
Pertaining to Mumbai - Pedder Road		
Building	-	*
Furniture and Fixtures	-	*
Office Equipment	-	*
Plant and Equipment	-	*
Net Carrying Value (b)	**-**	*****
Total asset held for sale (a) + (b)	**-**	**10**

* 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 January 1, 2022	23,500,000	235
Increase during the year	-	-
As at December 31, 2022	**23,500,000**	**235**
Increase during the year	-	-
As at December 31, 2023	**23,500,000**	**235**

Issued, Subscribed and Paid up :

(ii) Movements in equity share capital

Particulars	Number of shares	Amount
As at January 1, 2022	23,030,622	230
Issued during the year	-	-
As at December 31, 2022	**23,030,622**	**230**
Issued during the year	-	-
As at December 31, 2023	**23,030,622**	**230**

(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 (December 31, 2022 : 13,904,722) equity shares of ₹ 10 each fully paid are held by Hoechst GmbH, Germany, holding Company and 4,865 (December 31, 2022 : 4,865) equity shares of ₹ 10 each fully paid are held by Sanofi S.A., France ultimate holding Company.

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

(v) Details of shareholders holding more than 5% shares in the Company

(₹ in Million)

Particulars	December 31, 2023	December 31, 2022
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%
Life Insurance Corporation of India		
- No of shares	1,369,833	1,369,833
- % of holding	5.95%	5.95%

(vi) Details of Promoters shareholding

Name of Promoters	No. of Shares as on December 31, 2023	Percentage of Total Shares on December 31, 2023	Percentage Change during the year
Hoechst GmbH, Germany	13,904,722	60.37%	0.0%
Sanofi S.A.	4,865	0.02%	0.0%

19 (b) - Other equity - Reserves and surplus

Particulars	December 31, 2023	December 31, 2022
Securities premium	20	20
Retained earnings	6,019	8,432
General reserve	3,203	3,454
Share options outstanding account	683	622
Total	**9,925**	**12,528**

(i) Securities premium

Particulars	December 31, 2023	December 31, 2022
Opening balance	20	20
Movement during the year	-	-
Closing balance	**20**	**20**

(ii) Retained earnings

Particulars	December 31, 2023	December 31, 2022
Opening balance	**8,432**	**17,951**
Profit for the year	6,032	6,206
Items of Other Comprehensive Income recognised directly into retained earnings		
- Remeasurement of Post employee benefit obligaiton, net of tax	(13)	5
Dividend paid	(8,432)	(15,730)
Closing balance	**6,019**	**8,432**

(iii) General reserve

Particulars	December 31, 2023	December 31, 2022
Opening balance	**3,454**	**3,454**
Dividend paid	(251)	-
Closing balance	**3,203**	**3,454**

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

(iv) Share options outstanding account

(₹ in Million)

Particulars	December 31, 2023	December 31, 2022
Opening balance	622	601
Employee stock option expense (net) (Refer note 41)	61	21
Closing balance	683	622

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. Part of free reserve has been distributed as dividend

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	December 31, 2023	December 31, 2022
Compensated absences (Refer note 42)	296	320
Long service awards (Refer note 42)	11	18
Gratuity (Refer note 42)	-	17
Total	307	355

21 - Trade payables

Particulars	December 31, 2023	December 31, 2022
Trade Payables : micro and small enterprises (Refer note 46)	283	198
Trade Payables : Other than micro and small enterprises		
- Related parties (Refer note 40)	962	1,569
- Others	1,670	1,797
Total	2,915	3,564

Ageing Schedule for Trade Payable

As at December 31, 2023	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 year	2-3 year	More than 3 years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	266	-	-	-	17	283
Others	356	1,185	1,091	-	-	-	2,632
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	356	1,451	1,091	-	-	17	2,915

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

(₹ in Million)

As at December 31, 2022	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 year	2-3 year	More than 3 years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	181	-	-	-	17	198
Others	597	2,328	435	6	-	-	3,366
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	597	2,509	435	6	-	17	3,564

22 - Other current financial liabilities

Particulars	December 31, 2023	December 31, 2022
Other payables to related party (Refer note 40)	43	7
Unclaimed dividend #	82	78
Liability for capital goods	42	28
Total	167	113

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	December 31, 2023	December 31, 2022
Provision for sales return (Refer note 43)	690	728
Provision for indirect tax (Refer note 43)	284	330
Others (Refer note 43)	367	369
Total	1,341	1,427

24 - Current employee benefit obligations

Particulars	December 31, 2023	December 31, 2022
Employee related liabilities #	773	984
Compensated absences (Refer note 42)	64	44
Long service awards (Refer note 42)	2	3
Gratuity (Refer note 42)	89	99
Total	928	1,130

includes salaries, wages and bonus payable to employees

25 - Other current liabilities

Particulars	December 31, 2023	December 31, 2022
Contract liabilities	-	47
Statutory liabilities	96	129
Total	96	176

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

Revenue recognised in relation to Contract liabilities

(₹ in Million)

Particulars	December 31, 2023	December 31, 2022
Revenue recognised that was included in the contract liability at the beginning of the period	47	43
Total	**47**	**43**

26 - Liabilities directly associated with assets classified as held for sale

Particulars	December 31, 2023	December 31, 2022
Other payables (Refer note 18)	-	9
Total	**-**	**9**

27 - Revenue from operations

Particulars	December 31, 2023	December 31, 2022
Revenue from contract with customers :		
Sale of products	26,560	25,774
Sale of services	1,615	1,498
	28,175	**27,272**
Other operating income :		
Scrap sale	11	9
Indirect taxes refunds	-	19
Export incentives	27	37
Others #	298	364
	336	**429**
Total	**28,511**	**27,701**

Includes recovery of freight

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	December 31, 2023	December 31, 2022
Revenue by location of customers		
- India	23,227	23,421
- Outside India	5,284	4,280
	28,511	**27,701**
Timing of revenue recognition		
- At a point in time	26,896	26,203
- Over a period of time	1,615	1,498
Total revenue from contract with customers	**28,511**	**27,701**
Reconciliation of revenue recognised in the statement of profit and loss with contracted price		
- Contract price	29,642	29,180
- Less: Volume discount/Cash discount	(1,131)	(1,479)
Total revenue from contract with customers	**28,511**	**27,701**

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

28 - Other income

(₹ in Million)

Particulars	December 31, 2023	December 31, 2022
Interest		
Bank deposits	397	452
Loan given to fellow subsidiary (Refer note 40)	-	137
On Income tax refund	78	-
Rental income (Refer note 40)	2	2
Exchange differences (net)	16	2
Gain on termination of leases (Refer note 5 (c)	13	*
Miscellaneous Income	147	122
Total	**653**	**715**

* denotes figure less than a million

29 - Cost of materials consumed

Particulars	December 31, 2023	December 31, 2022
Inventory at the beginning of the year	2,151	2,106
Add: Purchases	5,278	5,542
Less: Inventory at the end of the year	1,785	2,151
Total	**5,644**	**5,497**

30 - Changes in Inventories of work-in-progress, stock-in-trade and finished goods

Particulars	December 31, 2023	December 31, 2022
Inventory at the end of the year		
Finished goods	738	600
Stock-in-trade	4,079	1,272
Work-in-progress	36	57
	4,853	**1,929**
Inventory at the beginning of the year		
Finished goods	600	549
Stock-in-trade	1,272	1,258
Work-in-progress	57	11
	1,929	**1,818**
Total	**(2,924)**	**(111)**

31 - Employee benefits expense

Particulars	December 31, 2023	December 31, 2022
Salaries, wages and bonus	3,327	3,692
Contribution to provident fund and other funds	166	178
Gratuity (Refer note 42)	61	81
Staff welfare expenses	91	87
Employee share based payment expense (net) (Refer note 41)	61	21
Total	**3,706**	**4,059**

Notes forming part of Standalone Financial Statements
as at and for the year ended December 31, 2023

32 - Finance costs

(₹ in Million)

Particulars	December 31, 2023	December 31, 2022
Other interest (Refer note 46)	*	*
Interest on lease liabilities (Refer note 5 (c))	17	17
Total	**17**	**17**

* denotes figure less than a million

33 - Depreciation and amortisation expense

Particulars	December 31, 2023	December 31, 2022
Depreciation of property, plant and equipment [Refer note 5 (a)]	306	324
Depreciation of right-of-use assets [Refer note 5 (c)]	83	85
Amortisation of intangible assets [Refer note 6 (a)]	7	10
Total	**396**	**419**

34 (a) - Other expenses

Particulars	December 31, 2023	December 31, 2022
Advertisement and sales promotion	409	338
Auxiliary and other materials	95	83
Auditors remuneration [(Refer note 34 (b)]	5	5
Expenditure towards Corporate Social Responsibility (CSR) activities (Refer note 47)	148	143
Insurance	117	114
Legal and professional fees	720	630
Service charges	13	43
Power and fuel	146	143
Provision for bad and doubtful debts (net)	(8)	(15)
Provision for doubtful advances and deposits	(4)	1
Rates and taxes	138	113
Rent	11	17
Repairs and maintenance- buildings	39	34
Repairs and maintenance - others	101	94
Repairs and maintenance - plant and machinery	36	29
Selling and distribution expenses	1,259	1,344
Stores and spares	2	2
Toll manufacturing charges	562	541
Trainings and meetings	60	60
Travelling and conveyance	607	536
Impairement on Assets held for sale	-	29
Loss on sale/Write-off of property, plant and equipment and asset held for sale (net)	37	2
Miscellaneous expenses	262	416
Total	**4,755**	**4,702**

Notes forming part of Standalone Financial Statements
as at and for the year ended December 31, 2023

34 (b) Auditors remuneration

(₹ in Million)

Particulars	December 31, 2023	December 31, 2022
Payment to Auditors:		
As auditor:		
Audit fees	5	5
Certificates	*	*
Reimbursement of Expenses	*	*
Total Payments to Auditors	**5**	**5**

* denotes figure less than a million

35 -Income Tax

35 (a) Income tax expense

Particulars	December 31, 2023	December 31, 2022
Current tax		
Current tax on profits for the year	2,433	2,452
Total current tax expense	**2,433**	**2,452**
Deferred tax		
Decrease in deferred tax assets	39	37
(Decrease) in deferred tax liabilities	(46)	(52)
Total deferred tax (credit)	(7)	(15)
Income tax expense	**2,426**	**2,437**

35 (b) For the year ended December 31, 2023, the company has recognised Deferred tax assets of ₹ 5 million in other comprehensive income whereas the company had reversed Deferred tax assets of ₹ 1 million for the year ended December 31, 2022 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	December 31, 2023	December 31, 2022
Profit before tax	8,458	8,643
At statutory income tax rate of 25.168% (December 31, 2022: 25.168%)	2,129	2,175
Expenses not deductible for tax purposes	201	306
Non taxable income under Income Tax Act, 1961	-	(13)
Taxable income under Income Tax Act, 1961	101	-
Difference on account of different tax rate for long term capital gains	(5)	(31)
Effective income tax	**2,426**	**2,437**

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

35 (d) Deferred tax liabilities (net)

(₹ in Million)

Particulars	December 31, 2023	December 31, 2022
The balance comprises temporary differences attributable to:		
Provision for doubtful debts and advances	(16)	(18)
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	(113)	(124)
Employee retirement and other long term benefits	(197)	(206)
Lease liabilities	(48)	(60)
Total deferred tax assets	**(374)**	**(408)**
Depreciation and amortisation	366	404
Right-of-Use Assets	45	53
Total deferred tax liabilities	**411**	**457**
Deferred tax liability (net)	**37**	**49**

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 December 31, 2023

Particulars	December 31, 2022	Charged/ (Credited) to Statement of Profit and Loss	Charged/ (Credited) to Other Comprehensive Income	December 31, 2023
Deferred Tax Liability				
Depreciation and amortisation	404	(38)	-	366
Right-of-Use Assets	53	(8)	-	45
Total Deferred Tax Liability	**457**	**(46)**	**-**	**411**
Less : Deferred Tax Assets				
Provision for doubtful debts and advances	(18)	2	-	(16)
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	(124)	11	-	(113)
Employee retirement and other long term benefits	(206)	14	(5)	(197)
Lease liabilities	(60)	12	-	(48)
Total Deferred Tax Assets	**(408)**	**39**	**(5)**	**(374)**
Net Deferred Tax Liabilities	**49**	**(7)**	**(5)**	**37**

(ii) Deferred Tax Assets/Liabilities in relation to the year ended December 31, 2022

Particulars	December 31, 2021	Charged/ (Credited) to Statement of Profit and Loss	Charged/ (Credited) to Other Comprehensive Income	December 31, 2022
Deferred Tax Liability				
Depreciation and amortisation	453	(49)	-	404
Right-of-Use Assets	56	(3)	-	53
Total Deferred Tax Liability	**509**	**(52)**	**-**	**457**
Less : Deferred Tax Assets				
Provision for doubtful debts and advances	(22)	4	-	(18)
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	(122)	(2)	-	(124)
Employee retirement and other long term benefits	(240)	33	1	(206)
Lease liabilities	(62)	2	-	(60)
Total Deferred Tax Assets	**(446)**	**37**	**1**	**(408)**
Net Deferred Tax Liabilities	**63**	**(15)**	**1**	**49**

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

36 Operating Segment

The operations of the Company are limited to one segment viz. Pharmaceutical products.

