

Sanofi India Limited 66th AGM

26 April 2022

- **Moderator:**

- Dear all. We're going live with AGM. Immediately after the welcome slide you will see a one-minute countdown timer post which the proceedings will begin. We request all of you to kindly put your microphones on mute and speak when you appear on the screen. Kindly unmute your microphones before speaking.
- The proceedings of this meeting are being recorded. During the meeting the participants will be on mute. I now hand over the proceedings of the meeting to Ms. Radhika Shah, Company Secretary of Sanofi India Limited.

- **Ms. Radhika Shah – Company Secretary, Sanofi India Limited:**

- Good afternoon, ladies and gentlemen. Welcome to the 66th Annual General Meeting of Sanofi India Limited. This meeting is being held through video conferencing in accordance with the circular issued by Ministry of Corporate Affairs applicable provisions of the Companies Act 2013 and SEBI listing regulations. The proceedings of this meeting are being webcast live for all our shareholders as per the details provided in the notice to the Annual General Meeting. The proceedings of this meeting are also being recorded for compliance purposes. In accordance with the provisions of the Companies Act and SEBI listing regulations members have been provided with the facility to exercise their right to vote by electronic means both through remote e-voting facility and e-voting at the Annual General Meeting. Remote e-voting facility was made available to all the members holding shares as on the cutoff date April 19, 2022, during the period commencing from 9:00 AM on April 2022 till 5:00 PM on April 25, 2022. Members joining the meeting through video conferencing facility who have not yet cast their vote by means of remote e-voting may vote through the e-voting facility provided at this Annual General Meeting. The e-voting platform is open now for voting and we will close 30 minutes from the time of closure of this meeting. The members who have cast their votes by remote e-voting prior to this meeting are requested not to cast their vote once again. The Board of Directors have appointed Makarand Joshi & Associates, Practicing Company Secretaries as the scrutinizer for this meeting. Based on the report of the scrutinizer the combined results of remote e-voting and the e-voting on the website done at the meeting today will be announced and displayed on the website of the company and will also be submitted to the stock exchanges as per the requirements under the SEBI regulations. I now request Mr. Aditya Narayan, our Chairman to continue with the proceedings of the meeting.

- **Mr. Aditya Narayan - Chairman, Sanofi India Limited:**

- Thank you, Radhika. Good afternoon, ladies and gentlemen. First let me introduce myself. My name is Aditya Narayan, Chairman of the Board of Directors of your Company and I will be chairing this meeting today. On behalf of the Board of Directors and the company, it is indeed my privilege to welcome you all to the 66th AGM of Sanofi India limited being conducted through video conferencing facility. As you know this is my sixth AGM and the third AGM now being held conducted virtually. To begin with hope all of you and your families are well and keeping safe and hopefully we see ourselves soon coming out of the pandemic. Though it would have been a pleasure to meet you all in person, yet in the given circumstances I do believe that this is a safe and efficient way of transacting our business in the prevailing environment and I look forward to your cooperation in this smooth conduct of today's meeting thank you.
- The Company Secretary has informed me that the number of participants on this VC required for the quorum of this meeting, are present. I therefore declare the meeting valid and open. I would now like to introduce to you my illustrious colleagues appearing on the screen. I would request each member to acknowledge when I introduce him or her, as the case may be. Let me now move on with the introduction. First, Mrs. Usha Thorat, Independent Director and Chairperson of the Audit Committee and the Nomination and Remuneration Committee attending this meeting from Kolhapur. As you know she started her second five-year term as an Independent Director last year on the 30th of April 2021.
- Next let me introduce you Mr. Rahul Bhatnagar, Independent Director and Chairperson of the CSR Committee and the Stakeholder Relationship Committee attending this meeting from Sanofi India Head Office in Mumbai. As you know he joined the company as an Independent Director last year -- oh sorry on 29th July 2020.
- Number 3, let me now turn to Mr. Marc Antoine Lucchini who's at the extreme right, Non-executive Director attending this meeting from Sanofi India Head Office Mumbai. As you all know he's the Head of the Foundation Business, General Medicine based out of Sanofi in Paris.
- Next, Mr. Charles Billard, Non-Executive Director attending this meeting from Paris. He is the Head of Finance Global Corporate Functions based out of Sanofi, Paris. Some of you might remember him from his earlier days when he used to be with us as a Full Time Director and CFO of the Company.
- Next, Mr. Rodolfo Hrosz, Managing Director of your company with effect from 1st June 2022 subject to applicable approvals attending this meeting from the Sanofi India Head Office Mumbai and I will have more on this in due course. Mr. Vaibhav Karandikar, Whole Time Director and CFO attending the meeting from Sanofi India Head Office Mumbai seated next to me.
- Mr. Cherian Mathew, Whole Time Director and Head of Industrial Affairs. He's attending this meeting via video conferencing from Ireland and next to me finally is Mrs. Radhika Shah, your new Company Secretary attending this meeting from the

Companies India Head Office in Mumbai, also present we have Mr. Arun Ramdas partner PwC, who are the statutory auditors of the company and Mr. Omkar Dindorkar, authorized representative and partner of Makarand M. Joshi & Company who are the secretarial auditors of the company and scrutinizers of the e-voting process of this AGM and the cost auditors of this company.

- Now let me just quickly cover some of the important changes which have taken place in the directorate since we last met. Mr. Cyril Grandchamp-Desraux, Non-executive Director stepped down from your Company board on 24th November 2021. As you might recall he had joined the board on 23rd February 2017. Further on 13th January 2022, Mr. Rajaram Narayan, Managing Director of the Company informed us that he had decided to pursue interests outside Sanofi. He left the company services on 10th April 2022. You will recall that he had been appointed as MD on 1st January 2018. On behalf of the Board, I take this opportunity to record our deep appreciation for their valuable contributions during their respective tenures on the Board.
- Next, you will probably remember Mr. Vaibhav Karandikar joined the Board as Whole Time Director and CFO on 23rd February 2021 and we continue to look forward to his strong contribution. Now let me mention something more on Mr. Rodolfo Hrosz, which I had promised a little while ago. It gives us indeed great pleasure in welcoming him in being appointed as Managing Director of your Company with effect from 1st June 2022. The Board approved this appointment in its meeting on 18th April 2022. He has been the General Manager and a very successful one for the consumer healthcare business of Sanofi in Brazil since April 2017 and brings a wealth of very relevant experience and diverse skills to take your Company forward. I'm sure you will join me in wishing him all the very best for a successful tenure. The effective start date of his appointment is 1st June 2022, it is of course subject to the applicable approvals which are being pursued.
- Next, let me welcome again Ms. Radhika Shah who joined as your Company Secretary and Compliance Officer with effect from 1st November 2021 in succession to Girish Tekchandani who left the services of your company on 31st August 2021. On behalf of the Board, I thank Girish for his contribution and wish Radhika a really successful tenure ahead.
- Now let me mention a few things about this meeting. First, I will talk very briefly about the key achievements of your company in the year 2021. Next, we will then cover proposals and resolutions which have been placed before you for the approval. We had requested all of you to send in advance your queries of the proposals and your queries in the AGM notice and other matters relating to annual report. In this meeting, we will be able to respond to only those queries which have already been received by us before the cutoff time. We have also considered suggestions received at the last AGM of the company and dealt with them appropriately. We will of course open the lines for those shareholders who have registered themselves to speak at this AGM. We would like to hear your suggestions, inputs, and comments on the company's performance, but please stick

to the AGM and the notice and the company report. If you have any further queries on the business operations, we may not be able to respond to them today, but the company secretary will surely respond to you in due course of time and now to the business of this meeting. I trust that you have already received the annual report and the notice of the AGM containing the resolutions to be voted on.

