



SANOFI INDIA LIMITED

Registered Office: Sanofi House, CTS No.117-B, L&T Business Park,
Saki Vihar Road, Powai, Mumbai 400 072

Tel.: +91(22) 2803 2000 **Fax:** +91(22) 2803 2939

Corporate Identity Number: L24239MH1956PLC009794

Website: www.sanofiindia.com; **Email:** igrc.sil@sanofi.com

POSTAL BALLOT NOTICE

NOTICE of Postal Ballot is hereby given to the Members of Sanofi India Limited ('the Company'), pursuant to Section 108 and Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Rule 20 and Rule 22 of the Companies (Management and Administration), Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Secretarial Standards-2 (SS-2), and Regulation 44 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, ('Listing Regulations') and other applicable provisions of the Act, Rules, Circulars and Notifications issued thereunder read with General Circular No. 20/2021 dated 8 December 2021 Circulars issued by the Ministry of Corporate Affairs ('MCA') in view of COVID-19 pandemic, for seeking consent / approval of the members of the Company by way of an Ordinary Resolution in respect of Related Party Transactions with Sanofi Healthcare India Private Limited (SHIPL), a 'Related Party' as defined under Section 2(76) of the Act and Regulation 23 of the Listing Regulations by way of Postal Ballot only through remote e-voting process. The requirement of procuring prior approval of shareholders for material related party transactions and material modifications to material related party transactions have been introduced pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 and is effective from 1st April 2022.

The explanatory statement pursuant to Section 102 and other applicable provisions, if any, of the Act, pertaining to the resolution setting out the material facts and reasons thereof, is appended to this Postal Ballot Notice. Pursuant to Rule 22(5) of the Rules, the Board of Directors of the Company have appointed Mr. Makarand M. Joshi (FCS 5533), Partner or failing him Ms. Kumudini Bhalariao (FCS 6667), Partner at M/s Makarand M. Joshi & Co., Practising Company Secretaries (ICSI Unique Code: P2009MH007000),

as Scrutinizer for conducting the Postal Ballot only through remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and be available for the said purpose.

In compliance with the aforesaid MCA Circulars, this Postal Ballot Notice is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/ Depositories. If your e-mail address is not registered with the Company/Depositories, please follow the process provided in the Notes to receive this Postal Ballot Notice.

In the event, the Resolution as set out in the Notice is assented to by requisite majority by means of remote e-voting process, it shall be deemed to have been passed as Special Business at the General Meeting convened in that behalf. The last date of e-voting shall be the date on which the Resolution would be deemed to have been passed, if approved by the requisite majority.

The remote e-voting period commences from 9.00 a.m. (IST) on 23rd February 2022 and ends at 5.00 p.m. (IST) on 24th March 2022. The Scrutinizer will submit the report to the Chairman of the Company, or any person authorized by him upon completion of the scrutiny of the votes cast through remote e-voting. The results of the Postal Ballot will be announced on or before 5.00 p.m. (IST) on 25th March 2022.

The said results along with the Scrutinizer's Report would be intimated to Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE') where the Equity Shares of the Company are listed. Additionally, the results will also be uploaded on the Company's website www.sanofiindia.com and on the website of Central Depository Services (India) Limited ('CDSL') www.evoting.cdslindia.com.

SPECIAL BUSINESS:**Approval for Material Related Party Transaction(s) with Sanofi Healthcare India Private Limited (SHIPL):**

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

“RESOLVED THAT pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company's Policy on "Materiality of Related Party Transactions" and all other applicable laws and regulations, as amended, supplemented or re-enacted from time to time, the approval of the members of the Company, be and is hereby accorded for the contracts/ arrangements / transactions entered into for the year 2021 and for the contracts/ arrangements / transactions to be entered into with Sanofi Healthcare India Private Limited (SHIPL), a 'Related Party' as defined under Section 2(76) of the Companies Act, 2013 and the Listing Regulations, which are in the ordinary course of business and at arm's length and are detailed in the Explanatory Statement annexed to this notice, with respect to sale, purchase or supply of finished goods, raw materials, or other materials and availing or rendering of any services, for a maximum aggregate value upto ₹1,000 crores for each Financial Year, for period of five years commencing from Financial Year 2022 to Financial Year 2026; on such terms and conditions as may be decided by the Board of Directors from time to time based on the approval of

the Audit Committee and mutually agreed between the Company and SHIPL.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do or cause to be done all such acts, deeds and things, as may be necessary, including finalizing the terms and conditions, modes and executing necessary documents, including contracts, schemes, agreements and other documents, file applications ,make representations and seek approval from relevant authorities, if required and deal with any matters necessary as the Board may in its absolute discretion deem necessary, desirable or expedient, to give effect to this Resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Director(s), Chief Financial Officer and Company Secretary of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).

