



25th February 2020

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

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

Audited Financial Results for the year ended 31st December 2019

Dear Sirs,

We refer to our letter dated 5th February 2020 informing you of our Board Meeting that was scheduled today. The meeting of Board of Directors commenced at 1.30 p.m. and concluded at 4.00p.m. The Board approved audited financial results for the year ended 31st December 2019.

We enclose a copy of the Auditor's Report and audited financial results of the Company for the year ended 31st December 2019 along with statement of assets and liabilities as on that date and statement of cashflows for the year ended 31st December 2019 as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for your information.

Pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby declare that the Statutory Auditors of the Company, M/s Price Waterhouse & Co. Chartered Accountants LLP have issued the Audit Report with unmodified opinion for the financial year ended 31st December 2019.

Please take the above information on record.

Thanking you,

Yours sincerely,
SANOFI INDIA LIMITED

GIRISH TEKCHANDANI
COMPANY SECRETARY

SANOFI INDIA LIMITED

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

Corporate Identity Number: L24239MH1956PLC009794

Tel no: (91-22) 28032000 Fax No: (91-22) 28032846

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

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2019

Particulars	₹ in Million				
	Quarter ended 31.12.2019 (Audited)	Quarter ended 30.09.2019 (Unaudited)	Quarter ended 31.12.2018 (Audited)	Year ended 31.12.2019 (Audited)	Year ended 31.12.2018 (Audited)
1. Revenue from Operations (Refer note 4)	8,263	7,791	7,264	30,706	27,708
2. Other Income	248	229	201	941	897
3. Total Income (1+2)	8,511	8,020	7,465	31,647	28,605
4. Expenses					
(a) Cost of Materials Consumed	2,301	2,088	2,174	8,636	8,010
(b) Purchases of stock in trade	1,227	1,051	1,046	4,815	4,054
(c) Changes in inventories of finished goods, stock in trade and work in progress	75	241	(92)	23	(605)
(d) Employee benefits expense	1,150	1,170	1,035	4,497	4,068
(e) Finance costs	3	-	7	3	7
(f) Depreciation and amortisation expense	215	263	259	999	1,027
(g) Other expenses	1,728	1,486	1,728	6,082	5,946
Total Expenses	6,699	6,299	6,157	25,055	22,507
5. Profit before exceptional item and tax (3-4)	1,812	1,721	1,308	6,592	6,098
6. Exceptional item (Refer note 6)	(199)	(394)	-	(593)	-
7. Profit before tax (5-6)	1,613	1,327	1,308	5,999	6,098
8. Tax expense					
- Current Tax	724	332	561	2,276	2,409
- Deferred Tax	(84)	(271)	(46)	(419)	(117)
9. Profit for the period (7-8)	973	1,266	793	4,142	3,806
10. Other comprehensive income (OCI) (Net of Tax)	(165)	-	13	(165)	13
11. Total comprehensive income for the period (9+10)	808	1,266	806	3,977	3,819
12. Paid-up equity share capital (Face Value of ₹ 10 per share)	230	230	230	230	230
13. Other equity	-	-	-	24,193	21,962
14. Basic and diluted earnings per share (not annualised)	42.26	54.96	34.48	179.85	165.48