Operating segments are defined as components of a 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

(₹ in Million)

Particulars	December 31, 2023	December 31, 2022
India	23,227	23,421
Singapore	5,099	3,985
Others	185	295
Total	**28,511**	**27,701**

Information about major customers

One single customer represented 10% or more of the Company's total revenue during the year ended December 31, 2023 amounting to ₹ 5,099 million (December 31, 2022: ₹ 3,985 million) (Refer note 40).

37 Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 62 Million (December 31, 2022 : ₹ 194 Million).

38 Earnings per share:

Particulars	December 31, 2023	December 31, 2022
Profit for the year (₹ in Million)	6,032	6,206
Weighted average number of shares	23,030,622	23,030,622
Nominal value per share (₹)	10	10
Basic and diluted earnings per share (₹)	**261.91**	**269.47**

39 Contingent Liabilities

a)

Particulars	December 31, 2023	December 31, 2022
Income Tax demands in respect of which		
Tax authorities have appealed against Income tax orders which were ruled in favour of the Company	797	797
Company's appeals are pending before appropriate authorities/the Company is in process of filing an appeal with appropriate authorities	2,112	1,897

b) There are certain matters relating to Indirect tax litigations which are pending for decision at various authority levels. Based on management's assessment, these would have a remote possibility of cash outflow.

c) There are other legal cases filed against the Company which based on the management assessement the likelihood of cash outflow is considered to be remote.

d) The Supreme Court of India, through a ruling in February 2019, provided guidelines for interpreting the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. There is significant uncertainty and ambiguity in interpreting and giving effect to the guidelines of Supreme Court. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the Supreme Court Order. The Company will evaluate its position and act, as clarity emerges on impact of the ruling.

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

40 Related Party Disclosures

i. Parties where control exists:

a) Sanofi S.A. France, Ultimate Holding Company

b) Hoechst GmbH, Germany, Holding Company

c) Sanofi Consumer Healthcare India Limited, Subsidiary of the 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 *

Sanofi Chimie S.A

Opella Healthcare UK Limited

Sanofi Healthcare India Private Limited

Sanofi Winthrop Industrie S.A.

Sanofi-Aventis Recherche & Developpment

Sanofi US Services Inc. *

Sanofi Vietnam Shareholding Company *

Sanofi-Gestion S.A.

Euro API Germany GMBH

Sanofi Industries South Africa (PTY) Ltd. *

SSP Co. Ltd *

Sanofi India Limited Provident Fund

* No transactions during the year

iii. Key management personnel of the Company for the year

Mr. Rodolfo Hrosz - Managing Director (w.e.f June 01, 2022)

Mr. Rajaram Narayanan - Managing Director (till the closure of business hours of April 10, 2022)

Mr. Cherian Mathew - Whole Time Director (till the closure of business hours of September 26, 2023)

Mr. Vaibhav Karandikar - Chief Financial officer and Whole time director (till the closure of business hours of November 30,2023)

Mr. Rachid Ayari - Chief Financial officer and Whole time director (w.e.f. December 1, 2023)

Ms. Radhika Shah - Company Secretary

Ms. Reene Amonkar - Whole Time Director (w.e.f. September 26, 2023)

iv. Non-Executive Directors

Mr. Marc-Antoine Lucchini

Mr. Charles Billard - (till the closure of business hours of November 3, 2022)

Ms. Annapurna Das - (w.e.f November 3, 2022 till closure of business hours of July 31, 2023)

Mr. Vaibhav Karandikar - (w.e.f.December 1, 2023)

v. Independent Directors

Mr. Aditya Narayan

Mrs. Usha Thorat

Mr. Rahul Bhatnagar

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

vi. Transactions during the year

(₹ in Million)

Particulars	December 31, 2023	December 31, 2022
Ultimate Holding Company		
Dividend paid	2	3
Expenses recharged by	-	(22)
Total	**2**	**(19)**
Holding Company		
Dividend paid	5,242	9,497
Other related Parties		
Sale of Products and Other Operating Income		
Sanofi-Aventis Singapore Pte. Limited	5,025	3,938
Sanofi Healthcare India Private Limited	184	181
Others	-	2
Total	**5,209**	**4,121**
Purchase of Raw Materials and Stock- in- trade		
Sanofi-Aventis Singapore Pte. Limited	5,939	2,474
Francopia S.A.R.L.	715	1,106
Sanofi Healthcare India Private Limited	2,766	3,220
Others	-	*
Total	**9,420**	**6,800**
Expenses recharged to other companies		
Sanofi-Aventis Groupe S.A.	-	2
Sanofi - Aventis Deutschland Gmbh	53	-
Sanofi Consumer Healthcare India Limited	3	-
Sanofi Healthcare India Private Limited	3	6
Sanofi-Gestion S.A.	13	4
Opella Healthcare UK Limited	3	-
Sanofi Winthrop Industrie S.A.	1	-
Others	-	*
Total	**76**	**12**
Sale of Services		
Sanofi Healthcare India Private Limited	1,517	1,431
Sanofi Winthrop Industrie S.A.	19	-
Sanofi-Aventis Singapore Pte. Limited	74	47
Sanofi-Aventis Recherche & Developpment	5	-
Others	-	20
Total	**1,615**	**1,498**
Purchase of Tangible Asset		
Sanofi-Aventis Deutschland GmbH	-	20
Total	**-**	**20**
Payment towards Intangible assets		
Sanofi Healthcare India Private Limited	26	-
Total	**26**	**-**

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

(₹ in Million)

Particulars	December 31, 2023	December 31, 2022
Payment towards Intangible assets under development		
Sanofi Healthcare India Private Limited	-	8
Total	**-**	**8**
Rent Income		
Sanofi Healthcare India Private Limited	2	2
Total	**2**	**2**
Rent Paid		
Sanofi Healthcare India Private Limited	*	1
Total	*****	**1**
Investment		
Sanofi Consumer Healthcare India Limited	20	-
Total	**20**	**-**
Repayment of loan given		
Sanofi Healthcare India Private Limited	-	4,450
Total	**-**	**4,450**
Interest income on loan		
Sanofi Healthcare India Private Limited	-	137
Total	**-**	**137**
Expenses recharged by other companies		
Sanofi Healthcare India Private Limited	31	60
Sanofi Winthrop Industrie S.A.	26	-
Sanofi-Aventis Deutschland Gmbh	39	-
Sanofi-Aventis Groupe	-	20
Euro API Germany GMBH	3	-
Others	*	*
Total	**99**	**80**
Contribution to In-house Trust for Post Employment Benefits - Provident Fund		
Sanofi India Limited Provident Fund (Including contribution by employees)	312	323

* denotes figure less than a million

Particulars	December 31, 2023	December 31, 2022
Key Management Personnel Remuneration # #		
Remuneration		
Mr. Rodolfo Hrosz	36	18
Mr. Rajaram Narayanan	-	33
Mr. Rachid Ayari	2	-
Mr. Vaibhav Karandikar	20	20
Mr. Cherian Mathew	22	26
Ms. Renee Amonkar	2	-
Ms. Radhika Shah	13	10
Total	**95**	**107**

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

(₹ in Million)

Particulars	December 31, 2023	December 31, 2022
Share based benefit		
Mr. Rodolfo Hrosz	10	6
Mr. Vaibhav Karandikar	5	4
Mr. Cherian Mathew	4	6
Mr. Rachid Ayari	*	-
Ms. Renee Amonkar	*	-
Ms. Radhika Shah	*	-
Total	**19**	**16**
Loan given		
Mr. Vaibhav Karandikar (Refer note 1 below)	*	*
Loan repaid		
Mr. Vaibhav Karandikar	*	*

Excludes Provision made on the basis of Actuarial valuation

* denotes figure less than a million

Particulars	December 31, 2023	December 31, 2022
Sitting Fees to Non- Executive Directors		
Mr. Aditya Narayan	1	1
Ms. Usha Thorat	1	2
Mr. Rahul Bhatnagar	2	2
Total	**4**	**5**
Commission to Non - Executive Directors		
Mr. Aditya Narayan	3	2
Ms. Usha Thorat	1	1
Mr. Rahul Bhatnagar	1	1
Total	**5**	**4**

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 December 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (December 31, 2022: 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.

vii. Outstanding as at December 31, 2023

(₹ in Million)

Particulars	December 31, 2023	December 31, 2022
Trade Receivables		
Sanofi-Aventis Singapore Pte. Limited	810	736
Sanofi Healthcare India Private Limited	148	128
Sanofi Winthrop Industrie S.A.	16	-
Sanofi-Aventis Recherche & Developpment	5	-
Sanofi-Gestion S.A.	6	-
Others	-	8
Total	**985**	**872**

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

(₹ in Million)

Particulars	December 31, 2023	December 31, 2022
Trade Payables		
Sanofi-Aventis Singapore Pte. Limited	188	533
Sanofi Winthrop Industrie S.A.	10	-
Francopia S.A.R.L.	248	789
Sanofi Healthcare India Private Limited	504	224
Sanofi-Aventis Deutschland Gmbh	12	-
Others	*	23
Total	**962**	**1,569**
Other Financial Liabilities		
Sanofi Healthcare India Private Limited	43	7
Statutory liabilities (Provident Fund Payable)		
Sanofi India Limited Provident Fund	26	26
Total	**26**	**26**
Key Management Personnel		
Loan receivable		
Mr. Vaibhav Karandikar (Refer Note 1 below)	-	*

* denotes figure less than a million

1) Given as per the Company's policies for employees. These are interest free loan and repayable in 12 month equal installments.

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 considered to be 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	December 31, 2023		December 31, 2022	
	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	90	26,852	79	34,742
Units granted during the year	99	10,689	101	7,795
Exercised during the year	84	(7,981)	68	(8,165)
Forfeited/expired/lapsed during the year	97	(4,445)	85	(7,520)
Units outstanding at the end of the year	**95**	**25,115**	**90**	**26,852**

Weighted average remaining contractual life of RSUs outstanding at the end of the year

	Life in (years)
As at December 31, 2023	1
As at December 31, 2022	1

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

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:

(₹ in Million)

Particulars	December 31, 2023	December 31, 2022
Employee share based payment expense (net)	61	21
Total employee share based payment expense (net)	**61**	**21**

42 Employee Benefits

Defined Contribution Plans (Refer Note 2.3 (xviii)(III))

The Company makes contributions towards provident fund (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	December 31, 2023	December 31, 2022
i) Contribution to Employees' Provident Fund (Nepal)	1	1
ii) Contribution to Employees' Superannuation Fund	24	29
iii) Contribution to Employee's Pension Scheme, 1995	33	36
iv) Contribution to Employee's State Insurance Corporation	*	*

*denotes figure less than a million.

Defined Benefit Plans

I) **Other long term employee benefits (Refer Note 2.3 (xviii)(II))**

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 (Refer Note 2.3 (xviii)(III))

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.

In above cases, the Company's liability is actuarially determined (using the Projected unit credit method) at the end of each year. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

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 standalone financial statements as at the Balance Sheet date:

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

Actuarial Assumptions

(₹ in Million)

Particulars	Gratuity		Pension Plan	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Discount Rate (per annum)	7.32.%	7.55.%	N/A	N/A
Expected Rate of Return on Plan Assets	7.32.%	7.55.%	N/A	N/A
Salary Escalation rate/Pension escalation rate	6%	6.8% p.a. for 1 year,7.50% p.a. for the next 3 years, 6.5% p.a. for the years thereafter	N/A	N/A
Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban	N/A	N/A
Employees attrition rate	For service 3 yrs & Below 12.00 % p.a. & For service 4 yrs and above 8.00 % p.a.	For service 4 yrs & Below 8.00 % p.a. & For service 5 yrs and above 2.00 % p.a.	N/A	N/A

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	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Liability at the beginning of the year	789	865	-	*
Interest Cost	60	61	-	*
Current Service Cost	52	55	-	-
Benefits Paid	(150)	(190)	-	(*)
Actuarial (gain)/loss on Financial Assumption	(18)	3	-	-
Actuarial (gain)/loss on Demographic Assumption	24	-	-	-
Actuarial (gain)/loss on Experience	11	(5)	-	-
Liability at the end of the year	**768**	**789**	**-**	**-**

*denotes figure less than a million.