- The statutory registers required to be kept open at this meeting and all other documents referred to in the notice can be inspected in electronic mode by any member. You may send email request on the email ID provided in the notice of AGM and the Company Secretary will organize electronic inspection of those registers. The notice of this meeting and the auditor's report have been with you for quite some time as part of the annual report. The notice of this meeting is therefore being considered as read.
- I am happy to inform you that Mr. Arun Ramdas partner PwC statutory orders is also present in this meeting and I'm sure we'll be looking for any queries you might have. The auditor's report for the year 31st December 21 is being considered as read as I've already explained to you.
- So this was the first part of the meeting and I'll quickly make a brief statement before we move on to the next part of the meeting. Dear members, your company's performance for the year 2021 is captured in the annual report which I presume would have already been seen by you. Accordingly, I propose to just highlight some of the key points ahead of your voting on the resolutions in the notice of the AGM. Despite all the uncertainty is created by the pandemic during the year, your company has successfully implemented transformational initiatives to not only improve the financials, but to strengthen its capabilities for the longer term and make a positive difference to the patients, partners, communities, and all its employees.
- This quest of your company is captured very nicely in its brand-new unifying purpose. We chase the miracles of science to improve people's lives. I'll have more on this later. Performance of the company for the year 2021 now, you must have noted from the results of 2021 that they are not comparable with that of the previous year in view of the completion of the slump sale transaction of Ankleshwar Manufacturing Facility in May 2020 and the completion of the slump sale transaction of the companies Nutraceuticals business in 2021. Also, during these years, operating environments saw fluctuating periods of significant disruption caused by the COVID-19 pandemic. Now the Indian Pharmaceutical Industry, just one line comment on it. From the subdued growth of 4% in 2020 it jumped to 18% growth in 2021 on the back of a sharp increase in demand for acute care therapies including anti-infectives, respiratory, gastro, and pain, and COVID related medicines. The demand for medicines of chronic therapies like diabetes and cardiovascular remained relatively steady. For the year 2021, your Company achieved revenue from operations of ₹29.6 billion as against ₹29 billion in the previous year representing a small growth of 2% as its domestic business in India delivered a strong growth of 13%, but exports dropped in view of the divestments. Net profit of

the company for the year 2021 came in at ₹9.4 billion registering a growth of over 97% over the previous year mainly on account of profit from sale of the Nutraceutical business of ₹4.9 billion and about an 8% improvement in the operating profit. After considering the closure of the slump sale transactions and reviewing the cash requirements of the company operations in addition to a final dividend of ₹181 per equity share, your board recommended a onetime special dividend to ₹309 per equity share for the year ended 31st December 21. Thus, the total dividend of ₹490 per share will be paid after due approval from the applicable resolutions which are there later on and now let me turn to the operating business environment and your company's progress with some of its key initiatives.

- The Indian economy is slowly but surely recovering from the disruption caused by the pandemic over the past two years. The recent geopolitical tensions and the prevailing environment of steeper commodity prices, higher inflation, and global supply chain bottlenecks continue to dampen the full recovery in the near term; however, the longer term continues to raise expectations of India being amongst the fastest growing economies in the world. The pandemic underscored several deficiencies in India's healthcare infrastructure, but as you know the government has already moved to increase allocations to build necessary capabilities and capacities. All these developments augur well for the longer-term growth of the India pharma industry. During the recent uncertain times, it has indeed been heartening to see companies with a clear purpose and responsible leadership rapidly reinvent themselves to stay future relevant. Your company too successfully implemented several transformational steps across all areas to build appropriate capabilities for the future. It's cutting-edge science and world class manufacturing fueled by data and digital technologies continue to better service the evolving needs of it's customers and patients. Your company's human capital remain the key driving force in meeting your business needs and I'm delighted to mention that for the fourth year in a row your company has been recognized as the top employer 2022 for its outstanding HR practices and policies.
- This year your Company's employees demonstrated extraordinary efforts in adapting to the evolving environment and ensuring delivery of your company's products and services without any major disruption despite the rapidly changing regulatory environment in view of the evolving pandemic. During the year 2021, your company made continuous efforts to enhance its performance by focusing on patient centric initiatives, strengthening its brands, restructuring footprint, controlling costs, building organizational capabilities for the future, and progressing it's impactful CSR agenda. All this while ensuring full compliance with its high standards of good governance. I'm sure you would have noticed from the annual report many more details about all these activities and all the pictures which are there on the CSR activities as well. In conclusion, I would want to say that as we march ahead in a volatile operating environment, your company will pursue its purpose with excellence and all it does as it continues its journey of chasing the miracles of science to improve people's lives.

- I now turn to the next part of the talk which I had, I talked about the resolutions proposed to be passed at this meeting. As you would have seen, we have five resolutions for approval in this AGM. The first item on the notice relates to the approval and adoption of annual accounts for the year ended 31st December 2021. The second item on the notice relates to declaration of the final dividend and the onetime special dividend on equity shares for the financial year 31st December 21. The third item on the notice relates to the reappointment of Mr. Cherian Mathew as Director who retires by rotation and is eligible for reappointment. The fourth item is related to the reappointment of M/s, Price Waterhouse Chartered Accountants LLP, as statutory auditors the company for a second term of five years from the conclusion of this 66 AGM meeting until the conclusion of the 71st AGM in accordance with the Companies Act and SEBI listing regulations. The fifth item on the notice relates to the payment of remuneration to the cost auditor. Since this meeting is being held through VC facilities and resolutions are put to vote only through e-voting, the practice of proposing and seconding the resolutions has not been followed. As part of the AGM, the shareholders who have queries or seeking clarifications on these proposals or on the annual report were requested to send their queries on email on or before 5:00 PM on Friday 22nd April 2022. Today, we will be able to answer questions to these queries at the meeting which were received in advance as per the above guidelines. That brings me to the Q&A session of this meeting. That's the third part of what I had said right in the beginning would be I would be talking about. Many queries received from the shareholders are common and there are queries which are related to one another. We have classified these queries and two groups and we will accordingly give our responses. We have also received many suggestions along with these queries and we have noted your suggestions and we will no doubt consider them in future to see what best we can do to deal with them. The first group of questions is on topics related to the performance of the individual products or therapies, areas or margins on such products. There are also queries on the future outlook of the business, manufacturing facilities, capacity utilization, or profitability. Due to competitive reasons, we do not discuss individual product or therapy areas and we will not be able to give you any comments on these questions. Also, we do not give future guidance and hence questions relating to future look are not being responded to. The second group of questions are on business performance, financial matters, operations, regulatory issues, exports, and manufacturing. Mr. Vaibhav Karandikar, Whole Time Director and CFO will give comments on these questions and I would like to hand over the meeting to Vaibhav for addressing these questions. All yours Vaibhav.
- **Mr. Vaibhav Karandikar -- Whole Time Director & CFO, Sanofi India Limited:**
- Thank you, Mr. Chairman. So, we have received questions like the Chairman indicated on overall sales growth, there are questions on specific therapies, there are questions on price control and its impact, there are questions on manufacturing, so I will take questions accordingly in that sequence. So, the first question that was there was on the overall sales growth of domestic business post divestment that means essentially the sales growth over the last three years of the retail business.