A

SANOFI INDIA LIMITED
Statement of Assets and Liabilities

₹ in Million

	As at Decemeber 31, 2019 Audited	As at Decemeber 31, 2018 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	3,527	5,479
Capital work in progress	127	164
Goodwill	731	731
Other intangible assets	729	1,118
Intangible assets under development	47	47
Financial assets		
(i) Investments	-	2
(ii) Loans	4,602	5,129
(iii) Other financial assets	32	53
Income tax assets (Net)	1,317	1,135
Other Non-Current Assets	39	59
Total non-current assets	11,151	13,917
Current assets		
Inventories	4,696	4,831
Financial assets		
(i) Trade receivables	2,240	1,584
(ii) Cash and cash Equivalents	11,199	8,251
(iii) Bank Balances other than (ii) above	96	68
(iv) Loans	15	43
Other current assets	1,445	1,106
Assets classified as held for sale (Refer note 6)	1,602	39
Total current assets	21,293	15,922
TOTAL ASSETS	32,444	29,839
EQUITY AND LIABILITIES		
Equity		
Equity share capital	230	230
Other equity		
Reserves and surplus	24,193	21,962
Total equity	24,423	22,192
LIABILITIES		
Non-current liabilities		
Employee benefit obligations	541	491
Deferred tax liabilities (Net)	446	921
Total non-current liabilities	987	1,412
Current liabilities		
Financial liabilities		
(i) Trade payables		
(a) Outstanding dues of micro enterprises and small enterprise	274	192
(b) Outstanding dues of creditors other than micro enterprises and small enterprises	3,415	3,246
(ii) Other financial liabilities	249	259
Provisions	1,382	1,284
Employee Benefit Obligations	963	716
Current tax liabilities (net)	585	410
Other Current Liabilities	155	119
Liabilities directly associated with assets classified as held for sale	11	9
Total current liabilities	7,034	6,235
TOTAL EQUITY AND LIABILITIES	32,444	29,839



Sanofi India Limited
Statement of Cash Flows for the year ended December 31, 2019

₹ in Million

Particulars	Year ended December 31, 2019 Audited	Year ended December 31, 2018 Audited
Cash flow From operating activities		
Profit before tax	5,999	6,098
Adjustment for :		
Depreciation and amortization	999	1,027
Unrealised exchange Loss / (Gain) (net)	(6)	2
Loss on sale/Write-off of property, plant and equipment/Intangible Asset (net)	19	18
Impairment on assets classified as held for sale	579	-
Finance costs	3	7
Interest income	(910)	(789)
Share based payment	86	81
Provision for bad and doubtful debts (net)	13	18
Provision for doubtful advances and deposits (net)	1	(6)
Operating profit before working capital changes	6,783	6,456
Adjustments for (increase) / decrease in operating assets		
Non-current financial assets	18	(22)
Other non-current assets	1	1
Inventories	135	(675)
Trade receivables	(648)	407
Current financial assets	*	8
Other current assets	(339)	(109)
Adjustments for increase / (decrease) in operating liabilities		
Employee benefit obligations	127	(86)
Trade payables	233	125
Current financial liabilities	(38)	42
Other current liabilities & provisions	134	33
Cash generated from operations	6,406	6,180
Taxes paid (net of refunds)	(2,283)	(2,441)
Net Cash flow from operating activities (A)	4,123	3,739
Cash flow from Investing activities		
Sale proceeds of property, plant and equipment	5	22
Interest received	910	789
Loans given	-	(1,050)
Loans repaid	500	100
Purchase of property, plant and equipment and Intangibles	(758)	(592)
Net cash from/(used in) investing activities (B)	657	(731)
Cash flow from financing activities		
Interim and final dividend paid	(1,520)	(1,636)
Dividend Distribution tax paid thereon	(312)	(336)
Net cash (used in) financing activities (C)	(1,832)	(1,972)
Net increase in cash and cash equivalents (A+B+C)	2,948	1,036
Effect of Exchange differences on cash and cash equivalents held in foreign currency	*	*
Cash and Cash Equivalents at the beginning of the year	8,251	7,215
Cash and Cash Equivalents at the end of the year	11,199	8,251
Components of Cash and Cash Equivalents		
Cash and Cash Equivalents	11,199	8,251

* denotes figure less than a million



Notes:

1. The above Results have been reviewed by the Audit Committee held on February 24, 2020 and approved by the Board of Directors of the Company at its Meeting held on February 25, 2020.
2. The Board has recommended a dividend of Rs. 106 per equity share of Rs.10 for the year ended December 31, 2019. In addition, after reviewing the cash requirements for the Company's operations, a one-time special dividend of Rs. 243 per equity share of Rs.10 is being recommended. The total dividend of Rs. 349 per equity share of Rs.10 will be paid after approval of shareholders at the ensuing Annual General Meeting of the Company.
3. This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS), prescribed under section 133 of the Companies Act, 2013, and other recognized accounting practices and policies to the extent applicable.
4. Effective January 1, 2019, the Company has adopted Indian Accounting Standard 115 - 'Revenue from Contract with customers' with modified retrospective approach. Adoption of this standard did not have any impact on the financial results of the Company.
5. The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961. Accordingly, the Company has recognized Provision for Income Tax for the nine months ended December 31, 2019 and remeasured its Deferred Tax Assets based on the rate prescribed in the said section. The full impact of this change has been recognized in the Statement of Profit and Loss.
6. In the year 2018, Advent International acquired Zentiva, Sanofi Group's European Generics business. Following this transaction, Zentiva continued to source products ('Zentiva portfolio') from the Company (through Sanofi Group), pursuant to a five years Manufacturing and Supply Agreement ending in 2023. Consequent to this global transaction and in anticipation of the impact of termination of this contract in 2023, the Company initiated a review of its manufacturing strategy and conducted an evaluation of its manufacturing facility at Ankleshwar.