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

ii) Fair value of Plan Assets

(₹ in Million)

Particulars	Gratuity		Pension Plan	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Fair Value of Plan Assets at the beginning of the year	673	506	-	-
Expected Return on Plan Assets	51	35	-	-
Employer's Contributions	65	265	-	-
Benefits Paid	(104)	(143)	-	-
Return on plan Asset, Excluding Interest	(6)	10	-	-
Fair Value of Plan Assets at the end of the year	**679**	**673**	**-**	**-**

*denotes figure less than a million.

iii) Amount Recognised in the Balance Sheet

Particulars	Gratuity		Pension Plan	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Liability at the end of the year	768	789	-	-
Fair Value of Plan Assets at the end of the year	679	673	-	-
Amount Recognised in the Balance Sheet	**89**	**116**	**-**	**-**

*denotes figure less than a million.

iv) Expenses Recognised in the Income Statement

Particulars	Gratuity		Pension Plan	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Current Service Cost	52	55	-	-
Interest Cost on benefit obligation (net)	9	26	-	*
Expenses Recognised	**61**	**81**	**-**	*****

*denotes figure less than a million.

v) Expenses Recognised in Other Comprehensive Income (OCI) for current year

A)	Gratuity		Pension Plan	
Particulars	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Actuarial changes arising from changes in financial assumptions	(18)	3	-	-
Actuarial changes arising from changes in demographic assumptions	24	-	-	-
Actuarial changes arising from changes in experience adjustments	11	(5)	-	-
Return on Plan Asset, Excluding Interest Income	6	(10)	-	-
OCI for the year	**23**	**(12)**	**-**	**-**

Notes forming part of Standalone Financial Statements
as at and for the year ended December 31, 2023

(₹ in Million)

B) Also refer note C below	Provident Fund	
Particulars	**December 31, 2023**	**December 31, 2022**
Interest Short Fall /(Reversal)	(5)	6
OCI for the year	**(5)**	**6**
Above is the movement on account of interest shortfall obligation as on Balance Sheet date. Interest obligation as on December 31,2023 : ₹ 115 million (December 31,2022 : ₹ 120 million)		
Total OCI for the Year (A+B)	**18**	**(6)**

vi) Maturity profile of defined benefit obligations (undiscounted)

Projected Benefits Payable in Future Years From the Date of Reporting	Gratuity	
	December 31, 2023	**December 31, 2022**
1 year (within next 12 months)	128	69
2 to 10 years	652	540
Above 10 years	494	1,224

vii) Sensitivity Analysis

Particulars	Gratuity	
	December 31, 2023	**December 31, 2022**
Benefit Obligation on Current Assumptions	768	789
Effect of +0.5% Change in Rate of Discounting	(21)	(33)
Effect of -0.5% Change in Rate of Discounting	22	36
Effect of +0.5% Change in Rate of Salary Increase	22	36
Effect of -0.5% Change in Rate of Salary Increase	(21)	(34)
Effect of +0.5% Change in Rate of Employee Turnover	2	3
Effect of -0.5% Change in Rate of Employee Turnover	(2)	(3)

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	
	December 31, 2023	**December 31, 2022**
Fund managed by Life Insurance Corporation of India (unquoted)	94%	94%
Special Deposit Fund	6%	6%

Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available.

Notes forming part of Standalone Financial Statements
as at and for the year ended December 31, 2023

C. **Provident Fund (other than Nepal)**

The Company manages the provident fund through a Provident Fund Trust for its employees (except Staff and Workmen at 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 December 31, 2023 and based on the same gain of ₹ 5 million (Previous Year loss of ₹ 6 million) on account of re-measurement of fair value of plan assets and on account of interest shortfall as on Balance Sheet date is recognised in Other Comprehensive Income.

Key assumption used for actuarial valuation are as below :

Particulars	Provident Fund	
	December 31, 2023	**December 31, 2022**
Rate of Discounting	7.32%	7.55%
Guranteed rate of return	8.15%	8.10%
Weighted Average Yield	7.94%	7.99%

43 Other provisions:

Movements in provisions:

(₹ in Million)

Particulars	Class of provisions				
	Indirect tax	**Provision for Sales Returns**	**Provision for DPCO matters**	**Others**	**Total**
Balance as at January 1, 2023	330	728	367	2	1,427
	(341)	(552)	(367)	(40)	(1,300)
Amount provided during the year	12	529	-	-	541
	(10)	(555)	(-)	(2)	(567)
Amount written back/paid during the year	58	567	-	2	627
	(21)	(379)	(-)	(40)	(440)
Balance as at December 31, 2023	284	690	367	-	1,341
	(330)	(728)	(367)	(2)	(1,427)

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 Standalone Financial Statements

as at and for the year ended December 31, 2023

44 Derivative Instruments and Un-hedged Foreign Currency Exposure:

There are no derivative instrument as at Balance Sheet date

Particulars of un-hedged Foreign Currency exposure as at Balance sheet date

(₹ in Million)

Particulars	Foreign Currency	December 31, 2023		December 31, 2022	
		Foreign Currency Value	₹ in Million	Foreign Currency Value	₹ in Million
Trade Payables	EUR	6,422,568	590	13,223,417	1,171
	USD	1,068,256	89	351,118	29
	JPY	-	-	2,687,500	2
Trade Receivables	EUR	9,118,460	838	8,395,451	744
	USD	1,008,760	84	251,469	21
Cash and Bank Balances	EUR	-	-	59,213	5
	USD	145,769	12	562,503	47

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.

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 Standalone Financial Statements

as at and for the year ended December 31, 2023

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.

(₹ in Million)

Particulars	December 31, 2023	December 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	266	181
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	17	17
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	56	65
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	*	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the 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 MSMED Act	*	*
Interest accrued and remaining unpaid at the end of the accounting year	*	*
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	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

Particulars	Year ended December 31, 2023	Year ended December 31, 2022
Amount required to be spent as per Section 135 of the Act	148	143
Amount spent during the year :		
i) Construction/acquisition of any asset	-	-
ii) On purpose other than (i) above :		
a) Public Private Partnership with the Government of Goa	11	11
b) Non communinable CD program with the Health Department of the Govt. of Maharashtra & Telangana	60	67
c) Towards Counselling patients to manage their diabetes and create awareness on early detection	58	68
d) Towards Employee volunteering - Joy in Outreach	1	1
e) Towards Grants/Donation	2	2
f) Cancer awareness programme	9	24
g) Administrative overheads	7	7
Total	**148**	**180**
Shortfall of 2021 spend	-	37
CSR expenses for the year (Refer note 34 (a))	**148**	**143**

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

Details of ongoing CSR projects under section 135(6) of the Act

(₹ in Million)

Balance as at January 1, 2023		Amount required to be spent during the year	Amount spent during the year		Balance as at December 31, 2023	
With the Company	In Separate CSR unspent account		From the company's bank account	From separate CSR unspent account	With the Company	In Separate CSR unspect account
-	-	148	148	-	-	-

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance unspent as at January 1, 2023	Amount deposited in the specified fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at December 31, 2023
-	-	-	-	-

48 a) Exceptional Item for the current year includes profit on sale of property amounting to ₹ 255 million offset by personnel separation cost amounting to ₹ 77 million.

b) Exceptional item for the previous year ended December 31, 2022 includes gain of ₹ 1,181 million on account of transfer of distribution business of Soframycin and Sofradex to Encube Ethicals Private Limited and profit on sale of a property amounting to ₹ 320 million offset by personnel separation cost amounting to ₹ 181 million.

49 Fair value measurements

Financial instruments by category

Particulars	December 31, 2023			December 31, 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Loans	-	-	19	-	-	20
Trade receivables	-	-	1,317	-	-	1,291
Cash and cash equivalents	-	-	3,929	-	-	10,049
Bank balances other than cash and cash equivalents	-	-	120	-	-	120
Other financial assets	-	-	189	-	-	217
Total financial assets	**-**	**-**	**5,574**	**-**	**-**	**11,697**
Financial liabilities						
Trade payables	-	-	2,915	-	-	3,564
Other financial liabilities	-	-	167	-	-	113
Total financial liabilities	**-**	**-**	**3,082**	**-**	**-**	**3,677**

Fair value of financial assets/liabilities measured at amortised cost

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, 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.

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

50 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 minimize 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.

(i) Trade and other receivables

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 1,317 million as at December 31, 2023 (December 31, 2022 - ₹ 1,291 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 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:

(₹ in Million)

Particulars	December 31, 2023	December 31, 2022
Opening balance	53	68
Changes in loss allowance	(8)	(15)
Closing balance	45	53

The management believes that no further provision is necessary in respect of trade receivables based on historical trends of these customers.

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.

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

(ii) Cash and cash equivalents and bank balances

The Company held cash and cash equivalents of ₹ 3,929 million as at December 31, 2023 (December 31, 2022 : ₹ 10,049 million) and other bank balances of ₹ 120 million (December 31, 2022 : ₹ 120 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.

The Company's maximum exposure to the credit risk as at December 31,2023 and December 31, 2022 is the carrying value of each class of 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 December 31, 2023 and December 31, 2022. 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.

(₹ in Million)

Particulars	Carrying amount	Undiscounted Amount		
		Payable within one year	Payable more than one year	Total
As at December 31, 2023				
Lease liabilities	190	62	174	236
Trade Payables	2,915	2,915	-	2,915
Unclaimed dividend	82	82	-	82
Liability of Capital Goods	42	42	-	42
Other Payables	43	43	-	43

Particulars	Carrying amount	Undiscounted Amount		
		Payable within one year	Payable more than one year	Total
As at December 31, 2022				
Lease liabilities	236	101	161	262
Trade Payables	3,564	3,564	-	3,564
Unclaimed dividend	78	78	-	78
Liability of Capital Goods	28	28	-	28
Other Payables	7	7	-	7

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

(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 :

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. 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 :

(₹ in Million)

Particulars	December 31, 2023	
	EUR	USD
Trade receivables	838	84
Cash and cash equivalents	-	12
Trade payables	(590)	(89)
Net exposure	**248**	**7**

Particulars	December 31, 2022		
	EUR	USD	JPY
Trade receivables	744	21	-
Cash and cash equivalents	5	47	-
Trade payables	(1,171)	(29)	(2)
Net exposure	**(422)**	**39**	**(2)**

Sensitivity - Foreign Currency

The sensitivity of profit or loss to changes in the exchange rates is as follows:

Particulars	Impact on profit after tax	
	December 31, 2023	December 31, 2022
USD Sensitivity		
INR/USD increase by 1% (December 31, 2022 - 1%) #	*	*
INR/USD decrease by 1% (December 31, 2022 - 1%) #	(*)	(*)
EUR Sensitivity		
INR/EUR increase by 1% (December 31, 2022 - 1%) #	2	(3)
INR/EUR decrease by 1% (December 31, 2022 - 1%)#	(2)	3
JPY Sensitivity		
INR/JPY increase by 1% (December 31, 2022 - 1%)#	-	(*)
INR/JPY decrease by 1% (December 31, 2022 - 1%)#	-	*

Holding all other variables constant

* denotes figure less than a million

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

51 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.

No changes were made in the objectives, policies or processes for managing capital during the year ended December 31, 2023 and December 31, 2022.

(b) Dividend

(₹ in Million)

Particulars	December 31, 2023	December 31, 2022
(i) Equity shares		
Final dividend for the year ended December 31, 2022 : ₹ 377 (December 31, 2021 : ₹ 490) per fully paid up share	8,683	11,285
Interim dividend for the year ended December 31, 2023 : ₹ Nil (December 31, 2022 : ₹ 193) per fully paid up share	-	4,445
(ii) Dividends not recognised at the end of the reporting period		
Interim Dividend for the year ended December 31, 2023 : ₹ 50 (December 31, 2022 : ₹ Nil) per fully paid up share	1,152	-
In addition to the above dividends, the Board of Directors has recommended the payment of a final dividend of ₹ 117 per fully paid equity shares (December 31,2022 : ₹ 377).This proposed final dividend is subject to approval of shareholders in the ensuing annual general meeting.	2,695	8,683

52 Additional Regulatory Information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Company has no borrowings from banks and financial insitutions on the basis of security of current assets.

(iii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

The following table depicts the details of balances outstanding in respect of transactions undertaken with a company struck-off under section 248 of the Companies Act, 2013.

Name of struck-off Company	Nature of transactions with struck-off Company	Balance as at December 31, 2023	Balance as at December 31, 2022	Relationship with the struck-off Company
Piccadily Holiday Resort Ltd.	Receiving of Services	Nil	*	Vendor
Radisson Blu Hotel Ahmedabad	Receiving of Services	Nil	*	Vendor

* denotes figure less than a million

(v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of layers) Rules, 2017.

(vi) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact in the previous financial year. In the current year the Company has entered into a scheme of arrangement which is pending approval (Refer Note 54).