RESOLVED FURTHER THAT all actions taken by the Board in connection with matters referred to or contemplated in the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."

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.
Date: 14th February 2022

By the order of Board of Directors

Radhika K. Shah
Company Secretary
Membership No: A19308



NOTES

1. The Explanatory Statement pursuant to the provisions of Sections 102 and 110 of the Act read with Rule 22 of the Rules stating material facts and reasons for the proposed resolution is annexed hereto.
 2. In compliance with the MCA Circulars, the Postal Ballot Notice is being sent by electronic mode to all those members, whose names appear in the Register of Members/List of Beneficial Owners maintained by the Company/ Depositories as on 18th February 2022, ('Cut-off date') and whose e-mail IDs are registered with the Company/ Depositories. For Members who have not registered their e-mail IDs, please follow the instructions given below under these Notes.
 3. In accordance with the provisions of the MCA Circulars, Members can vote only through the e-voting process. Members are requested to provide their assent or dissent through e-voting only. Physical copies of the Postal Ballot Notice and pre-paid business reply envelopes are not being sent to Members for this Postal Ballot.
 4. In compliance with provisions of Section 108 and Section 110 and other applicable provisions, of the Act read with the Management Rules, the Company is pleased to offer e-voting facility to all the Members of the Company. For this purpose, the Company has engaged the services of CDSL for facilitating e-voting to enable the Members to cast their votes electronically.
 5. Members may please note that the Postal Ballot Notice will also be available on the Company's website at www.sanofiindialtd.com, websites of the Stock Exchanges i.e. BSE Limited ('BSE') at www.bseindia.com and NSE India Limited ('NSE') at www.nseindia.com and on the website of CDSL at www.cdslindia.com.
 6. All the material documents referred to Explanatory Statements, shall be available for inspection through electronic mode from 22nd February 2022 to 24th March 2022, basis the request being sent on IGRC.SIL@Sanofi.com, mentioning their name, Folio no. / Client ID and DP ID, and the documents they wish to inspect, with a self-attested copy of their PAN card or Aadhar Card attached to the email.
 7. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on Friday, 18th February 2022 being the cut-off date fixed for the purpose.
 8. The voting through electronic means will commence on Wednesday, 23rd February 2022 at 9:00 a. m. and will end on Thursday, 24th March 2022 at 5:00 p. m.
- The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution(s) is cast by the member, the member shall not be allowed to change subsequently.
9. A shareholder cannot exercise his/her vote by proxy on Postal Ballot.
 10. The Scrutinizer will submit their report to the Chairman or any other Director after completion of the scrutiny and the result of the Postal Ballot voting process will be declared within two working days from the end of voting, i.e. on or before Friday, 25th March 2022.
 11. Resolution passed by Members with requisite majority, through Postal Ballot shall be deemed to have been passed at a General Meeting of Members convened on that behalf.
 12. The result of the Postal Ballot shall be communicated to all the Stock Exchanges where the equity shares of the Company are listed. The Ordinary Resolution, if passed by the requisite majority, shall be deemed to have been passed on Thursday, 24th March 2022, being the last date specified by the Company for e-voting.
 13. Any query in relation to the resolutions proposed to be passed by Postal Ballot may be addressed to or query / grievance with respect to E-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.
 14. Members who have not registered their e-mail addresses so far are requested to register the same so that they can receive all future communications from the Company electronically.

THE INTRUCTIONS OF MEMBERS FOR E-VOTING ARE AS UNDER:

- (i) The voting period begins on 23rd February 2022 at 9:00 a.m. and ends on 24th March 2022 at 5:00 p.m. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18th February 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its Members, in respect of all Members' resolutions.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 9th December 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.