The Board of Directors of the Company at its meeting held on September 10, 2019, approved a transaction for the slump sale and transfer of the Ankleshwar manufacturing facility to Zentiva Private Limited for a consideration of Rs 2,617 million subject to customary working capital adjustments. The members of the Company approved this transaction by way of a postal ballot on October 30, 2019. Other conditions precedent and approvals from statutory authorities are being worked on and subject to progress as per plan, the transaction is expected to close by March 31, 2020.

The products which are not part of the 'Zentiva portfolio', will continue to remain with the Company.

The Company has accounted for an impairment loss and other incidental expenses aggregating Rs. 593 million in the year ended December 31, 2019, of which Rs. 199 million has been accounted in the quarter ended December 31, 2019 on account of the maintenance capital that was immediately impaired, which have been disclosed as an exceptional item.

Pending conditions precedent to the transaction and approvals from regulatory authorities as at December 31, 2019, the Company has classified the relevant non-current assets of Ankleshwar manufacturing facility as 'Assets Held for Sale'. Until the Ankleshwar manufacturing facility is transferred to Zentiva Private Limited, the Company will continue to invest maintenance capital which will be impaired, while the operating revenues and saving in depreciation will continue to accrue to the Company.

7. The figures for the quarter ended December 31, 2019 and December 31, 2018 are the balancing figures between audited figures in respect of the full financial year up to December 31, 2019 and December 31, 2018 and the unaudited published year-to-date figures up to September 30, 2019 and September 30, 2018, which was subject to limited review, being the date of the end of the third quarter of the said financial year.
8. The Company has a single business segment namely 'Pharmaceutical Business'.
9. The figures for the previous period/year have been regrouped/reclassified, wherever necessary to conform to current period/year classification.

February 25, 2020



SANOFI INDIA LIMITED

RAJARAM NARAYANAN
MANAGING DIRECTOR
DIN: 02977405

Price Waterhouse & Co Chartered Accountants LLP

Independent Auditor's Report

To the Members of Sanofi India Limited

Report on the audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Sanofi India Limited (the "Company"), which comprise the Balance Sheet as at December 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2019, total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
<p>Appropriateness of classification, measurement and disclosures relating to non-current assets of the manufacturing facility at Ankleshwar</p> <p>Refer Notes 18 and 50 to the financial statements</p>	<p>Our audit procedures included the following :</p> <ul style="list-style-type: none">• Understanding and evaluation of the design and testing the operating effectiveness of controls in respect of such non-recurring transactions.



Price Waterhouse & Co Chartered Accountants LLP, Nesco IT Building III, 8th Floor, Nesco IT Park
Nesco Complex, Gate No. 3 Western Express Highway, Goregaon East, Mumbai – 400 063
T: +91 (22) 61198000, F: +91 (22) 61198799

Registered office and Head office: Plot No. Y-14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar, Kolkata 700 091

Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E)

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Sanofi India Limited
Report on audit of the Financial Statements
Page 2 of 7