(vii) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

Other Regulatory Information

(i) Title deeds of immovable properties not held in name of the Company

All the title deeds of immovable properties are held in the name of Company.

(ii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(iii) Utilisation of borrowings availed from banks and financials institutions

The Company has no borrowings from banks and financial institutions. Hence this disclosure clause is not applicable

Notes forming part of Standalone Financial Statements

as at and for the year ended December 31, 2023

53 Key Ratio

Particulars		As at December 31, 2023	As at December 31, 2022	% of Variance	Reason for Variance
Current Ratio =	Current Assets / Current Liabilities	1.91	2.17	-11.98%	-
Return on Equity Ratio =	Net Profit After Taxes / Average Shareholder's Equity	0.53	0.35	51.43%	Reduction in shareholder's equity as on December 31, 2022 due to the payment of dividend in 2022
Inventory turnover Ratio =	Cost of Goods Sold / Average Inventory	2.24	2.97	-24.58%	Mainly due to increase in Inventory
Trade Receivables Turnover Ratio =	Revenue from operations / Average Trade Receivables	21.86	20.37	7.31%	-
Trade Payable Turnover Ratio =	Total Purchases / Average Trade Payables	4.50	3.29	36.78%	Mainly due to increase of purchases and reduction in trade payables
Net Capital Turnover Ratio =	Revenue from operations / Working Capital (Refer note 1 below)	4.79	3.18	50.63%	Mainly on account of decrease in cash and cash equivalent on account of payment of dividend
Net Profit ratio =	Net Profit After Taxes / Revenue from operations	0.21	0.22	-4.55%	-
Return On Capital Employed =	EBIT (Refer note 2 below) / Capital Employed (Net worth +Debt)	0.83	0.68	22.06%	-
Return On Investment =	EBIT (Refer note 2 below) / Total Assets	0.49	0.42	16.67%	-

Notes:

1. Working Capital= Current Asset-Current Liability
2. EBIT = Profit before Interest and tax
3. Debt to Equity ratio and Debt service coverage ratio is not applicable as there are no debts
4. Net Profit includes exceptional items and excludes Other Comprehensive Income.

54 The Board on May 10, 2023, approved a scheme of arrangement under Sections 230 to 232 of the Companies Act, 2013 ("Scheme"), to demerge the Consumer Healthcare Division of the Company into its wholly-owned subsidiary Sanofi Consumer Healthcare India Limited ("SCHIL"). The National Company Law Tribunal (NCLT) vide order dated November 24, 2023 rectified the appointed date to June 1, 2023, thereby modifying the Scheme.

Subsequent to the no-objection received from Bombay Stock Exchange Limited and National Stock Exchange of India Limited on September 22, 2023 the shareholders and creditors of the Company approved the Scheme on December 18, 2023. Following this, the Company filed a Petition before the NCLT. The NCLT admitted the Petition vide its Order dated January 16, 2024 and directed that the Petition be listed for final hearing.

Signatures to Notes 1 to 54

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. : 304026E/E-300009

Arunkumar Ramdas
Partner
Membership No: 112433
Place: Mumbai
Date: February 23, 2024

For and on behalf of the Board of Directors

Rodolfo Hrosz
Managing Director
DIN: 09609832
Place: Mumbai
Date: February 23, 2024

Usha Thorat
Director
DIN: 00542778
Place: Mumbai
Date: February 23, 2024

Rachid Ayari
Whole Time Director & CFO
DIN: 10408699
Place: Mumbai
Date: February 23, 2024

Radhika Shah
Company Secretary
Membership No: A19308
Place: Mumbai
Date: February 23, 2024

Independent Auditor's Report

To the Members of Sanofi India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Sanofi India Limited (hereinafter referred to as the "Holding Company") and its subsidiary company (Holding Company and its subsidiary together referred to as "the Group") (refer Note 37 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at December 31, 2023, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at December 31, 2023, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated 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 Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Tax litigations and contingencies. (Refer Notes 8(a), 8(b), 21, 36(a), 36(b) and 41 to the consolidated financial statements) As at December 31, 2023, several litigations under direct and indirect tax laws are pending for decision at various authority levels, in respect of which, the Group has disclosed contingent liabilities of ₹ 2,909 million. The management's assessment with regard to the tax matters is supported by views 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 consolidated 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 provision, or to be disclosed as a contingent liability, needs careful evaluation and judgement to be applied by the management.	Our audit procedures included the following: ▪ Understanding and evaluation of the design and testing the operating effectiveness of key controls in respect of assessment of tax litigations and contingencies, its accounting and disclosures in the consolidated financial statements; ▪ Obtaining a complete list of litigation matters and reading the underlying orders and other communications received from tax authorities and management's responses thereto, to assess the status of the litigations; ▪ Evaluating the independence, objectivity and competence of management's experts involved; ▪ Reading the management's experts' views, as applicable; ▪ Evaluating the management's assessment on the probability of outcome and the magnitude of potential outflow of economic resources in respect of tax matters including involvement of our tax specialists for assessing complex tax matters, based on recent rulings and latest developments in case laws; ▪ Evaluating appropriateness of the Company's disclosures in the consolidated financial statements. Based on the audit procedures performed, we did not identify any significant exceptions relating to the provisions recognised and disclosures made in the consolidated financial statements in respect of the tax matters.

Other Information

5. The Holding 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 consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 consolidated financial statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Holding company has adequate internal financial controls with reference to consolidated 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

12. 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.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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

14. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included in the CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

15. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on December 31, 2023 taken on record by the Board of Directors of the Holding Company and our report as the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on December 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group – Refer 21, 36, 41 and 43 to the consolidated financial statements.

ii. The Group was not required to recognise a provision as at December 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Group did not have any derivative contracts as at December 31, 2023.

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company incorporated in India during the year ended December 31, 2023.

iv. (a) The respective Managements of the Holding Company and its subsidiary company which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief and as disclosed in the note 50 (vii) to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or subsidiary company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or subsidiary company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiary company which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief and as disclosed in the note 50 (vii) to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or subsidiary company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or subsidiary company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid during the year by the Holding Company, is in compliance with Section 123 of the Act. The subsidiary company has not declared or paid any dividend during the year.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the Group only with effect from financial year beginning January 01, 2024, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

16. The Holding 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. The subsidiary company has not paid/ provided for any managerial remuneration during the period. Accordingly, reporting under Section 197(16) of the Act is not applicable to the subsidiary company.

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

Arunkumar Ramdas
Partner
Membership Number: 112433
UDIN: 24112433BKFWDD5053

Place: Mumbai
Date: February 23, 2024

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of Sanofi India Limited on the consolidated financial statements for the year ended December 31, 2023.

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended December 31, 2023, we have audited the internal financial controls with reference to financial statements of Sanofi India Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 ("the Guidance Note") 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 the respective 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.

Auditor's 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 issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, 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 Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control 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 control 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 control 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 Holding Company and its subsidiary company, which are companies incorporated in India, have, 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 December 31, 2023, 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 issued by the ICAI.

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

Arunkumar Ramdas
Partner
Membership Number: 112433
UDIN: 24112433BKFWDD5053

Place: Mumbai
Date: February 23, 2024

Consolidated Balance Sheet

as at December 31, 2023

(₹ in Million)

Particulars	Notes	As at December 31, 2023
ASSETS		
Non-current assets		
Property, plant and equipment	5 (a)	2,544
Capital work-in-progress	5 (b)	133
Right-of-use assets	5 (c)	556
Intangible assets	6 (a)	49
Intangible assets under development	6 (b)	26
Financial assets		
Other financial assets	7	111
Income tax assets (net)	8 (a)	1,194
Other non-current assets	9	55
Total non-current assets		**4,668**
Current assets		
Inventories	10	6,638
Financial assets		
i. Trade receivables	11	1,317
ii. Cash and cash equivalents	12	3,945
iii. Bank balances other than (ii) above	13	120
iv. Loans	14	19
v. Other financial assets	15	78
Other current assets	16	363
Total current assets		**12,480**
TOTAL ASSETS		**17,148**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	17 (a)	230
Other equity		
Reserves and surplus	17 (b)	9,922
Total equity		**10,152**
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Lease liabilities	5 (c)	139
Employee benefit obligations	18	307
Deferred tax liabilities (net)	32 (d)	37
Total non-current liabilities		**483**

Consolidated Balance Sheet

as at December 31, 2023

(₹ in Million)

Particulars	Notes	As at December 31, 2023
Current liabilities		
Financial liabilities		
i. Lease liabilities	5 (c)	51
ii. Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	19	283
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	19	2,632
iii. Other financial liabilities	20	167
Provisions	21	1,341
Employee benefit obligations	22	928
Current tax liabilities (net)	8 (b)	1,015
Other current liabilities	23	96
Total current liabilities		**6,513**
Total liabilities		**6,996**
TOTAL EQUITY AND LIABILITIES		**17,148**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

This is the consolidated balance sheet referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. : 304026E/E-300009

Arunkumar Ramdas
Partner
Membership No: 112433
Place: Mumbai
Date: February 23, 2024

For and on behalf of the Board of Directors

Rodolfo Hrosz
Managing Director
DIN: 09609832
Place: Mumbai
Date: February 23, 2024

Usha Thorat
Director
DIN: 00542778
Place: Mumbai
Date: February 23, 2024

Rachid Ayari
Whole Time Director & CFO
DIN: 10408699
Place: Mumbai
Date: February 23, 2024

Radhika Shah
Company Secretary
Membership No: A19308
Place: Mumbai
Date: February 23, 2024

Consolidated Statement of Profit and Loss

for the year ended December 31, 2023

(₹ in Million)

Particulars	Notes	Year ended December 31, 2023
Revenue from operations	24	28,511
Other income	25	653
Total income		**29,164**
Expenses		
Cost of materials consumed	26	5,644
Purchases of stock-in-trade		9,290
Changes in Inventories of work-in-progress, stock-in-trade and finished goods	27	(2,924)
Employee benefits expense	28	3,706
Finance costs	29	17
Depreciation and amortisation expense	30	396
Other expenses	31 (a)	4,758
Total expenses		**20,887**
Profit before exceptional item and tax		**8,277**
Exceptional items (Net)	46	178
Profit before tax		**8,455**
Tax expense		
- Current tax	32 (a)	2,433
- Deferred tax	32 (a)	(7)
Total tax expense		**2,426**
Profit for the year		**6,029**
Other comprehensive income		
Items that will not be reclassified to the statement of profit and loss		
- Remeasurements of post-employment benefit obligations	40 (v)	(18)
- Income Tax impact relating to these items	32 (b)	5
Other comprehensive income for the year, net of tax		**(13)**
Total comprehensive income for the year		**6,016**
Earnings per Share – Basic and Diluted (Refer note 35) (in ₹)		261.78
[per Equity Share of ₹ 10 each]		

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.
This is the consolidated 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

Arunkumar Ramdas
Partner
Membership No: 112433
Place: Mumbai
Date: February 23, 2024

For and on behalf of the Board of Directors

Rodolfo Hrosz
Managing Director
DIN: 09609832
Place: Mumbai
Date: February 23, 2024

Usha Thorat
Director
DIN: 00542778
Place: Mumbai
Date: February 23, 2024

Rachid Ayari
Whole Time Director & CFO
DIN: 10408699
Place: Mumbai
Date: February 23, 2024

Radhika Shah
Company Secretary
Membership No: A19308
Place: Mumbai
Date: February 23, 2024

Consolidated Statement of Cash Flows

for the year ended December 31, 2023

(₹ in Million)

Particulars	Year ended December 31, 2023
Cash flows from operating activities	
Profit before tax	**8,455**
Adjustment for :	
Depreciation and amortization expenses	396
Unrealised exchange (gain) (net)	(4)
Gain on sale of property, plant and equipment / asset held for sale (net) (net of incidental expenses)	(218)
Gain on termination/retirement of lease (net)	(13)
Finance costs	17
Interest income	(475)
Share based payment (net)	61
Provision for bad and doubtful debts (net)	(8)
Provision for doubtful advances and deposits (net)	(4)
Operating profit before working capital changes	**8,207**
Adjustments for (increase) / decrease in operating assets	
Non-current financial assets	40
Other non-current assets	1
Inventories	(2,558)
Trade receivables	6
Current financial assets and loans	(7)
Other current assets	100
Adjustments for increase / (decrease) in operating liabilities	
Employee benefit obligations	(268)
Trade payables	(669)
Current financial liabilities	40
Other current liabilities & provisions	(175)
Cash generated from operations	**4,717**
Taxes paid (net of refunds)	(2,413)
Net Cash inflow from operating activities (A)	**2,304**
Cash flows from Investing activities	
Sale proceeds of property, plant and equipment and assets held for sale (net of incidental expenses)	243
Interest received	475
Purchase of property, plant and equipment and Intangible assets including Capital work-in-progress and Intangible assets under development	(343)
Net cash inflow from investing activities (B)	**375**
Cash flows from financing activities	
Principal elements of lease payments	(83)
Interest paid for leases	(17)
Dividend paid	(8,683)
Net cash used in financing activities (C)	**(8,783)**
Net decrease in cash and cash equivalents (A+B+C)	**(6,104)**

Consolidated Statement of Cash Flows

for the year ended December 31, 2023

(₹ in Million)

Particulars	Year ended December 31, 2023
Effect of Exchange differences on cash and cash equivalents held in foreign currency	*
Cash and Cash Equivalents at the beginning of the year	10,049
Cash and Cash Equivalents at the end of the year	**3,945**
Non- cash financing and investing activities (D)	
Acquisition of Right-of-use assets	106
Components of Cash and Cash Equivalents	
Cash and Cash Equivalents	**3,945**

* denotes figure less than a million.