So, the sales growth over the last three years of the retail business has been double digit, the compounded sales growth is around 10%. There is a question on product launch specifically and in which legal entity the future product launches would happen. We don't specifically comment on product launches in the future, however, as the principle any products in the therapy areas or diabetes and consumer healthcare that is the therapies in which the listed entity is present, these will be launched through the listed identity. You have seen that the Company has launched Toujeo in India and the recent introduction of Toujeo pens and cartridges to drive the market growth reinforces this principle very strongly. We have also launched Allegra Nasal in the CHC space. In terms of questions on specific therapies and business, there's a question on the insulin market size in India and the adoption rate for insulins in India versus the global benchmark.

- The total insulin market is approximately 4,400 crores and Sanofi with 19% market share is the fastest growing company in the insulin space with a 13% growth. Lantus is the third largest brand in the Indian pharma market. Globally, that is in the West and the developed part of the world, the insulin adoption rate is around 35% which means that one third of the diabetes patients roughly take insulin. In India the insulin adoption rate is still low at around 18%. There is a question on what is the proportion of the diabetes and cardiovascular business in the total domestic business. Diabetes including oral portfolio for us constitutes almost 46% of the total business and cardio constitutes 11% of the total domestic sales of the company. There are a few questions in the CHC business, and one question came in is what is the impact of the global carve out of the CFC business and is there any impact on India. I think it's important to clarify here that globally the CHC initiative is a carve in and it's not a carve out and it is to give space to the CHC business globally to expand and grow faster considering the different dynamics of this business.
- In India CHC contributes to 25% of the total domestic business and is one of the key priorities for Sanofi India and the key priority is to build the CHC portfolio. Again, a question on CHC specifically on the calcium and vitamin D3 market in India and the performance of Depura as a product. Calcium vitamin D3 market in India is roughly 2,700 crores and it has 11% growth. Depura has shown a 22% growth in this market, and it's now ranked 9th in India. Depura again is an important growth driver for us for the CHC business. There is a question on the hospital business of the Company and what is the reach of the hospital business. So, your company presently covers roughly 650 hospitals and to expand our reach and business we intend to add significantly more hospitals through the hybrid model going forward. There is a question on the sales force size in India and the impact of Soframycin divestment on sales force. So, the total sales force strength in India is 1,800 out of which 1,500 are medical reps. Your company will continue to invest in digital platforms to expand the coverage in the future. There is no impact on sales force due to the Soframycin divestment considering that it was only a brand sale. There is a question on impact on Lantus in case this is included in the national list of essential medicines or price control.

- The list of the national essential medicines is not yet in the public domain and therefore it would not be right to comment on inclusion of Lantus and the price control at this stage, however, in case we have this situation we had explained in the last interaction during the investor call, that while they will be a top line impact of this situation, the bottom-line impact will be limited since we follow an arm's length principle for the create portfolio. It's important to also note that there's clearly a potential for volume increase in this scenario as Lantus prices will be in line with biosimilars. There is a question on implementation of the wholesale price of 10%, which has been recently notified. As you're all aware, we allowed to increase the price of the control products by 10.76% as per the notification. We cannot comment on specific products, but we will apply the price increase permitted considering the competitive intensity. It is, however, important to note that there is also a re-averaging in prices that may be implemented by the government for the control products as prescribed under the drug price control order and that may have a downward impact on prices of the control product going forward.

- There is a question on the Goa manufacturing site and it's used as a manufacturing hub for the group and also CapEx plans for Goa. As you're all aware, Sanofi India has the manufacturing capability and the efficiency in the Goa site and it also has a significant advantage being one of the low-cost manufacturing sites globally. We are constantly working with the global supply chain teams to explore opportunities for having more products transferred to the Goa site. The capacity in Goa is largely sufficient to take care of additional requirement with minimal capital expenditure. There is a question on increase in active product ingredient prices especially paracetamol and its impact on the company. So, prices of paracetamol, which showed a substantial increase last year has stabilized in the current year. The negative impact of the price increase for the export business is largely compensated for by increase in the export prices. However, for the domestic business this impact needs to be absorbed considering the price regulations in the country. There is a question on impact of on exports business because of the Russia situation.

- I think it's important to note here that Russian business accounts for roughly 20% of our total exports, it stands at around 75 crores. There have been delays in cargo shipments due to the ongoing conflict and we are currently re-routing the shipments to Belgium. So, while there is no impact of demand in the Russian market, there will be some supply chain constraints in the short term which we need to be mindful of, but as of now if we are able to overcome the supply chain constraints, the impact on the business is limited. There was one question on continuity of service income because that forms a significant portion of the revenue roughly 5% of total revenues and it is important to clarify that the service income relates to the services rendered to the group companies or services like sales, marketing, general administrative services, and this service income will continue to the basis of the current contractual arrangement with the parties.

- One final question on strategy before I hand over to Chairman for answering the other questions on the strategy was any possibility of further consolidation of Sanofi Group in India by merging Sanofi Healthcare with Sanofi India, which is listed entity.

There is no such proposal under evaluation at present, however, the board will continue to evaluate all options in the interest of the shareholders. There were a few other questions related to strategy, which I now request the Chairman to take care of.

- **Mr. Aditya Narayan, our Chairman, Sanofi India Limited:**

- Thank you, Vaibhav. Let me address the remaining questions. The first one is about company strategy -- alignment of strategy between Sanofi India and Sanofi globally. Let me start by first putting a caveat. We have received number of questions from members on the overall strategy and future growth plans, but some of them relate to topics related to individual products, therapy areas, or margins and I don't think we want to discuss them for competitive reasons. As you know, we don't give any future guidance, however, coming to explaining what we can answer without a problem and it has already been answered in many investor calls by my colleagues, the key business priorities of your company remains accelerated growth in diabetics, selective and profitable growth in established products and build consumer healthcare. Some characteristics on the India market that we keep in mind are that in India chronic therapies are driving market growth, brands matter, and have a long life if nurtured well. As you know 9 out of the top 10 brands in India have been present for more than 15 years. The key priorities of your company are thus based on the market conditions, potential, and also leveraging its current key strengths. The global Sanofi Group priorities consider multiple other markets of course including India, which are significant in size and also where healthcare funding is not out of pocket for the patients, therefore to that extent the differentiation in the approach will continue to remain based on market conditions.