<p>During the year, the Company has entered into an agreement to transfer its manufacturing facility located at Ankleshwar to Zentiva Private Limited by way of slump sale through a Business Transfer Agreement. Pending fulfilment of the conditions precedent to the transaction and approvals from regulatory authorities, as at December 31, 2019, the Company has classified the non-current assets relating to this facility as 'held for sale, in accordance with Ind AS 105 – 'Non-Current Assets Held for Sale and Discontinued Operations' in the financial statements.</p> <p>The application of Ind AS 105 involves significant management judgement in respect of identification of assets of the disposal group and assessment of their fair values as at the reporting date.</p> <p>During the year, the Company has recognised an impairment loss of Rs. 593 million (including other incidental expenses of Rs. 14 million) on account of above transaction.</p> <p>This has been considered as a key audit matter in view of the transaction being of non-routine nature and the significance of the amount involved.</p>	<ul style="list-style-type: none">• Reviewing the Business Transfer Agreement and minutes of the Board of Directors and shareholders meetings for approval for the transaction and the submissions made by the Company to the regulatory authorities including stock exchanges.• Understanding the management's process of identifying the assets and liabilities, which will be transferred under Business Transfer Agreement.• Verifying the completeness and accuracy of the working of impairment loss, its tax impact and classification of the assets as held for sale.• Assessing appropriateness of the Company's accounting policies in accordance with Ind AS and ensuring adequacy of disclosures made in the financial statements. <p>Based on the audit procedures performed, we did not identify any material exceptions in the classification, measurement and disclosures relating to the non-current assets of the manufacturing facility at Ankleshwar.</p>
<p>Appropriateness of provisions recognised and disclosures made in respect of certain regulatory and tax matters</p> <p>Refer Notes 23, 39(a), 45 and 47 to the financial statements.</p> <p>Being in the pharmaceutical industry, the Company is highly regulated by various authorities like Pricing Authority and other regulators, and it has outstanding regulatory cases under the Drug (Prices Control) Order, 1979 (DPCO 1979) and Drug Prices Control Order, 2013 (DPCO 2013) relating to prices charged for some of its formulations.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• Understanding and evaluation of the design and testing the operating effectiveness of controls in respect of assessment of tax and regulatory exposures, their accounting and disclosures in the financial statements;• Obtaining a complete list of litigation matters and reviewing the underlying orders and other communication received from regulatory authorities and management's responses thereto to assess status of the litigations;• Evaluating the independence, objectivity and competence of management experts involved;• Reviewing management's consultants' advice and opinion as applicable;



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Sanofi India Limited
Report on audit of the Financial Statements
Page 3 of 7

The Company has received the following demands in the earlier years:

- (a) DPCO 1979 - demand of Rs. 861 million, against which provision of Rs. 205 million was recognised.
- (b) DPCO 2013 - Matter remanded back to National Pharmaceutical Pricing Authority (NPPA) by the Hon'ble Delhi High Court, however, provision recognised in earlier years has been retained of Rs. 162 million.

In respect of the above matters, based on the assessment done by the Management, in consultation with its legal advisors, the likelihood of any additional outflow is considered as remote.

In addition to the above, there are several cases under direct and indirect tax laws which are pending for decision at various authority levels, in respect of which the Company has disclosed contingent liabilities of Rs. 2,745 million.

The management's assessment with regard to the tax matters is supported by advice from independent consultants.

We considered this as a key audit matter, as evaluation of these matters requires significant management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outflow of economic resources for recognising provisions and making related disclosures in the financial statements. The application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, is inherently subjective, and needs careful evaluation and judgement to be applied by the management.

- Evaluating the management's assessment on the probability of outcome and the magnitude of potential outflow of economic resources in respect of (a) regulatory matters and; (b) tax matters including involvement of our tax experts for assessing complex tax matters, based on recent rulings and latest developments in case laws;
- Evaluating the Company's disclosures for accuracy and adequacy regarding the significant litigations of the Company.

Based on the audit procedures performed, we did not identify any significant exceptions relating to the provisions recognised and disclosures made in the financial statements in respect of regulatory and tax matters.



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Sanofi India Limited
Report on audit of the Financial Statements
Page 4 of 7

Other Information

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

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

We have nothing to report in this regard.

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

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Sanofi India Limited
Report on audit of the Financial Statements
Page 5 of 7

9. 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current 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.



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Sanofi India Limited
Report on audit of the Financial Statements
Page 6 of 7

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2016 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cashflows dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on December 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23, 39, 45 and 47 to the financial statements;
 - (ii) The Company has long-term contracts as at December 31, 2019 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at December 31, 2019;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended December 31, 2019;
 - (iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended December 31, 2019.



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Sanofi India Limited
Report on audit of the Financial Statements
Page 7 of 7

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. Also refer paragraph 11 of Annexure B.