Notes:

The above Consolidated Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 Statement of Cash Flows.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

This is the Consolidated 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

Arunkumar Ramdas
Partner
Membership No: 112433
Place: Mumbai
Date: February 23, 2024

For and on behalf of the Board of Directors

Rodolfo Hrosz
Managing Director
DIN: 09609832
Place: Mumbai
Date: February 23, 2024

Usha Thorat
Director
DIN: 00542778
Place: Mumbai
Date: February 23, 2024

Rachid Ayari
Whole Time Director & CFO
DIN: 10408699
Place: Mumbai
Date: February 23, 2024

Radhika Shah
Company Secretary
Membership No: A19308
Place: Mumbai
Date: February 23, 2024

Consolidated Statement of changes in equity

for the year ended December 31, 2023

A. Equity share capital

(₹ in Million)

Particulars	Amount
As at January 1, 2023	**230**
Changes in equity share capital	-
As at December 31, 2023	**230**

B. Other equity [Refer note 17 (b)]

(₹ in Million)

Particulars	Attributable to owners of the Company				
	Reserves and surplus				Total
	Share options outstanding account	Securities premium	Retained earnings	General reserve	
As at January 1, 2023	**622**	**20**	**8,432**	**3,454**	**12,528**
Profit for the year	-	-	6,029	-	6,029
Other comprehensive income	-	-	(13)	-	(13)
Total comprehensive income for the year	**-**	**-**	**6,016**	**-**	**6,016**
Transactions with owners in their capacity as owners:					
Dividend paid	-	-	(8,432)	(251)	(8,683)
Employee stock options expense (net) (Refer note 39)	61	-	-	-	61
As at December 31, 2023	**683**	**20**	**6,016**	**3,203**	**9,922**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

This is the consolidated 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

Arunkumar Ramdas
Partner
Membership No: 112433
Place: Mumbai
Date: February 23, 2024

For and on behalf of the Board of Directors

Rodolfo Hrosz
Managing Director
DIN: 09609832
Place: Mumbai
Date: February 23, 2024

Usha Thorat
Director
DIN: 00542778
Place: Mumbai
Date: February 23, 2024

Rachid Ayari
Whole Time Director & CFO
DIN: 10408699
Place: Mumbai
Date: February 23, 2024

Radhika Shah
Company Secretary
Membership No: A19308
Place: Mumbai
Date: February 23, 2024

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

1. Corporate Information

Sanofi India Limited ('the Company' or 'Holding Company') is a 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 – 400072, 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 also has various independent contract / third party manufacturers based across the country. The Company sells its products through independent distributors primarily in India.

The Company has a wholly owned subsidiary Sanofi Consumer Healthcare India Limited (SCHIL) w.e.f May 10, 2023 (date of incorporation of SCHIL) (Refer Note 37 and 52) to the consolidated financial statements.

The Holding Company and its subsidiary (collectively referred to as the 'Group').

These consolidated financial statements were authorised for issue by the Board of Directors on February 23, 2024.

2. Summary of Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements.

2.1 Basis of preparation of consolidated financial statements

The consolidated 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 Compliance with Ind AS

The Holding Company has prepared the consolidated financial statements on account of its investment in wholly owned subsidiary SCHIL from May 10, 2023 (date of incorporation). Accordingly, figures for the year ended December 31, 2022 are not applicable and not provided with in accordance with applicable accounting standards. For the purposes of disclosure of opening balance/movement during the year as required as per the relevant accounting standard / Schedule III and Other pronouncements, opening balance (January 1, 2023) has been considered as balances of Holding Company as on December 31, 2022, from the audited standalone financial statements.

2.3 Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities are measured at fair value;
- share based payments; and
- defined benefit plans - plan assets measured at fair value

The consolidated financial statements are presented in ₹ million and all values are rounded to the nearest million (₹ 000,000), except when otherwise indicated.

2.3 (a) New and amended standards adopted by the Group

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are applicable to the Group effective from January 01, 2023. The amendments did not have a material impact on the Group.

2.4 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 Consolidated Financial Statements

as at and for the year ended December 31, 2023

- 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 Group has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

ii. Principle of consolidation

Subsidiary

Subsidiary entity over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The Group combine the financial statements of the Holding Company and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary has been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiary is shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

iii. 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 Group. 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 Group 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 consolidated 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.

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

The Group recognizes transfers between levels of fair value hierarchy at the end of reporting period during which the change has occurred.

iv. 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 33 for segment information presented.

v. Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated 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 recognized 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.

vi. Revenue recognition

According to Ind AS 115, revenue is measured at the amount of consideration the Group 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 discounts offered by the Group as part of the contract. Revenue (net of variable consideration) is recognized 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 Group derives revenue principally from sales of pharma products. Revenue from sale of products is recognized when the Group 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 obsolescence and loss pass to the customer and the Group has present right to payment. Revenue is measured at the transaction price 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 recognized 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.

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

vii. 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.

viii. 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.

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 realize 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 recognized 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 utilized.

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 utilized.

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 realized 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.

ix. Leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

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

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

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 recognized 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.

x. Impairment of non-financial assets

At the end of each reporting period, the Group 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 Group 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.

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.

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 recognized 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.

xi. 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.

xii. Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

xiii. 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 realizable 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

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

the inventories to their present location and condition.

Net realizable 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.

xiv. 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 Group becomes a party to the contractual provisions of the instrument.

Financial assets:

Classification

The Group 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 amortized cost.

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 recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets (excluding trade receivables which do not contain a significant financing component) are recognized 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
- amortized cost.

Debt instruments

Debt instruments are subsequently measured at amortized 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 Group 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

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

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 Group decides to classify the same either as at FVTOCI or FVTPL.

The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized 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.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Impairment of financial assets

The Group 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 Group 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 Group 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 derecognized only when:

- the Group 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 Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

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 derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Income recognition

Interest income

Interest income from debt instruments is recognized 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 amortized 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 recognized in the Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

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 recognized amounts and there is an intention to settle on a net basis or realize 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 Group or the counterparty.

xv. Property, Plant and Equipment (PPE)

Items of Property, plant and equipment acquired or constructed are initially recognized 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 Group and the cost of the item can be measured reliably.

The Group 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 derecognized.

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 - Factory	30
Buildings – Non-Factory*	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.

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

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'.

xvi. Intangible assets

Intangible assets are stated at cost of acquisition less accumulated amortization / impairment losses.

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 Group amortizes 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 Group 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 amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized on a straight-line basis over the period of expected future benefit from the related project, i.e., the estimated useful life. Amortization is recognized in the Statement of Profit and Loss. During the period of development, the asset is tested for impairment annually.

xvii. Provisions and contingent liabilities

Provisions

Provisions are recognized 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.

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 recognized as a finance cost.

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

Contingencies

Contingent liabilities are disclosed in the Notes to the consolidated 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 Group, 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.

xviii. 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 recognized in the period in which the employee renders the related service.

II. Other long-term employee benefits

The Group has for all employees' other long-term benefits in the form of Long Service Award and Compensated Absences as per the policy of the Group. 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 Group operates the following post-employment schemes:

a) defined contribution plans such as superannuation fund and provident fund for Nepal and

b) defined benefit plans such as gratuity, pension plan and provident fund (other than Nepal)

Defined contribution plans

The Group 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 Group also has a defined contribution plan in the form of a provident fund scheme for its staff and workmen at 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 Group has no further obligation beyond making the contributions. The Group'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 Group 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 Group has for all employees other than Nepal, defined benefit plans for post-employment benefits in the form of Provident Fund which is administered through trustees (treated as a defined benefit plan on account of guaranteed interest benefit). Further, the Group has defined benefit plan for post-retirement benefit in the form of Gratuity which is administered through 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

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

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.

xix. Share based payments

Sanofi S.A. France, being the Ultimate Holding Company has given restricted stock option plan to certain employees of the Group.

Pursuant to Ind AS 102 'Share-based Payment', the Group recognizes 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 Holding 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 Group's best estimate of the number of equity instruments that will ultimately vest.

xx. 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 Group for the year, the Group makes a disclosure of the nature and amount of such items separately under the head "exceptional items."

xxi. 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.

xxii. 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 Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

xxiii. 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 equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

xxiv. 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 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 Group are segregated.

3. Recent Accounting Pronouncements

New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are applicable to Group effective January 01, 2024.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Group's accounting policy already complies with the now mandatory treatment.

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

4. Significant Judgements and Estimates

The preparation of the Group's consolidated 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 consolidated financial statements 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.

The areas involving critical estimates and judgements are:

- Useful lives of Property, plant and equipment and intangibles [Refer Note 2.3 (xv) and (xvi)]
- Measurement of defined benefit obligations (Refer Note 40)
- Provision for inventories (Refer Note 10)
- Measurement and likelihood of occurrence of provisions and contingencies (Refer Notes 21, 36, 41 and 43)
- Impairment of trade receivables (Refer Note 11)

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

5 (a)- Property, plant and equipment

(₹ in Million)

Particulars	Buildings	Leasehold Improvements	Plant and Equipments	Furniture and Fixtures	Office Equipments	Computers	Motor Vehicles	Total
Year ended December 31, 2023								
Gross Carrying Amount								
As at January 1, 2023	**2,192**	**23**	**1,639**	**274**	**75**	**309**	**16**	**4,528**
Additions	8	-	14	2	-	18	-	42
Transferred during the year from CWIP	162	-	175	1	-	22	-	360
Disposals	-	(23)	(34)	(14)	(32)	(95)	-	(198)
Closing Gross Carrying Amount	**2,362**	**-**	**1,794**	**263**	**43**	**254**	**16**	**4,732**
Accumulated Depreciation								
As at January 1, 2023	**516**	**15**	**972**	**211**	**49**	**290**	**12**	**2,065**
Depreciation charge during the year	98	2	147	31	7	19	2	306
Disposals	-	(17)	(31)	(11)	(29)	(95)	-	(183)
Closing Accumulated Depreciation	**614**	**-**	**1,088**	**231**	**27**	**214**	**14**	**2,188**
Net Carrying Amount as at December 31, 2023	**1,748**	**-**	**706**	**32**	**16**	**40**	**2**	**2,544**

5 (b)- Capital work-in-progress

Capital work-in-progress of ₹ 133 million mainly comprises of plant and equipment and building being constructed in India.

(a) Ageing of Capital work-in-progress:

As on December 31, 2023

Capital work-in-progress	Amount for Capital work-in-progress				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	67	38	28	-	133
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**67**	**38**	**28**	**-**	**133**

(b) Completion schedule for Capital work-in-progress whose completion has exceeded compared to its original plan:

Capital work-in-progress	To be Completed In				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

5 (c)- Leases

i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases of warehouse premises and factory land.

a) Right-of-use assets

The changes in the carrying value of Right-of-use assets for the year ended are as follows :

(₹ in Million)

Particulars	December 31, 2023
Office premises	177
Land	379
Total	**556**

Amounts recognised in balance sheet

Right-of-use assets:

Particulars	December 31, 2023
Opening balance	589
Add: Additions during the year	106
Less: Termination of leases during the year	(56)
Less: Depreciation during the year	(83)
Closing balance	**556**

b) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year :

Particulars	December 31, 2023
Opening balance	236
Add: Additions during the year	106
Add: Interest for the year	17
Less: Lease payments made during the year	(100)
Less: Termination of leases during the year	(69)
Closing balance	**190**

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)
Cash balance / (Net Debt) as at January 1, 2023	**10,049**	**(236)**	**9,813**
Cash flows	(6,104)	-	(6,104)
Movement in lease liabilities (Refer table above)	-	46	46
Cash balance / (Net Debt) as at December 31, 2023	**3,945**	**(190)**	**3,755**

The following is the break-up of current and non-current lease liabilities for the year ended:

Particulars	December 31, 2023
Current lease liabilities	51
Non-current lease liabilities	139
Total	**190**

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

ii) Amounts recognised in the Consolidated Statement of Profit & Loss

(₹ in Million)

Particulars	December 31, 2023
Depreciation charge on right-of-use assets (Refer Note 30)	83
Interest expense (Refer Note 32)	17
Expenses relating to short term and low value leases [Refer Note 31 (a)]	11
Gain on termination of leases (Refer Note 25)	(13)
Total	**98**

iii) Variable lease payments

The Company does not have any variable lease payments for the above leases.

iv) Extension and termination options

Extension and termination options are included in an number of leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations.