- So long and short, your company remains very committed to growth. It will factor in what is locally correct for us to do from market conditions and now let me address some of the questions which pertain to the new leadership. We have already introduced to you the new Managing Director, Rodolfo will assume office on the 1st of June 2022 subject to regulatory approvals and he had already met the leadership team and quite frankly is very, very keen to be able to contribute to the development of the company in the time to come. He's so committed that he had actually come and decided that he could be present for this AGM today itself. So, very welcome Rodolfo and wish you all the best.

- **Mr. Rodolfo Hrosz – Managing Director, Sanofi India Limited:**

- Thank you, Mr. Chairman.

- **Mr. Aditya Narayan, our Chairman, Sanofi India Limited:**

- Now let me move to the suggestions, members who wish to speak at the meeting were requested to register themselves as a speaker by sending an email to the company on or before 5:00 PM on Thursday 21st April, 22. We received overwhelming response from shareholders wanting to speak at the meeting. This year we have speakers from Mumbai as well as other cities in India. Due to the VC

format of the meeting and in the interest of time, we may not be able to listen to all the shareholders, however, those we are able to accommodate, we will be very happy to not only listen, but note their suggestions and see what best we can do to deal with them. Each speaker will have a maximum of three minutes to express his or her view. At the end of two minutes, you will hear a prompt in the form of a sound bell, please don't misunderstand it but this bell will really be there to help you finish in three minutes time and you can understand it is important that in order to give chance to as many people as possible that keeping to three minutes will be quite important and very considerate of you for others.

- You may start concluding remarks as soon as you hear the bell. I would like to highlight to the speakers that when I take your name, your mic will be opened by the moderator of this meeting. You will have to also unmute the audio and start the video from your end to start speaking. So, I hope everything goes well and like last year, we'll be able to have a very useful interaction. The first speaker for the day is Mr. Kaushik Shahukar. Mr. Shahukar can you accept the invitation to speak. Switch your camera on and speak. We can hear you Sir.

- **Mr. Kaushik Shahukar – Shareholder:**

- Good afternoon, everyone. First, I would like to thank the Board of Directors for giving me an opportunity again this year to speak at this forum. Many of you will remember me from the conversation in the past years. So, I will keep both my introduction and ask brief. I hope I'm clearly audible.

- **Moderator:**

- Clearly audible.

- **Mr. Kaushik Shahukar – Shareholder:**

- Myself Kaushik Shahukar from Mumbai. A qualified chartered accountant. I have been suffering from dystonia which has rendered 55% of my body paralyzed. It had impacted my right hand, my right leg, and the speech, while I have not let that come in my way of becoming a chartered accountant and my practice. I do request your support in helping me continue to be self-reliant. I hope I'm still audible till now.

- **Moderator:**

- Absolutely audible Sir please go ahead.

- **Mr. Kaushik Shahukar – Shareholder:**

- I was optimistic after our conversation we had last year about me working for our organization on certification work including form 15 CB, however, nothing has progressed since, while I understand things may not have progressed due to pandemic situation last year, I do hope that after our conversation today our organization to start encouraging me in this area as soon as possible. Once again

thank you for the opportunity to speak today and I hope to see your positive movement forward with my ask. I support the resolution. I also hope I was clearly audible. Thank you once more.

- **Moderator:**

- Thank you, Mr. Shahukar, you are very clear. Thank you so much. May I request our next speaker, Mr. Bimal Kumar Agrawal to kindly accept our invitation. Unmute and switch the camera on and go ahead and speak. Mr. Agarwal if you kindly accept our invitation to unmute your microphone. We can see you here.

- **Mr. Bimal Kumar Agrawal – Shareholder:**

- Hello can you hear me?

- **Moderator:**

- Yes Sir we can hear you now, thank you.

- **Mr. Bimal Kumar Agrawal – Shareholder:**

- First of all, I thank the Company Secretary and his team for excellent job they've done and sending me the link. I will come to the question; revenue has remained flat over the last two years. Revenue had declined during December 21 quarter, why revenue is not showing growth, profit after tax has also declined during December 21 quarter, what led to the decline in margin, what is the Company's attitude to achieve the growth and revenue and profit, and please arrange a factory visit if you don't mind. Thank you very much. That's all from me.

- **Moderator:**

- Thank you, Mr. Agarwal. Thank you so much. Our third speaker today is Mr. Yusuf Yunus Rangwala. Sir we can see you. Go ahead and speak. Sir, kindly accept our invitation to unmute your microphone. We cannot hear you Sir. I think there's a connectivity issue from Mr. Rangwala. We will reconnect with him a little later. In the meanwhile, we shall move on to our next speaker, Mr. Santosh Kumar Saraf. Mr. Saraf.

- **Mr. Santosh Kumar Saraf – Shareholder:**

- Namaskar.

- **Moderator:**

- Namaskar ji. We can hear you clearly.

- **Mr. Santosh Kumar Saraf – Shareholder:**

- Respected Chairman and Board member and my fellow shareholders. My name is Santosh Kumar Saraf, I'm from Kolkata. Hope all our director's, managerial staff, and those are present in the VC are in good health and safe. Sir I think the management and the Company for a good dividend of Rs. 490 including Rs. 309 special dividend, Sir. Sir, also I want to thank our management and employee for their hard work to receive many types of awards from various agencies. This shows our employee are serious about working, Sir. Sir, next in my question regarding COVID. Sir out of 2,505 employee you have only 308 women, Sir. It is only 12% of the total employee sir, but you give the details the last year you increase 30%-woman employees, so I want to know how many employees last year you added in your force. So, I clearly think how many women you added. Sir, next you are going to propose and establish a solar power plant of 2.1 MW solar plant, I want to know what the estimate cost of that plant is. Sir again on one page, page #159, you mentioned unpaid dividend, so I want to suggest you Sir unpaid dividend not clearly mentioned the reason. It this is replacing unclaimed it is best, unpaid means you're not paid, but you paid.
- I don't explain, so it would be better in the unpaid we replaced it unclaimed, that is the real picture of the things Sir. Next Sir, there is so many dispute cases from 1990 Sir, there are 31 long cases, what step you are going to take to clean our balance sheet and to make it clean of these cases by settling. Sir next sir, I want to know our employee strength sir. What step you are taking to giving booster dose to them and their family because the 4th wave was now on the gate of our country, so I want to take the incentive to give them booster dose. Also, Sir you reimburse their expenses incurred by them so it better they take earlier Sir. Lastly Sir, I think the VC is a very good concern because I see the one director attend from Paris, one director attending from the Ireland, and various shareholders attending from various locations. If meeting held in physical, I am from Kolkata, never to attend the meeting Sir. So I think it is better for to continue with VC meeting, so can you heard that with various type of shareholders and their view Sir. Thank you for giving me time. Hope for all our directors, Company management and employee for financial year 2023 for wealthy, healthy, process and health sir. Namaskar.
- **Moderator:**
- Thank you, Mr. Saraf. Our next speaker for the day is Mr. Ashish Shankar Bansal. Mr. Bansal if you could kindly accept our invitation to unmute. Switch your camera on and speak. Mr. Bansal we can't hear you though I see you've unmuted yourself.
- **Mr. Ashish Shankar Bansal – Shareholder:**
- **Moderator:**
- Sir you need to unmute yourself Sir. Mr. Bansal kindly unmute yourself. We seem to have a connectivity issue for Mr. Bansal. We'll come back to Mr. Bansal a little later. In the meanwhile, we'll move on to our next speaker. Okay Mr. Bansal carry on. No, I think we'll have to move on to Mr. Dibankar.
- **Mr. Ashish Shankar Bansal – Shareholder:**