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

Asha Ramanathan

Asha Ramanathan
Partner
Membership Number: 202660
UDIN: 20202660AAAAAP7508

Place: Mumbai
Date: February 25, 2020

Price Waterhouse & Co Chartered Accountants LLP

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 financial statements as at and for the year ended December 31, 2019

Page 1 of 2

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section (3) of Section 143 of the Act

1. We have audited the internal financial controls with reference to the financial statements of Sanofi India Limited (the "Company") as of December 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



Price Waterhouse & Co Chartered Accountants LLP

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 financial statements as at and for the year ended December 31, 2019

Page 2 of 2

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

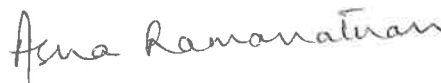
Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at December 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



Asha Ramanathan
Partner
Membership Number: 202660
UDIN: 20202660AAAAAP7508

Place: Mumbai
Date: February 25, 2020

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditor's Report

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Sanofi India Limited on the financial statements as of and for the year ended December 31, 2019

Page 1 of 4

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of property, plant and equipment.

(b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 5(a) on Property, Plant and Equipment and Note 18 on Assets classified as held for sale to the financial statements, are held in the name of the Company.
2. The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. The Company has granted secured loans, to two companies covered in the register maintained under Section 189 of the Act. There are no firms or Limited Liability Partnerships covered in the register maintained under Section 189 of the Act.

(a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(b) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 of the Companies Act, 2013 in respect of loans granted to a director. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 186 of the Act.
5. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
6. 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.



Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditor's Report

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Sanofi India Limited on the financial statements as of and for the year ended December 31, 2019

Page 2 of 4

7. (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 generally regular in depositing undisputed statutory dues in respect of provident fund, though there has been a slight delay in a few cases, and regular in depositing the undisputed statutory dues, including employees' state insurance, income-tax, duty of customs, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer Note 39(b) to the financial statements regarding management's assessment on certain matters relating to provident fund.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs, value added tax, service tax and goods and services tax which have not been deposited on account of any dispute. The particulars of dues of income-tax, sales tax and duty of excise as at December 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. 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 Years 2010-2011 to 2014-2015	Income Tax Appellate Tribunal
		56	Assessment Years 2008-2009, 2011-2012 to 2012-2013, 2018-2019	Upto Commissioner's level
		476(#)	Assessment Years 2013-2014 to 2017-2018, 2019-2020	Upto Commissioner's level
The Central Sales Tax Act, 1956 and Local Sales Tax Acts	Sales Tax	2	1999-2000	Sales Tax Appellate Tribunal
		13	1998-1999, 2008-2009 and 2012-2013 to 2014-2015	Upto Commissioner's level



Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditor's Report

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Sanofi India Limited on the financial statements as of and for the year ended December 31, 2019

Page 3 of 4

Name of the statute	Nature of dues	Amount (Rs. in million) ^	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Export Obligation	4	2012-2014	Additional Director General of Foreign Trade
	Disallowance of MODVAT	39	2007-2008 to 2011-2012	Appellate Tribunal
		*	1994-1995	Upto Commissioner's level
	Excise Duty including interest and penalty as applicable	23	2005-2007, 2015-2016	Assistant Commissioner and Commissioner of Central Excise, Service Tax and Customs
Medicinal and Toilet Preparation (Levy of Excise Duty) Act, 1995	Dispute whether Central or State Excise Duty	23	January, 1990 to August, 1997	Central Board of Excise and Customs
		13	1996-1997 to 1998-1999	Commissioner of State Excise Duty, Maharashtra

* Denotes amount less than a million.

^ Net of amounts paid under protest.

Orders received subsequent to the year-end.

8. As the Company neither has any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the Balance Sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
9. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
11. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 15 of Independent Auditor's Report.



Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditor's Report

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Sanofi India Limited on the financial statements as of and for the year ended December 31, 2019

Page 4 of 4

12. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
13. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non-cash transactions with its directors or persons connected with them within the meaning of Section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Asha Ramanathan

Asha Ramanathan
Partner
Membership Number: 202660
UDIN: 20202660AAAAAP7508

Place: Mumbai
Date: February 25, 2020