6 (a) - Intangible assets

Particulars	Software	Technical know-how	Total
Year ended December 31, 2023			
Gross Carrying Amount			
As at January 1, 2023	97	95	192
Additions	5	48	53
Disposals	(97)	-	(97)
Closing Gross Carrying Amount	**5**	**143**	**148**
Accumulated amortisation			
As at January 1, 2023	97	92	189
Amortisation charge during the year	1	6	7
Disposals	(97)	-	(97)
Closing Accumulated Depreciation	**1**	**98**	**99**
Net Carrying Amount as at December 31, 2023	**4**	**45**	**49**

6 (b) - Intangible assets under development

Intangible assets under development of ₹ 26 million mainly comprises of product development and technical know- how.

(a) Ageing of Intangible Assets Under Development:

As on December 31, 2023

Intangible Assets Under Development	Amounts in Intangible Assets under Development for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	-	-	-	26	26
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**26**	**26**

(b) Completion schedule for intangible assets under development whose completion has exceeded compared to its original plan:

As on December 31, 2023

Intangible Assets Under Development	To be Completed In				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

7 - Non current financial assets-Other financial assets

(₹ in Million)

Particulars	December 31, 2023
Unsecured, considered good	
Margin money deposits (Refer note 13)	5
Other receivables	39
Other deposits	15
Security deposits	52
Unsecured, considered doubtful	
Security deposits	17
Less: Loss allowance	(17)
Total	**111**

8 (a) - Income tax assets (net)

Particulars	December 31, 2023
Advance income tax (net of provision of ₹ 11,046 million)	1,194
Total	**1,194**

8 (b) -Current tax liabilities (net)

Particulars	December 31, 2023
Income Tax provision (net of advance tax ₹ 18,834 million)	1,015
Total	**1,015**

9 - Other non-current assets

Particulars	December 31, 2023
Capital advances	20
Prepaid rentals	35
Total	**55**

10 - Inventories

Particulars	December 31, 2023
Raw materials and packing materials (Including in transit ₹ 178 million)	1,785
Work-in-progress	36
Finished goods	738
Stock-in-trade (Including in transit ₹ 4 million)	4,079
Total	**6,638**

The Company has created provision amounting to ₹ 101 million which is mainly on account of inventory which is expired, near expiry, damaged etc.

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

11 - Trade receivables

(₹ in Million)

Particulars	December 31, 2023
Trade receivables from contract with Customers	377
Trade receivables from contract with Customers - related parties (Refer note 38)	985
Less: Allowance for credit losses	(45)
Total	**1,317**

Breakup up of security details

Particulars	December 31, 2023
Trade receivables considered good - secured	-
Trade receivables considered good - unsecured	1,362
Trade receivables considered good which have significant increase in credit risk	-
Trade receivables - Credit impaired	-
Total	**1,362**
Less: Allowance for credit losses	(45)
Total	**1,317**

Ageing schedule for Trade receivables

As at December 31, 2023

Particulars	Outstanding for the following periods from due date							Total
	Unbilled	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables								
Considered good	-	1,212	92	13	5	6	34	1,362
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Less: Allowance for credit losses	-	-	-	-	(5)	(6)	(34)	(45)
Disputed Trade Receivables								
Considered good	-	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-	-
Less: Allowance for credit losses	-	-	-	-	-	-	-	-
Total	**-**	**1,212**	**92**	**13**	**-**	**-**	**-**	**1,317**
Expected loss rate	**0%**	**0%**	**0%**	**0%**	**100%**	**100%**	**100%**	

1. Refer note 48(A) for credit risk on trade receviables.
2. There are no outstanding receivables due from directors or other officers of the Group as year end.
3. No element of financing is deemed present and sales are generally made with a credit period as specified by the Group's policy which is consistent with the market practice. The Group does not have any contracts where the period between transfer of the promised goods and services to the customer and the payment by the customer exceeds 1 year. As a consequence, the Group does not adjust any transaction prices for the time value of money.

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

12 - Cash and cash equivalents

(₹ in Million)

Particulars	December 31, 2023
Balances with banks	
-in current accounts	644
-in EEFC accounts	12
Deposits with banks with original maturity of less than 3 months	3,289
Total	**3,945**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the current and previous year.

13 - Other bank balances

Particulars	December 31, 2023
Margin money deposits (Refer note below)	38
Unpaid dividend accounts	82
Total	**120**

Margin money deposits given as security

Margin money deposits with carrying amount of ₹ 43 million are subject to first charge to secure bank guarantees issued by banks on behalf of the Company.

14 - Current loans

Particulars	December 31, 2023
Unsecured, considered good	
Loans to employees	19
Total	**19**

There are no loans outstanding from the Directors / KMP.

The Group has not granted loans to its promoters, directors, key managerial personnel (KMP) and the other related parties (as defined under the Companies Act, 2013) which are repayable on demand or without specifying any terms or period of repayment or any other loans or advance in the nature of loans during the year.

15 - Other current financial assets

Particulars	December 31, 2023
Security deposits	11
Other receivables	67
Total	**78**

16 - Other current assets

Particulars	December 31, 2023
Advance payments to suppliers	16
Export benefits receivable	7
Balance with government authorities	261
Prepaid expenses	71
Other Advances	5
Others	3
Total	**363**

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

17 - Share capital and other equity

17 (a) - Equity share capital

(i) Authorised share capital

(₹ in Million)

Particulars	Number of shares	Amount
As at January 1, 2023	23,500,000	235
Increase during the year	-	-
As at December 31, 2023	**23,500,000**	**235**

Issued, Subscribed and Paid up :

(ii) Movements in equity share capital

Particulars	Number of shares	Amount
As at January 1, 2023	23,030,622	230
Issued during the year	-	-
As at December 31, 2023	**23,030,622**	**230**

(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 equity shares of ₹ 10 each fully paid are held by Hoechst GmbH, Germany, holding Company and 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	December 31, 2023
Equity shares of ₹ 10 each fully paid	
Hoechst GmbH, Germany	
- No of shares	13,904,722
- % of holding	60.37%
Life Insurance Corporation of India	
- No of shares	1,369,833
- % of holding	5.95%

(vi) Details of Promoters shareholding

Name of Promoters	No. of Shares as on December 31, 2023	Percentage of Total Shares on December 31, 2023	Percentage Change during the year
Hoechst GmbH, Germany	13,904,722	60.37%	0.0%
Sanofi S.A.	4,865	0.02%	0.0%

17 (b) - Other equity - Reserves and surplus

Particulars	December 31, 2023
Securities premium	20
Retained earnings	6,016
General reserve	3,203
Share options outstanding account	683
Total	**9,922**

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

(i) Securities premium

(₹ in Million)

Particulars	December 31, 2023
Opening balance	20
Movement during the year	-
Closing balance	**20**

(ii) Retained earnings

Particulars	December 31, 2023
Opening balance	8,432
Profit for the year	6,029
Items of Other Comprehensive Income recognised directly into retained earnings	
- Remeasurement of Post employee benefit obligaiton, net of tax	(13)
Dividend paid	(8,432)
Closing balance	**6,016**

(iii) General reserve

Particulars	December 31, 2023
Opening balance	3,454
Dividend paid	(251)
Closing balance	**3,203**

(iv) Share options outstanding account

Particulars	December 31, 2023
Opening balance	622
Employee stock option expense (net) (Refer note 39)	61
Closing balance	**683**

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. Part of free reserve has been distributed as dividend

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.

18 - Non-current employee benefit obligations

Particulars	December 31, 2023
Compensated absences (Refer note 40)	296
Long service awards (Refer note 40)	11
Total	**307**

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

19 - Trade payables

(₹ in Million)

Particulars	December 31, 2023
Trade Payables : micro and small enterprises (Refer note 44)	283
Trade Payables : Other than micro and small enterprises	
- Related parties (Refer note 38)	962
- Others	1,670
Total	**2,915**

Ageing Schedule for Trade Payable

As at December 31, 2023	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 year	2-3 year	More than 3 years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	266	-	-	-	17	283
Others	356	1,185	1,091	-	-	-	2,632
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	**356**	**1,451**	**1,091**	**-**	**-**	**17**	**2,915**

20 - Other current financial liabilities

Particulars	December 31, 2023
Other payables to related party (Refer note 38)	43
Unclaimed dividend #	82
Liability for capital goods	42
Total	**167**

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.

21 - Current provisions

Particulars	December 31, 2023
Provision for sales return (Refer note 41)	690
Provision for indirect tax (Refer note 41)	284
Others (Refer note 41)	367
Total	**1,341**

22 - Current employee benefit obligations

Particulars	December 31, 2023
Employee related liabilities #	773
Compensated absences (Refer note 40)	64
Long service awards (Refer note 40)	2
Gratuity (Refer note 40)	89
Total	**928**

includes salaries, wages and bonus payable to employees

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

23 - Other current liabilities

(₹ in Million)

Particulars	December 31, 2023
Statutory liabilities	96
Total	**96**

24 - Revenue from operations

Particulars	December 31, 2023
Revenue from contract with customers :	
Sale of products	26,560
Sale of services	1,615
	28,175
Other operating income :	
Scrap sale	11
Indirect taxes refunds	-
Export incentives	27
Others #	298
	336
Total	**28,511**

Includes recovery of freight

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	December 31, 2023
Revenue by location of customers	
- India	23,227
- Outside India	5,284
	28,511
Timing of revenue recognition	
- At a point in time	26,896
- Over a period of time	1,615
Total revenue from contract with customers	**28,511**
Reconciliation of revenue recognised in the statement of profit and loss with contracted price	
- Contract price	29,642
- Less: Volume discount/Cash discount	(1,131)
Total revenue from contract with customers	**28,511**

25 - Other income

Particulars	December 31, 2023
Interest	
Bank deposits	397
On Income tax refund	78
Rental income (Refer note 38)	2
Exchange differences (net)	16
Gain on termination of leases (Refer note 5 (c))	13
Miscellaneous Income	147
Total	**653**

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

26 - Cost of materials consumed

(₹ in Million)

Particulars	December 31, 2023
Inventory at the beginning of the year	2,151
Add: Purchases	5,278
Less: Inventory at the end of the year	1,785
Total	**5,644**

27 - Changes in Inventories of work-in-progress, stock-in-trade and finished goods

Particulars	December 31, 2023
Inventory at the end of the year	
Finished goods	738
Stock-in-trade	4,079
Work-in-progress	36
	4,853
Inventory at the beginning of the year	
Finished goods	600
Stock-in-trade	1,272
Work-in-progress	57
	1,929
Total	**(2,924)**

28 - Employee benefits expense

Particulars	December 31, 2023
Salaries, wages and bonus	3,327
Contribution to provident fund and other funds	166
Gratuity (Refer note 40)	61
Staff welfare expenses	91
Employee share based payment expense (net) (Refer note 39)	61
Total	**3,706**

29 - Finance costs

Particulars	December 31, 2023
Other interest (Refer note 44)	*
Interest on lease liabilities (Refer note 5 (c))	17
Total	**17**

* denotes figure less than a million

30 - Depreciation and amortisation expense

Particulars	December 31, 2023
Depreciation of property, plant and equipment [Refer note 5 (a)]	306
Depreciation of right-of-use assets [Refer note 5 (c)]	83
Amortisation of intangible assets [Refer note 6 (a)]	7
Total	**396**

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

31 (a) - Other expenses

(₹ in Million)

Particulars	December 31, 2023
Advertisement and sales promotion	409
Auxiliary and other materials	95
Auditors remuneration [(Refer note 31 (b)]	5
Expenditure towards Corporate Social Responsibility (CSR) activities (Refer note 45)	148
Insurance	117
Legal and professional fees	723
Service charges	13
Power and fuel	146
Provision for bad and doubtful debts (net)	(8)
Provision for doubtful advances and deposits	(4)
Rates and taxes	138
Rent	11
Repairs and maintenance- buildings	39
Repairs and maintenance - others	101
Repairs and maintenance - plant and machinery	36
Selling and distribution expenses	1,259
Stores and spares	2
Toll manufacturing charges	562
Trainings and meetings	60
Travelling and conveyance	607
Loss on sale/Write-off of property, plant and equipment and asset held for sale (net)	37
Miscellaneous expenses	262
Total	**4,758**

31 (b) - Auditors remuneration

Particulars	December 31, 2023
Payment to Auditors:	
As auditor:	
Audit fees	5
Certificates	*
Reimbursement of Expenses	*
Total Payments to Auditors	**5**

* denotes figure less than a million

32 - Income Tax

32 (a) - Income tax expense

Particulars	December 31, 2023
Current tax	
Current tax on profits for the year	2,433
Total current tax expense	**2,433**
Deferred tax	
Decrease in deferred tax assets	39
(Decrease) in deferred tax liabilities	(46)
Total deferred tax (credit)	(7)
Income tax expense	**2,426**

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

32 (b) - For the year ended December 31, 2023, the Company has recognised Deferred tax assets of ₹ 5 million 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.