- **Moderator:**
- Mr. Bansal, we can hear you intermittently. There is a connectivity issue so we will find and sort that out with your help and we'll come back to you. In the meanwhile we move on Mr. Dipankar Purkayastha. Mr. Purkayastha if you would kindly accept our invitation to unmute yourself.
- **Mr. Dipankar Purkayastha – Shareholder:**
- Good afternoon. Can you hear me?
- **Moderator:**
- Good afternoon, Sir. Loud and clear.
- **Mr. Dipankar Purkayastha – Shareholder:**
- Fine. Thanks for the opportunity. I had sent in my questions in advance. Most of those questions have been answered except one which I would like to now dwell upon and likely it's an important issue. See your company, I mean this company the CFO and the MD I believe did a conference call with institutional investors and analysts after the Q4 and financial year 2021 results were declared. Under the SEBI norms you are required to put up a transcript of these proceedings on the website of the company and you are also to submit this to the stock exchanges. You have not done either of these things, you have neither uploaded this on your website nor have you submitted this to the Stock Exchange. This is a clear violation of the SEBI guidelines. It's unfair to make disclosure selectively to large investors while hiding them from the small investors and ultimately, I was able to locate the transcript by looking at YouTube. Trendline has uploaded this transcript in YouTube where I was able to find. It is unfair to expect small shareholders to go roaming all over the internet and all over the YouTube find out information which they are entitled to as a matter of right. Kindly amend this, failing which we will complain to SEBI about these guidelines.
- Now coming to the other question, I had asked which the CFO has replied to, 57% of your total business diabetes and cardiovascular is accounted for by these two products I mean these two therapy areas. Now 57% of this business the promoters of this company have already declared not one several times that they are not going to do any more fundamental research, there will be no further innovations on these areas, no product pipeline, so 57% of the business the company and minority shareholders are only going to depend on deepening the penetration in the market, since no new products are going to come, no new pipeline is going to come, the only hope for the minority shareholders is that penetration will deepen. Of course, you have said many times that you are open to partnerships with other companies who are doing fundamental research in these areas, but why would anybody like to partner with you, there doesn't seem to be any logic in partnering with you if we are doing the fundamental research, they will try to get the benefit themselves. So if 57% of your business is stagnant in the sense no new innovation, I think the minority

shareholders are not going to be in for a very happy day after sometime because penetration will ultimately taper off and in this context what many other shareholders have suggested and I also endorse please look at the possibility of merger of this company with the remaining Sanofi subsidiaries which are operating in India and my final issue is what Mr. Saraf also said is that this virtual VCs are very helpful to shareholders who are not based in Mumbai. I am based in Delhi, I have never attended a physical AGM in Mumbai and this is very helpful to us so my request to you provided the SEBI and Ministry of Company Affairs guidelines permit to continue with this approach in future. Thank you for the opportunity and good day.

- **Moderator:**

- Thank you, Mr. Purkayastha. We move on to our next speaker Ms. Smita Bharat Shah. Mam if you -- yes I can see you have unmuted yourself.

- **Ms. Smita Bharat Shah – Shareholder:**

- Sir.

- **Moderator:**

- Yes ma'am we can hear you.

- **Ms. Smita Bharat Shah – Shareholder:**

- Yes Sir. Sir I'm I audible.

- **Moderator:**

- Yes ma'am.

- **Ms. Smita Bharat Shah – Shareholder:**

- Okay, okay. Thank you Sir. Respected Chairman Mr. Adityaji and all other respected directors. I am Smita Shah speaking from Mumbai. Sir I would like to congratulate you all on the 66th AGM. I would like to congratulate as you have done an excellent work and have made developments compared to all the Pharma companies. Sir I would like to welcome all the new people on Board who are present director, MD, and our Company Secretary Ms. Radhika Ji and also Vaibhav sir had a good presentation and I congratulate him also. Sir the company is moving ahead with growth and development it is very good sir. The profit this year has also increased as compared to last year and you have given a good dividend, so I would like say thank you for very good dividend and I want to wish you all the best for the future and our company is growing four times and moving ahead, so I have a request Sir as it is the 66th AGM to please think of a get together for the shareholders and also think about bonus Sir. I would like to request you to please tell what are your future plans for the next five years and we are coming regularly for years, but last year due to technical issue we were not able to joint, so we missed you, but this time the

company secretary team and host team tested us nicely so because of all the secretary team we all were able to connect to you and we got a chance to talk to you, so I want to thank all the company secretary team with Ms. Radhika ji and would like to support on all resolutions as usual. You all be healthy and safe and sir I also told that this VC conference is really good but we also want that there are some technical issues that come, so if it is possible, for our 67th AGM, we wish to meet you in person and I pray to god that he blesses you. Thanks a lot. Sir, please hold on, Mr. Bharat Shah is speaking. Thank you, sir.

- **Mr. Bharat Shah – Shareholder:**

- I'm I audible Sir?

- **Moderator:**

- Yes sir.

- **Mr. Bharat Shah – Shareholder:**

- Respected Mr. Chairman, Mr. MD, and other respected directors. Sir my name is Bharat Shah. I wanted to welcome you today with flowers but through this VC I bow to you. Sir I don't have any query. You have run the company with a lot of efforts and have taken the company to #1 and you have also given a very good dividend and have always kept the investors in mind and have respected the shareholder and have given a good return recently, so I want to thank you a lot and would pray to god that our company grow further ahead. Sir without saying anything much, I would like to welcome our new company secretary Ms. Radhika ji and the secretary team is giving good investor services. I would want to thank all the secretarial team and they solve our query and give lots of respect to the shareholders. I would like to thank you for the CSR activity, you are to be blessed for this good work. I want to congratulate for all the awards that you got and please think about bonus in the coming year. I hope we will meet face to face next year. Sir last time, before corona, you said about factory visit, but it was not possible due to corona, but now since the situation is good, I request you for a factory visit. I would like to wish you for all the festivals coming ahead and I support all the resolutions. Thank you very much sir. Thank you. Jai Hind Sir. Jai Hind. Thank you, Sir. Jai Shri Krishna.