Pursuant to above said SEBI Circular, Login method for e-Voting for Individual Members holding securities in Demat mode CDSL/NSDL is given below:

Type of Members	Login Method
Individual Members holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 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 URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 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. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/ LINKINTIME, 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 https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin 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 evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Members holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting 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 name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.
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. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.



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

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

Login type	Helpdesk details
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 022- 23058738 and 22-23058542-43.
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.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (iv) Login method for e-Voting for **Physical Members and Members other than individual holding in Demat form.**
- 1) The Members should log on to the e-voting website www.evotingindia.com.
 - 2) Click on "Members" module.
 - 3) Now enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

For Physical Members and other than individual Members holding shares in Demat.	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat Members as well as physical Members) <ul style="list-style-type: none"> – Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> – If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for the relevant Company' Name i.e. Sanofi India Limited on which you choose to vote.
- (ix) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- (xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) Additional Facility for Non – Individual Members and Custodians –For Remote Voting only.
- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual Members are required to send the relevant Board Resolution/ Authority letter etc. together

with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; IGRC.SIL@sanofi.com., if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE MEMBERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical Members- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat Members -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat Members – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Relationship between the companies:

Sanofi Healthcare India Private Limited (SHIPL), is a 'Related Party' as defined under Section 2(76) of the Companies Act, 2013 and the Listing Regulations.

SHIPL is part of Sanofi Group and is the related party due to existence of common control.

Details and the benefits of the Material Related Party Transaction:

Your Company's business, which includes insulin products sold under "Lantus" and "Toujeo" brands and related drug delivery devices sold under "Allstar" brand, has been growing at a healthy rate over the past years. The Company obtains supply of certain finished products from its fellow subsidiary SHIPL, under product supply arrangement and the sales from this portfolio is a significant component of your Company's current sales and a future growth driver.

Presently, the Company sources the Lantus/Toujeo/Allstar range of products, from SHIPL, under a product supply arrangement, which are manufactured at SHIPL's plant at Muppireddypally, Telangana. The product supply arrangement gives your Company access to a strong product portfolio with a high potential for growth. As such, the product supply arrangement is value accretive to the Company. The Company periodically evaluates the arrangement to ensure that it continues to be beneficial to the Company. In addition to this product supply arrangement, the Company also renders certain services in the areas of sales force, marketing, distribution as also toll manufacturing services to SHIPL which help in leveraging of the spare capacities in these areas resulting in generation of service income which benefits the Company.

Under the product supply arrangement, the Company expects an increase in aggregate transaction values of purchase of finished products from SHIPL and provision services to SHIPL, beyond the materiality limits defined under the Listing Regulations.

These material Related Party Transactions are operational in nature and the Company, in order to secure continuity of supply of pharmaceutical products on beneficial terms, is seeking approval of the members on the terms detailed in the Resolution and this Notice.

Background of the Related Party Transactions for year 2021 and subsequent years:

The Company had originally entered into Related Party Transaction(s) with Sanofi-Synthelabo (India) Private Limited (SASY) and Sanofi Pasteur India Private Limited (SPIPL) before the latter of the two Companies SASY and SPIPL merged with SHIPL. These existing Related Party Transactions with SASY and SPIPL were for provision of certain services in the areas of sales force, marketing, distribution as also toll manufacturing services to SHIPL and were in the ordinary course of business and at arm's length, as

per the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations. These Related Party Transaction(s) were approved by the Company's Audit Committee at their meetings held in the year 2021. These transactions individually between the Company and SASY; and the Company and SPIPL, were not material Related Party Transactions as per the materiality of limits defined under the Company's Policy of Materiality of Related Party Transactions and the Listing Regulations.

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

As stated above, individually, the value of Related Party Transaction(s) between Company with SASY and the Company with SPIPL were within the threshold limit of 10% of the Company's annual consolidated turnover as prescribed under the Regulation 23(1) of the Listing Regulations. However, due to the merger of the aforesaid entities, transactions which were originally entered into with SASY and SPIPL (Transferor Companies) have now been aggregated with transactions SHIPL (Transferee Company) as a result of operation of law, and thus, the transactions of the Company with SHIPL, for the aggregate value of ₹368 crores for FY 2021 (post the merger), have crossed the threshold limit of 10% of the Company's annual consolidated turnover as prescribed under the Regulation 23(1) of the Listing Regulations. The requirement of procuring prior approval of shareholders for material related party transactions and material modifications to material related party transactions have been introduced pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 which is only effective from 1st April 2022.