32 (c) - Reconciliation of tax expense and the accounting profit multiplied by tax rate :

(₹ in Million)

Particulars	December 31, 2023
Profit before tax	8,455
At statutory income tax rate of 25.168% (December 31, 2022: 25.168%)	2,129
Expenses not deductible for tax purposes	201
Non taxable income under Income Tax Act, 1961	-
Taxable income under Income Tax Act, 1961	101
Difference on account of different tax rate for long term capital gains	(5)
Effective income tax	**2,426**

32 (d) - Deferred tax liabilities (net)

Particulars	December 31, 2023
The balance comprises temporary differences attributable to:	
Provision for doubtful debts and advances	(16)
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	(113)
Employee retirement and other long term benefits	(197)
Lease liabilities	(48)
Total deferred tax assets	**(374)**
Depreciation and amortisation	366
Right-of-Use Assets	45
Total deferred tax liabilities	**411**
Deferred tax liability (net)	**37**

Note: Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

32 (e) - Movement in deferred tax assets/liabilities

(i) - Deferred Tax Assets/Liabilities in relation to the year ended December 31, 2023

Particulars	January 1, 2023	Charged/ (Credited) to Statement of Profit and Loss	Charged/ (Credited) to Other Comprehensive Income	December 31, 2023
Deferred Tax Liability				
Depreciation and amortisation	404	(38)	-	366
Right-of-Use Assets	53	(8)	-	45
Total Deferred Tax Liability	**457**	**(46)**	**-**	**411**
Less : Deferred Tax Assets				
Provision for doubtful debts and advances	(18)	2	-	(16)
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961	(124)	11	-	(113)
Employee retirement and other long term benefits	(206)	14	(5)	(197)
Lease liabilities	(60)	12	-	(48)
Total Deferred Tax Assets	**(408)**	**39**	**(5)**	**(374)**
Net Deferred Tax Liabilities	**49**	**(7)**	**(5)**	**37**

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

33 - Operating Segment

The operations of the Group are limited to one segment viz. Pharmaceutical products.

Operating segments are defined as components of a Group 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

(₹ in Million)

Particulars	December 31, 2023
India	23,227
Singapore	5,099
Others	185
Total	**28,511**

Information about major customers

One single customer represented 10% or more of the Company's total revenue during the year ended December 31, 2023 amounting to ₹ 5,099 million (Refer note 38).

34 - Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 62 million.

35 - Earnings per share:

Particulars	December 31, 2023
Profit for the year (₹ in Million)	6,029
Weighted average number of shares	23,030,622
Nominal value per share (₹)	10
Basic and diluted earnings per share (₹)	**261.78**

36 - Contingent Liabilities

a)

Particulars	December 31, 2023
Income Tax demands in respect of which	
Tax authorities have appealed against Income tax orders which were ruled in favour of the Company	797
Company's appeals are pending before appropriate authorities/the Company is in process of filing an appeal with appropriate authorities	2,112

b) There are certain matters relating to Indirect tax litigations which are pending for decision at various authority levels. Based on management's assessment, these would have a remote possibility of cash outflow.

c) There are other legal cases filed against the Company which based on the management assessement the likelihood of cash outflow is considered to be remote.

d) The Supreme Court of India, through a ruling in February 2019, provided guidelines for interpreting the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. There is significant uncertainty and ambiguity in interpreting and giving effect to the guidelines of Supreme Court. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the Supreme Court Order. The Company will evaluate its position and act, as clarity emerges on impact of the ruling.

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

37 - Interest in other entitiy

The Company's subsidiary as at December 31, 2023 is set as below. Unless otherwse stated, the share capital consists only of equity shares that are held directly by the Company and the proportion of ownership interest held equals the voting rights held by the Company. The country of incorporation is also their principal place of business (Refer Note 52).

Name of the entity	Place of business / Country of Incorporation	Ownership interest held by group December 31, 2023 %	Principal Activities
Sanofi Consumer Healthcare India Limited	India (Date of Incorporation May 10, 2023)	100%	Pharmaceutical Business

38 - 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 Chimie S.A
Opella Healthcare UK Limited
Sanofi Healthcare India Private Limited
Sanofi Winthrop Industrie S.A.
Sanofi-Aventis Recherche & Developpment
Sanofi-Gestion S.A.
Euro API Germany GMBH
Sanofi India Limited Provident Fund

iii. Key management personnel of the Company for the year

Mr. Rodolfo Hrosz - Managing Director
Mr. Cherian Mathew - Whole Time Director (till the closure of business hours of September 26, 2023)
Mr. Vaibhav Karandikar - Chief Financial officer and Whole time director (till the closure of business hours of November 30,2023)
Mr. Rachid Ayari - Chief Financial officer and Whole time director (w.e.f. December 1, 2023)
Ms. Radhika Shah - Company Secretary
Ms. Reene Amonkar - Whole Time Director (w.e.f. September 26, 2023)

iv. Non-Executive Directors

Mr. Marc-Antoine Lucchini
Ms. Annapurna Das - (w.e.f November 3, 2022 till closure of business hours of July 31, 2023)
Mr. Vaibhav Karandikar - (w.e.f.December 1, 2023)

v. Independent Directors

Mr. Aditya Narayan
Mrs. Usha Thorat
Mr. Rahul Bhatnagar

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

vi. Transactions during the year

(₹ in Million)

Particulars	December 31, 2023
Ultimate Holding Company	
Dividend paid	2
Total	**2**
Holding Company	
Dividend paid	5,242
Other related Parties	
Sale of Products and Other Operating Income	
Sanofi-Aventis Singapore Pte. Limited	5,025
Sanofi Healthcare India Private Limited	184
Total	**5,209**
Purchase of Raw Materials and Stock- in- trade	
Sanofi-Aventis Singapore Pte. Limited	5,939
Francopia S.A.R.L.	715
Sanofi Healthcare India Private Limited	2,766
Total	**9,420**
Expenses recharged to other companies	
Sanofi - Aventis Deutschland Gmbh	53
Sanofi Healthcare India Private Limited	3
Sanofi-Gestion S.A.	13
Opella Healthcare UK Limited	3
Sanofi Winthrop Industrie S.A.	1
Total	**73**
Sale of Services	
Sanofi Healthcare India Private Limited	1,517
Sanofi Winthrop Industrie S.A.	19
Sanofi-Aventis Singapore Pte. Limited	74
Sanofi-Aventis Recherche & Developpment	5
Total	**1,615**
Payment towards Intangible assets	
Sanofi Healthcare India Private Limited	26
Total	**26**
Rent Income	
Sanofi Healthcare India Private Limited	2
Total	**2**
Rent Paid	
Sanofi Healthcare India Private Limited	*
Total	*
Expenses recharged by other companies	
Sanofi Healthcare India Private Limited	31
Sanofi Winthrop Industrie S.A.	26
Sanofi-Aventis Deutschland Gmbh	39
Euro API Germany GMBH	3
Others	*
Total	**99**
Contribution to In-house Trust for Post Employment Benefits - Provident Fund	
Sanofi India Limited Provident Fund (Including contribution by employees)	**312**

* denotes figure less than a million

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

(₹ in Million)

Particulars	December 31, 2023
Key Management Personnel Remuneration # #	
Remuneration	
Mr. Rodolfo Hrosz	36
Mr. Rachid Ayari	2
Mr. Vaibhav Karandikar	20
Mr. Cherian Mathew	22
Ms. Renee Amonkar	2
Ms. Radhika Shah	13
Total	**95**

Particulars	December 31, 2023
Share based benefit	
Mr. Rodolfo Hrosz	10
Mr. Vaibhav Karandikar	5
Mr. Cherian Mathew	4
Mr. Rachid Ayari	*
Ms. Renee Amonkar	*
Ms. Radhika Shah	*
Total	**19**
Loan given	
Mr. Vaibhav Karandikar (Refer note 1 below)	*
Loan repaid	
Mr. Vaibhav Karandikar	*

Excludes Provision made on the basis of Actuarial valuation

* denotes figure less than a million

Particulars	December 31, 2023
Sitting Fees to Non- Executive Directors	
Mr. Aditya Narayan	1
Ms. Usha Thorat	1
Mr. Rahul Bhatnagar	2
Total	**4**
Commission to Non - Executive Directors	
Mr. Aditya Narayan	3
Ms. Usha Thorat	1
Mr. Rahul Bhatnagar	1
Total	**5**

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 December 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.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 Consolidated Financial Statements

as at and for the year ended December 31, 2023

vii. Outstanding as at December 31, 2023

(₹ in Million)

Particulars	December 31, 2023
Trade Receivables	
Sanofi-Aventis Singapore Pte. Limited	810
Sanofi Healthcare India Private Limited	148
Sanofi Winthrop Industrie S.A.	16
Sanofi-Aventis Recherche & Developpment	5
Sanofi-Gestion S.A.	6
Total	**985**
Trade Payables	
Sanofi-Aventis Singapore Pte. Limited	188
Sanofi Winthrop Industrie S.A.	10
Francopia S.A.R.L.	248
Sanofi Healthcare India Private Limited	504
Sanofi-Aventis Deutschland Gmbh	12
Others	*
Total	**962**
Other Financial Liabilities	
Sanofi Healthcare India Private Limited	43
Total	**43**
Statutory liabilities (Provident Fund Payable)	
Sanofi India Limited Provident Fund	26
Total	**26**

* denotes figure less than a million

1) Given as per the Company's policies for employees. These are interest free loan and repayable in 12 month equal installments.

39 - 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 considered to be 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	December 31, 2023	
	Weighted Average grant date fair value (in euro)	Number of Units
Units outstanding at the beginning of the year	90	26,852
Units granted during the year	99	10,689
Exercised during the year	84	(7,981)
Forfeited/expired/lapsed during the year	97	(4,445)
Units outstanding at the end of the year	**95**	**25,115**

Notes forming part of Consolidated Financial Statements
as at and for the year ended December 31, 2023

Weighted average remaining contractual life of RSUs outstanding at the end of the year

	Life in (years)
As at December 31, 2023	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:

(₹ in Million)

Particulars	December 31, 2023
Employee share based payment expense (net)	61
Total employee share based payment expense (net)	**61**

40 - Employee Benefits
Defined Contribution Plans (Refer Note 2.4 (xviii)(III))
The Company makes contributions towards provident fund (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	December 31, 2023
i) Contribution to Employees' Provident Fund (Nepal)	1
ii) Contribution to Employees' Superannuation Fund	24
iii) Contribution to Employee's Pension Scheme, 1995	33
iv) Contribution to Employee's State Insurance Corporation	*

* denotes figure less than a million.

Defined Benefit Plans
I) **Other long term employee benefits (Refer Note 2.4 (xviii)(II))**

Compensated absences (included as a part of salaries and wages in Note 28 - 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 28 - 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 (Refer Note 2.4 (xviii)(III))**

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.

In above cases, the Company's liability is actuarially determined (using the Projected unit credit method) at the end of each year. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

Notes forming part of Consolidated Financial Statements
as at and for the year ended December 31, 2023

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 consolidated financial statements as at the Balance Sheet date:

Actuarial Assumptions

(₹ in Million)

Particulars	Gratuity
	December 31, 2023
Discount Rate (per annum)	7.32.%
Expected Rate of Return on Plan Assets	7.32.%
Salary Escalation rate/Pension escalation rate	6%
Mortality	Indian Assured Lives Mortality (2012-14) Urban
Employees attrition rate	For service 3 yrs & Below 12.00 % p.a. & For service 4 yrs and above 8.00 % p.a.