- **Moderator:**

- Thank you, mam. Thank you, sir. We move on to our next speaker for the day, Ms. Vasudha Vikas Dakwe. Vasudha mam if you can kindly accept our invitation to unmute your microphone.

- **Ms. Vasudha Vikas Dakwe – Shareholder:**

- Yes Sir. Hello.

- **Moderator:**

- Yes ma'am we can hear you.
- **Ms. Vasudha Vikas Dakwe – Shareholder:**
- Okay Sir. Very good afternoon respected Chairman Sir, Board of Directors and my fellow shareholders. Myself Vasudha from Thane. I would like to congrats our new company secretary, Ms. Radhika mam for giving me opportunity to speak. Most of the questions and answer was already done, so I don't want to repeat it again. Only one suggestion I want to give, can we take more efforts to avoid our unclaimed dividends of small minority shareholders for transferring to IEPF fund. With this I support all the resolution. Thank you very much.
- **Moderator:**
- Thank you, Ms. Dakwe. Our next speaker for the day is Mr. Ravi Kumar Naredi from Naredi Investment Private Limited, but since he hasn't appeared to have logged in, we'll come back to him should he log in before the end of the Q&A session. We move on to Mr. Aspi Bamanshaw Bhesania. Mr. Bhesania -- yes.
- **Mr. Aspi Bamanshaw Bhesania -- Shareholder:**
- Can you see me and hear me?
- **Moderator:**
- We can see and hear you clearly Sir.
- **Mr. Aspi Bamanshaw Bhesania -- Shareholder:**
- Sir I would like to know -- I'm also from Bombay. I would like to know why you didn't hold a physical meeting this time. If LIC can hold -- government own company can hold a physical meeting for the IPO, why Sanofi can't hold an AGM physically. Please take it up with the management – or the MD or whoever it is, that now onwards there should be physical AGMs in Bombay. If LIC can hold, this is a good precedent you can quote. Sir I welcome Mr. Rodolfo as our new MD from 1st of June 2022. Sir I thought that you will allow him to talk what he thinks about our company, but you didn't even give him a chance to talk. Sir request you to please give at the end of the meeting at least five minutes to talk about what he thinks about the Company and what plans he has for the company. Sir, I also welcome Radhika Shah as our new Company Secretary. Sir Q1 results were quite good, however, there was increasing inventories of ₹71 crores, any reason for increase.
- Sir we have sold Soframycin and Sofradex in Q1 last year and last year we had sold nutraceutical business, so how many more products you want to sell off, that's what I would like to know, but in Page 150 of the annual report, it's written that 48A note, it is written cost relating to this transfer aggregating to 417 million were discussed as an exceptional item in the year ended December 2020. So, what about profit or loss on sale of that business of Ankleshwar, that's what I would like to know. Why profit

or loss has not been shown. Then on page 140 and 42 we're doing business with Sanofi Healthcare India Private Limited, so they have shown as receivables at the end of year of 332 million and payables of 610 million. So, what are these figures for, what do we do trade in that, and why don't you merge this company also in the listed company. I agree with one of my predecessor who also asked to merge all companies, unlisted companies of Sanofi in India. So, you should follow the Hindustan Unilever model. Whatever they acquire, whatever they have in India everything is under their listed company, and nothing is in the unlisted company. Sir, thank you very much and all the best for the future.

- **Moderator:**

- Thank you very much Mr. Bhesania. Our next speaker for the day is Ms. Meenal Varun Bang.

- **Ms. Meenal Varun Bang – Shareholder:**

- Good afternoon. Thank you for the opportunity. I think most of my questions have been answered. Just one more question. Since we are largely dependent on cardio range of product, in cardiology segment and as treatment is shifting to other class of drugs, what is your strategy to remain in cardiology segment? That is all from my side and best wishes to the new MD. Thank you.

- **Moderator:**

- Thank you very much Ms. Meenal Bang. Our 12th speaker registered for the day is Ms. Hutokshi Sam Patel.

- **Ms. Hutokshi Sam Patel – Shareholder:**

- Very good afternoon to all of you. Our respected Chairman Mr. Aditya Narayan, our outgoing Managing Director Rajaram Narayan and incoming MD of a Rodolf Hrosz. Mr. Rodolf Hrosz I welcome you on behalf of all the shareholders. I welcome you on the Board. I wish you good luck, and I hope that you take Sanofi to great heights. I also welcome Radhika Shah, the new Company Secretary. I thank even Mr. Karandikar, the CFO of the company and the secretarial team, Radhika Shah for sending me the annual report in time. Thank you very much. It is the first AGM for Radhika, of course. And to be very frank Aditya ji I expected that COVID is absolutely out. China being the country of inception it is going so strong that it is not bothered. There is no stagnation in that country because of COVID and that why we are still so lethargic that we still cling to the fear of COVID. As spoken by one of the shareholders, there should have been a physical meeting, of this AGM of Sanofi. But it is very sad that it is through OAVC. Anyway, it could have been a physical meeting also, and OAVC also since people of other states, as spoken by a Delhi shareholder, that an opportunity that he got to speak because of OAVC. If both the things are combined together, people from whole of India, maybe even from abroad, they can join in this AGM and speak about on the matters of Sanofi.

- Anyway, I also expected that now since COVID is out of the way, factory visit, if it could be arranged by the company, I would really thank the management, if there is a factory visit, because here we remember our Mr. Girish Tekchendani, the previous Company Secretary. He had arranged the factory visit so well, few years back. It is really a memory even still. Anyway, I wish the Company all the very best. I congratulate the Company for the various awards and accolades that the Company has received - The Top Employer Award, The Gold Velocity Award, Economic Silver Award etc. I also thank the company, the management and all the employees for their hard work, so that we could get Rs. 490 as the dividend. – Rs. 181 as the final dividend and Rs. 309 as the special dividend concluding of the 490 amount. Thank you very much management. You have given us a very good dividend.
- Anyway, I would like to just inquire also. The promoter's holding as shown in the annual report is 60.40. Do the management, do the Board of Directors, especially the promoters, are they planning to increase their holdings from 60.40? Any plans to increase the holdings? Sir, we are into medicine of diabetes, cardiology, calcium, vitamin D3. Sir please, can we not plan medicines for iron deficiency? This is a very-very crucial ingredient of our body, iron. And if Sanofi being a multinational company, a super pharmaceutical company in India, it should go for even iron products, iron besides calcium. One capsule of iron a day keeps the body strong and healthy. So I request your pharmaceutical division to please see that you all are also into manufacturing the iron medicines. Also, I would like to know if you all are planning to combine all the various Sanofi companies, merging all the companies and forming only one Sanofi in India. If you can throw some light on it?
- Sir, you have transferred a lot of company business to various other companies like, Universal Nutriscience, Zentiva and Encube Ethicals. Sir, I would like to know Soframycine and Sofradex will it be continued to be manufactured by Sanofi and only the distribution business will be handled by this Encube or what it is, if you can throw some light on it? And just throw some light, I would like to please inform that Soframycine and Sofradex are not very easily available at the chemist, are not very easily available on the counter. Please, I request your distributors, I request your pharmaceutical, I request your marketing division to see that these products are easily available because Soframycine is the brand of Sanofi even till today. And it is a very, very good, essential product and I hope that it is easily available to all people in India. Anyway, I once again thank the whole management on the 66th AGM. I have been given the opportunity to speak, I thank the whole management team, all the Directors of the Board and all the employees for coming out and giving us a good result. They have worked very hard, and I am very much thankful to all the employees for their contribution, for their hard work. Thank you, all the best to you all once again. May God make Sanofi more successful. Thank you so much.
- **Moderator:**
- Thank you very much Ms. Patel. Our next speaker for the day is Mr. Dinesh Gopaldas Bhatia.