Going forward, from the year 2022 onwards, the value of proposed aggregate Related Party transactions with SHIPL are expected to exceed the materiality limits and likely to grow annually considering market growth for the particular therapeutic area and the growth initiatives of the Company. Accordingly, it is proposed to seek approval of the members for the said material Related Party Transactions with SHIPL for a period of 5 years, from FY 2022 to FY 2026, subject to a value threshold of ₹1,000 crores per Financial Year.

Disclosures under the Companies Act and Listing Regulations:

Name of the Related Party: Sanofi Healthcare India Private Limited. (SHIPL).

Name of Director(s) or Key Managerial Personnel who is related: None

Nature of Relationship: Related parties in Sanofi Group where common control exists

Material terms of the transaction including nature, monetary value and other particulars:

As stated above, the Company has the following transactions with SHIPL:

1. Purchase of certain finished drug formulation products (pertaining to Lantus/Toujeo/Allstar)
2. Sale of certain semi-finished products;
3. Cross-charges for services provided towards distribution, sales force, administrative activities; and
4. Allied transactions of relatively nominal value such as toll manufacturing service charges received and need-based transfer (sale/purchase) of certain raw/packing materials etc.

The aggregate value of the aforesaid Related Party Transactions with SHIPL post the merger for FY 2021 are INR 368 crores.

The Company has provided a loan to Shanta Biotechnics Private Limited, now SHIPL in the year 2016 and 2017, for an amount of INR 445 crores for the period and at the rate of interest to be decided by the Board of Directors. The said transaction of giving loan to SHIPL was approved by the shareholders with requisite majority vide their resolutions dated 29th April 2016 and 27th August 2017. Accordingly, this loan is not part of the Material Related Party Transactions for which the approval of the Members is being sought through this Notice.

All related party transactions are conducted by your Company at arm's length and as per transfer pricing regulations. The price paid for a product/service would be based on actual costs along with arm's length margin applied thereon in compliance with transfer pricing laws and principles.

The maximum aggregate value of the transactions with SHIPL proposed for the period of five years commencing from Financial Year 2022 to Financial Year 2026 is INR 1000 crores for each financial year. The

percentage of the SHIPL's annual consolidated turnover that is represented by the value of the proposed Related Party Transactions is 26.17%.

The Audit Committee reviews all the information provided by the management pertaining to the related party transactions as well as rationale for the said transactions. The Company has robust governance process for related party transactions. Broad terms of the arrangement proposed have been reviewed by an Independent chartered accountant firm and the firm has confirmed that the proposed pricing mechanism mentioned above would meet the arm's length criteria. Further, the said related party transaction also qualifies as a transaction under ordinary course of business. In addition, as per the Company's current governance practice and Related Party Transaction Policy, all related party transactions are reviewed by an Independent chartered accountant firm annually and the ALM (arm's length margin) certificate of such independent reviewing firm is tabled before the Audit committee.

All the transactions in the year 2021 have been approved by the Audit Committee at the meetings held in the year 2021 as transactions to be in the Ordinary Course of Business and at Arm's Length. In addition, the proposed Material Related Party Transaction(s) for Financial Year 2022 to Financial Year 2026, for which approval is being sought, were unanimously approved by the Audit Committee and the Board on 1st February 2022 and 14th February 2022, respectively.

The Audit Committee and the Board is of the opinion that the aforesaid related party transactions are in the best interests of the Company. The Board, therefore, recommends the Resolution set out in the Notice for the approval of the Members in terms of Regulation 23(4) of the Listing Regulations.

Pursuant to Regulation 23 of the Listing Regulations, all Material Related Party Transactions require approval of the Members by way of an Ordinary resolution and all entities falling under the definition of "Related Party" shall abstain from voting, irrespective of whether the entity is a party to the particular transaction or not. Hence, the Promoter entities of the Company shall abstain from voting for this resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, financially or otherwise concerned or interested in the said Resolution except to the extent of their shareholding in the company, if any.

By the order of Board of Directors

Radhika K. Shah
Company Secretary
Membership No: A19308

Registered Office:

Sanofi House, CTS no.117-B
L&T Business Park Saki Vihar Road,
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