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') –

Particulars	Gratuity
	December 31, 2023
Liability at the beginning of the year	789
Interest Cost	60
Current Service Cost	52
Benefits Paid	(150)
Actuarial (gain)/loss on Financial Assumption	(18)
Actuarial (gain)/loss on Demographic Assumption	24
Actuarial (gain)/loss on Experience	11
Liability at the end of the year	**768**

ii) Fair value of Plan Assets

Particulars	Gratuity
	December 31, 2023
Fair Value of Plan Assets at the beginning of the year	673
Expected Return on Plan Assets	51
Employer's Contributions	65
Benefits Paid	(104)
Return on plan Asset, Excluding Interest	(6)
Fair Value of Plan Assets at the end of the year	**679**

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

iii) Amount Recognised in the Balance Sheet

(₹ in Million)

Particulars	Gratuity December 31, 2023
Liability at the end of the year	768
Fair Value of Plan Assets at the end of the year	679
Amount Recognised in the Balance Sheet	**89**

iv) Expenses Recognised in the Income Statement

Particulars	Gratuity December 31, 2023
Current Service Cost	52
Interest Cost on benefit obligation (net)	9
Expenses Recognised	**61**

v) Expenses Recognised in Other Comprehensive Income (OCI) for current year

A) Particulars	Gratuity December 31, 2023
Actuarial changes arising from changes in financial assumptions	(18)
Actuarial changes arising from changes in demographic assumptions	24
Actuarial changes arising from changes in experience adjustments	11
Return on Plan Asset, Excluding Interest Income	6
OCI for the year	**23**

B) Also refer note C below Particulars	Provident Fund December 31, 2023
Interest Short Fall /(Reversal)	(5)
OCI for the year	**(5)**
Above is the movement on account of interest shortfall obligation as on Balance Sheet date. Interest obligation as on December 31,2023 : ₹ 115 million	
Total OCI for the Year (A+B)	**18**

vi) Maturity profile of defined benefit obligations (undiscounted)

Projected Benefits Payable in Future Years From the Date of Reporting	Gratuity December 31, 2023
1 year (within next 12 months)	128
2 to 10 years	652
Above 10 years	494

vii) Sensitivity Analysis

Particulars	Gratuity December 31, 2023
Benefit Obligation on Current Assumptions	768
Effect of +0.5% Change in Rate of Discounting	(21)
Effect of -0.5% Change in Rate of Discounting	22
Effect of +0.5% Change in Rate of Salary Increase	22
Effect of -0.5% Change in Rate of Salary Increase	(21)
Effect of +0.5% Change in Rate of Employee Turnover	2
Effect of -0.5% Change in Rate of Employee Turnover	(2)

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

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

(₹ in Million)

Particulars	Gratuity December 31, 2023
Fund managed by Life Insurance Corporation of India (unquoted)	94%
Special Deposit Fund	6%

Fund is Managed by LIC as per IRDA guidelines, category-wise composition of the plan assets is not available.

C. Provident Fund (other than Nepal)

The Company manages the provident fund through a Provident Fund Trust for its employees (except Staff and Workmen at 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 December 31, 2023 and based on the same gain of ₹ 5 million on account of re-measurement of fair value of plan assets and on account of interest shortfall as on Balance Sheet date is recognised in Other Comprehensive Income.

Key assumption used for actuarial valuation are as below :

Particulars	Provident Fund December 31, 2023
Rate of Discounting	7.32%
Guranteed rate of return	8.15%
Weighted Average Yield	7.94%

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

41 - Other provisions:

Movements in provisions:

(₹ in Million)

Particulars	Class of provisions				
	Indirect tax	Provision for Sales Returns	Provision for DPCO matters	Others	Total
Balance as at January 1, 2023	330	728	367	2	1,427
Amount provided during the year	12	529	-	-	541
Amount written back/paid during the year	58	567	-	2	627
Balance as at December 31, 2023	284	690	367	-	1,341

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.

42 - Derivative Instruments and Un-hedged Foreign Currency Exposure:

There are no derivative instrument as at Balance Sheet date

Particulars of un-hedged Foreign Currency exposure as at Balance sheet date

Particulars	Foreign Currency	December 31, 2023	
		Foreign Currency Value	₹ in Million
Trade Payables	EUR	6,422,568	590
	USD	1,068,256	89
Trade Receivables	EUR	9,118,460	838
	USD	1,008,760	84
Cash and Bank Balances	USD	145,769	12

43 -(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.

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

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.

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.

44 - 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 Group.

(₹ in Million)

Particulars	December 31, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	266
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	17
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	56
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	*
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the 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 MSMED Act	*
Interest accrued and remaining unpaid at the end of the accounting year	*
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	17

* denotes figure less than a million

45 - Disclosure on Corporate Social Responsibility as per the provisions of Section 135 of the Companies Act, 2013

Particulars	Year ended December 31, 2023
Amount required to be spent as per Section 135 of the Act	148
Amount spent during the year :	
i) Construction/acquisition of any asset	-
ii) On purpose other than (i) above :	
a) Public Private Partnership with the Government of Goa	11
b) Non communinable CD program with the Health Department of the Govt. of Maharashtra & Telangana	60
c) Towards Counselling patients to manage their diabetes and create awareness on early detection	58

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

Particulars	Year ended December 31, 2023
d) Towards Employee volunteering - Joy in Outreach	1
e) Towards Grants/Donation	2
f) Cancer awareness programme	9
g) Administrative overheads	7
Total	**148**
CSR expenses for the year (Refer note 31 (a))	**148**

Details of ongoing CSR projects under Section 135(6) of the Act

(₹ in Million)

Balance as at January 1, 2023		Amount required to be spent during the year	Amount spent during the year		Balance as at December 31, 2023	
With the Company	In Separate CSR unspent account		From the company's bank account	From separate CSR unspent account	With the Company	In Separate CSR unspect account
-	-	148	148	-	-	-

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance unspent as at January 1, 2023	Amount deposited in the specified fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at December 31, 2023
-	-	-	-	

46 - Exceptional Item for the current year includes profit on sale of property amounting to ₹ 255 million offset by personnel separation cost amounting to ₹ 77 million.

47 - Fair value measurements

Financial instruments by category

Particulars	December 31, 2023		
	FVTPL	FVTOCI	Amortised cost
Financial assets			
Loans	-	-	19
Trade receivables	-	-	1,317
Cash and cash equivalents	-	-	3,945
Bank balances other than cash and cash equivalents	-	-	120
Other financial assets	-	-	189
Total financial assets	**-**	**-**	**5,590**
Financial liabilities			
Trade payables	-	-	2,915
Other financial liabilities	-	-	167
Total financial liabilities	**-**	**-**	**3,082**

Fair value of financial assets/liabilities measured at amortised cost

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, 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.

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

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.

48-Financial risk management

The Group's activities expose it to variety of financial risks namely market risk, credit risk and liquidity risk. The Group has various financial assets such as deposits, trade and other receivables and cash and bank balances directly related to their business operations. The Group's principal financial liabilities comprise of trade and other payables. The Group's senior management's focus is to foresee the unpredictability and minimize potential adverse effects on the Group's financial performance. The Group's overall risk management procedures to minimise the potential adverse effects of financial market on the Group's performance are as follows :

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group'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 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and from its financing activities including deposits with banks and other financial instruments. The Group establishes an impairment allowance based on expected credit loss model that represents its estimate of incurred losses in respect of trade and other receivables.

(i) Trade and other receivables

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 1,317 million as at December 31, 2023. Trade receivables are typically unsecured and are derived from revenue earned from customers located in India as well as outside India.

The Group'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 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 Group grants credit terms in the normal course of business. Further, significant sales of the Group 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:

(₹ in Million)

Particulars	December 31, 2023
Opening balance	53
Changes in loss allowance	(8)
Closing balance	**45**

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

The management believes that no further provision is necessary in respect of trade receivables based on historical trends of these customers.

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 Group's performance to developments affecting a particular industry. The Group'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 Group held cash and cash equivalents of ₹ 3,945 million as at December 31, 2023 and other bank balances of ₹ 120 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.

The Group's maximum exposure to the credit risk as at December 31,2023 is the carrying value of each class of assets

(B) Liquidity Risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group'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 Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended December 31, 2023. 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 Group's all non- derivative, contractual financial liabilities based on agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

(₹ in Million)

Particulars	Carrying amount	Undiscounted Amount		
		Payable within one year	Payable more than one year	Total
As at December 31, 2023				
Lease liabilities	190	62	174	236
Trade Payables	2,915	2,915	-	2,915
Unclaimed dividend	82	82	-	82
Liability of Capital Goods	42	42	-	42
Other Payables	43	43	-	43

(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 Group is not exposed to interest rate risk and other price risk whereas the exposure to currency risk is given below :

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 Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. The Group does not enter into financial instrument transactions for trading or speculative purposes. The Group's exposure to foreign currency risk at the end of reporting periods in ₹ as follows :

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

(₹ in Million)

Particulars	December 31, 2023	
	EUR	USD
Trade receivables	838	84
Cash and cash equivalents	-	12
Trade payables	(590)	(89)
Net exposure	**248**	**7**

Sensitivity - Foreign Currency

The sensitivity of profit or loss to changes in the exchange rates is as follows:

Particulars	Impact on profit after tax
	December 31, 2023
USD Sensitivity	
INR/USD increase by 1% #	*
INR/USD decrease by 1% #	(*)
EUR Sensitivity	
INR/EUR increase by 1% #	2
INR/EUR decrease by 1% #	(2)

Holding all other variables constant

* denotes figure less than a million

49 - 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.

No changes were made in the objectives, policies or processes for managing capital during the year ended December 31, 2023

(b) Dividend

Particulars	December 31, 2023
(i) Equity shares	
Final dividend for the year ended December 31, 2022 : ₹ 377 per fully paid up share.	8,683
(ii) Dividends not recognised at the end of the reporting period	
Interim Dividend for the year ended December 31, 2023 ₹ 50 per fully paid up share	1,152
In addition to the above dividends, subsequent to the year end, the Board of Directors has recommended the payment of a final dividend of ₹ 117 per fully paid equity shares. This proposed final dividend is subject to approval of shareholders in the ensuing annual general meeting.	2,695

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

50-Additional Regulatory Information required by Schedule III

(i) Details of benami property held

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Group has no borrowings from banks and financial insitutions on the basis of security of current assets.

(iii) Wilful defaulter

None of the entities in the group have been declared wilful defaulter by any bank or financial institution or other lender.

(iv) Relationship with struck off companies

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of layers) Rules, 2017.

(vi) Compliance with approved scheme(s) of arrangements

In the current year, the Group has entered into a scheme of arrangement which is pending approval (Refer Note 52).

(vii) Utilisation of borrowed funds and share premium

The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(viii) Undisclosed income

There is no income surrendered or disclosed as income during the current year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current year.

(x) Valuation of PP&E, intangible asset and investment property

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current year.

Other Regulatory Information

(i) Utilisation of borrowings availed from banks and financials institutions

The Group has no borrowings from banks and financial institutions. Hence, this disclosure clause is not applicable.

Notes forming part of Consolidated Financial Statements

as at and for the year ended December 31, 2023

51- For Disclosure mandated by Schedule III of Companies Act 2013, by way of additional information, refer below:

(₹ in Million)

Name of the entities	Net Assets i.e., total Assets minus total Liabilities		Share in profit / (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated net profit	Amount	As a % of consolidated net profit	Amount	As a % of consolidated net profit	Amount
Parent								
Sanofi India Ltd	100.03%	10,155	100.05%	6,032	100%	(13)	100.05%	6,019
Subsidiary								
Sanofi Consumer Healthcare India Ltd	0.17%	17	-0.05%	(3)	-	-	-0.05%	(3)
Intercompany Elimination	-0.20%	(20)	-	-	-	-	-	-
Total	**100%**	**10,152**	**100%**	**6,029**	**100%**	**(13)**	**100%**	**6,016**

52 - The Board of the Company on May 10, 2023 have approved a scheme of arrangement under Sections 230 to 232 of the Companies Act, 2013 ("Scheme"), to demerge the Consumer Healthcare Division of the Company into its wholly-owned subsidiary Sanofi Consumer Healthcare India Limited (SCHIL). The National Company Law Tribunal (NCLT) vide order dated November 24, 2023 rectified the appointed date to June 1, 2023, thereby modifying the Scheme.

Subsequent to the no-objection received from Bombay Stock Exchange Limited and National Stock Exchange of India Limited on September 22, 2023 the shareholders and creditors of the Company approved the Scheme on December 18, 2023. Following this, the Company filed a Petition before the NCLT. The NCLT admitted the Petition vide its Order dated January 16, 2024 and directed that the Petition be listed for final hearing.

Signatures to Notes 1 to 52

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. : 304026E/E-300009

Arunkumar Ramdas
Partner
Membership No: 112433
Place: Mumbai
Date: February 23, 2024

For and on behalf of the Board of Directors

Rodolfo Hrosz
Managing Director
DIN: 09609832
Place: Mumbai
Date: February 23, 2024

Usha Thorat
Director
DIN: 00542778
Place: Mumbai
Date: February 23, 2024

Rachid Ayari
Whole Time Director & CFO
DIN: 10408699
Place: Mumbai
Date: February 23, 2024

Radhika Shah
Company Secretary
Membership No: A19308
Place: Mumbai
Date: February 23, 2024

sanofi

Sanofi India Limited

CTS No. 117-B, L&T Business Park, Saki Vihar Road, Powai, Mumbai 400072

Concept, Content & Design (info@wyatt.co.in)