- **Mr. Dinesh Gopaldas Bhatia – Shareholder:**
- First Chairman, I would like to congratulate you and your entire team that you have showcased such a great and excellent performance, and also given an excellent dividend. So, I would like to congratulate you for that. The one thing that I am noticing is that the Chairman and Secretary were really good but there is a saying *ek se badke ek* (one better than the other). So now, I see you and our Secretary Shri Radhika ji, and her team working. Their response is really great. I am really happy with it. So, it is better than the previous one...the speech that you gave in the beginning, the information about our company, I am really happy with you, your MD and everyone for that. Everyone is good and our company will continue to grow in the future, that is what I see. Even though the Company last year the plant at Ahmedabad and this year the other profit raised Rs. 500 crores, which has been accumulated you immediately distributed it amongst the shareholders in the form of dividend. This shows how great you are. You have not put it towards the reserve in the Company, but you distributed it to the shareholders.
- This is a really great thing, and I would like to thank you and your team for this. Plus let our company keep going forward in the future. I have just one suggestion for you. Our company, in the beginning it has been mentioned has 21 R&D sites. In 32 countries our R&D plants are situated, sites. But on page number 55, it has been mentioned R&D carried out is none. There is no R&D at all. So what has been mentioned here, so does the R&D plant belong to our parent company? Does it not belong to our company? I wanted to know more about it. I have also noticed that our foreign exchange that has been used is Rs. 572.3 crores but the foreign exchange earnings is Rs. 385 crores. So, are most of our raw materials imported? I have been looking at each and everything. The report that our team has prepared is really good. It has given a good amount of information and the rest you have said in your speech, MD, CFO. I got a lot of information, and I am really happy about the fact that our company is focusing on our Compliance and Ethical standards, and our culture is also really great. So many different people receive help as a result of it.
- Sanofi Health forefront in supplying innovative and affordable medicines for patients in India. I am happy for it. And just wish that our company continues to move forward like this. One last thing that I must ask is, it is written on page no 54, that no natural gas available at Goa. Okay, so natural gas is not available in Goa, but you said that the project that is going on, one after the other, and it is a great one too. So, if you can and like the speakers before me said, I would like to suggest that if you can arrange for a visit for the shareholders. If it is possible then try and let us for a visit. I support you in all the resolutions. Thank you, all the best.
- **Moderator:**
- Thank you very much Mr. Bhatia. Our next speaker is Mr. Nanda Kumar D.
- **Mr. Nanda Kumar D – Shareholder:**

- Mr. Aditya Narayan, Chairman of the company, Directors, fellow shareholders of the company. In fact, I am a totally satisfied shareholder. I have been a shareholder of this company since 1995-1996. It is almost four decades since I became a part owner of this company. I paid, I remember very clearly, after the IPO Hoechst India Limited, the company's name was Hoechst India Limited in the 1980s and I purchased the share from the market. I applied for the IPO, but I was not allotted. I bought five shares of the company from the market for Rs. 3000, that is around Rs. 600 per share right now and that was Rs. 100 face value shares. Most of the shareholders may be aware of this history of this company, Hoechst was a Rs. 100 face value share company. I purchased five shares of this company for Rs. 3000 and subsequently the stock was split to face value of Rs. 10 and I came to hold around 50 shares of the company and there was a bonus share in between – 1:1. And I hold 100 shares of this company today, which is worth around more than Rs. 7 lakh. My original investment was hardly Rs. 3000 and present value of my investment is around Rs. 7 lakhs, and I thank you for creating value for me. Mr. Aditya Narayan and all the Directors of this company, I would like to thank you for maximizing my wealth, and mind you, my investment was only Rs. 3000 ways back in 1995-1996, 1995-1996 financial year. And today I am getting around Rs. 50,000 as a dividend. On an investment of Rs. 3000 I am getting a dividend of close to Rs. 50,000 this year and I would like to thank you for maximizing my investment during this period.
- And I would like to request you sir, that today the share prices are hovering around Rs. 7,000 to 8,000 per share and the liquidity of the company is not good, which is hampering the real worth of the shares. I would like you to consider a stock split of this company. I am totally satisfied. It is a suggestion from my part that you should resort to a stock split maybe a face value of Re. 1 so that the liquidity of the shares can be improved and there by the shareholder's wealth can be further enhanced. Also, with the stellar performance you giving so high dividend and all, I think a bonus also is due for the shareholders. Way back only, maybe in the last 40 and odd years of history of the company, we have given only one stock split and only one bonus. So I think it is high time you should resort to a stock split and a bonus. This is my request to you. At the same time, I will conclude saying that I am really thankful to the company for maximizing my wealth and I wish everything good to the company going forward. But please consider the request. I am sure almost all the shareholders, hundred percent of the shareholders will agree with me in requesting to the Board of Directors that a stock split and bonus share should be given, and a stock split should not be anything less than Re. 1 face value. Thank you. Thank you once again. Thank you sirs.
- **Moderator:**
- Thank you very much Mr. Nanada Kumar. We shall now invite Mr. Ashish Shankar Bhansal to speak. We had some technical issues earlier. We will make one more attempt to invite Mr. Ashish Bhansal to have his say.
- **Mr. Ashish Kumar Bhansal – Shareholder:**

- Respected Chairman and Board of Directors. Already I have asked earlier, just want to know why this fall in sales is going on. So much profits is coming last five years but the sales is going down and what is the nature of investment in business? Arrange for that. And what this medicine is coming up? And what is reason for special dividend. Thank you so much.
- **Moderator:**
- Thank you very much Mr. Ashish Bhansal. And thank you dear shareholders, we have taken note of your valuable comments and suggestions, and we will consider them in the future. I shall now request Mr. Aditya Narayan, Chairman and Mr. Vaibhav Karandikar, Whole-Time Director and CFO, if they would like to make any comments on these suggestions or respond to any other points. Over to you gentlemen.
- **Mr. Aditya Narayan – Chairman, Sanofi India Limited:**
- Thank you for moderating it so nicely and I am delighted that so many shareholders could actually share their views. I have three points to mention, and I will split them in three parts. First one is, there are some very specific pointed questions which have already been answered or can readily be answered straightaway, and that I will request Vaibhav to respond to straightaway. He will probably take 5 minutes or 10 minutes. Then yes, there has been a suggestion from one of the shareholders that why don't we request Rodolfo to share at least an initial reaction to his visit, though he is just an invitee to the meeting today. And he has very kindly agreed that you know, we will probably hear him, maybe very briefly this time and much more in detail in future. But we will try and create some space. And the third part is I have some summing up comments to mention based on some of the suggestions which you all have made and I will try and conclude the meeting with that. So thank you. Vaibhav first.
- **Mr. Vaibhav Karandikar – Whole-time Director & CFO, Sanofi India Limited:**
- Thank you Mr. Chairman. So I will answer the questions in the order that they were asked. The first question was on the flat revenues. I think at the beginning we mentioned that excluding the divestment which we have carried out, the domestic business is growing around 12-13%. So you need to look at it excluding the divested business, that is how the retained business is growing. There was a comment on profitability decline in Q4, 2021. I think the most important reason for that was, there was a return to work in Q4, 2021. We had not met as a company for a long time. So we had physical meetings, we had engagements to discuss strategy and how to grow the business etc. There was an incremental A&P during this quarter and importantly, there was also a phasing off the corporate social responsibility expenditures in this quarter, in December because it was phased more towards the last quarter of 2021 and therefore you would see that there was a blip in the profitability for the December 2021 quarter which was one of the questions that was asked.

- There was a question on litigations and can we settle some of the litigations. I think from both, direct and indirect tax point of view, we are in different stages of appeal with Commissioner appeals, with Tribunals, with High Courts, and there are some litigations where the company has won and the departments are in appeal and sometimes it is vice versa. We are always evaluating these cases to settle them if it is in the best interest of the company. We have opted for the *Sabka Saath Sabka Viswas* Scheme for indirect tax and we have settled some of the indirect tax litigation and we will continue to monitor this as we go along. There was a question on booster doses. I think, I am very happy to note that the company has not only ensured that the employees get a reimbursement for the first two doses, but beyond the employees, the company has also taken care of their partners, the clearing and forward agents and ensure that they also get the benefit of the reimbursement from a company point of view. The question on booster doses, we are favorably considering this, and the best interest of employees and our business partners will be in our mind, and we will take the decision accordingly.

- There was a question on how many head counts were added in 2021. It is more a reduction because of the Nutraceutical divestment where there were a certain people who moved with the business. So, it is a reduction more than an increase. There was a question on solar plant and what is the CAPEX expenditure on this. It is important to note that this is more an OPEX model that we have opted for and it is not a CAPEX intensive model. So it is an OPEX model for solar and therefore there is no capital investment in Goa for this solar plant. There was a question on what are the exchanges that we have with Sanofi Healthcare, what is the products that we buy or sell from them. We buy the Toujeo and the Lantus cartridges as well as All Star pens which are required for the insulin portfolio because Sanofi Healthcare manufactures and packs these products for us. There was a question on Soframycin whether we still continue to own the brand. The answer is no, we do not continue to own the brand. Encube will now own the brand for us. So it is not that we will continue to hold on the brand. We will however continue with the tender business for the government tenders which are still open. So, we will book those sales for the period which the tenders are open but once that is concluded, there will be no more Soframycin transactions in the company's books.

- There was a question on increase in inventory. I think the inventory increase is account of two reasons. One, we are building some inventory for the insulin part of the business and there was some increase in the export related inventory which is one of the reasons for the increase inventory. There was a question on why Ankleshwar profit is not disclosed in the 2020 accounts. It is important to note that when we evaluated the Ankleshwar transaction, we actually booked an impairment in 2019 and therefore there is no profit or loss in 2020. What you see in the books of accounts is just the transaction cost which have come in and this is disclosed by way of a note in the accounts. One last question or two questions. One, from Dipankar on the diabetes portfolio and the strategy of the company to discontinue diabetes. I think it is important to state that we are in fact looking an accelerated growth in diabetes and right now in the medium term we don't see any impact of the discontinuation of the research in this area.

- There was a question on why somebody would partner with us. It is important to state, and we have made this comment in the last interaction during the investor call also, that while we decide to discontinue research in-house we are open to acquisitions in this place, provided there is cutting edge technology, and the group is open for tie-ups and acquisitions in the diabetes space. One question on foreign exchange. We are usually having equal imports and exports till 2020. That means the exports and imports was largely equal. After the divestment of Ankleshwar, the export business has reduced and therefore the imports are higher than the export component.
- I think whatever questions I have noted I have noted. One last question was factory visit. I think currently the situation and the pandemic still demands us to be careful. So in the near term, we will not look at it immediately but the secretarial team in the future will take care of it as things evolve and improve. I now hand over to the Chairman for answering other key important points.
- **Mr. Aditya Narayan – Chairman, Sanofi India Limited:**
- Thank you very much Vaibhav. I hope some of the questions and some of the issues which were raised have been very clearly and fully answered. I have a few more to more add to what Vaibhav has already answered. First of all, I think there is a very interesting point which comes out listening to all the shareholders. Some people love the video conferencing mode, particularly those who are not in Mumbai. Others would like it to be physical and I know Mrs. Patel suggested that why don't we combine the two. So I will leave it with the Company Secretary to look at what is the best thing to do for future. But that is an interesting point which I have noted very carefully. The other part which of course has come out is, I have to thank all the shareholders for all the positive comments which you have so strongly supported the resolutions and also supported all of us and the management and the employees in particular for the extraordinary efforts which have gone in last year despite COVID. So, thank you very much for your good comments.
- Now in terms of questions, yes, there was one question about from one person Mr. Purkayastha. I think which was about whether or not we are following the statues in terms of putting up the transcripts etc. I think what I am informed is that the regulations which he mentioned are actually applicable after 1st of April 2022. This call was in March and therefor you may find some gaps in that part which you were talking about. But that effectiveness is really 1st of April. So the reason for my specifically answering this question is, that as a company we are absolutely committed to follow all the statues to the dot. We do not just believe in good governance, we are very keen to practice it to the full dot and I would look forward to your support in ensuring that our image remains exactly of a fully compliant organization when we actually are. So thank you very much for mentioning that and giving me the opportunity to clarify.
- The other two points which I wanted to talk about is that there is feeling which was left with many people, particularly in Mumbai that because LIC and ONGC and some

other companies are holding physical meetings, that we should have straight away have jumped into physical meetings. If you remember, we declared our results in February. The environment on COVID has improved quite significantly since February. At that time when we did decide to take on this as a video conferencing being the safest route. We were not so sure that COVID would be reduced to this level, which it has become. And in order to avoid any uncertainty we thought that it is better that we will stick to what is a tried, tested, effective manner which is safe in COVID times. The second bit which I think is very important and there I will share with you personally, nobody should think COVID is over. It is still very much around. I have recently come from Delhi. There is a fine for not wearing a mask in Delhi, which had to be reimposed because of the rising number of cases which took place very recently. So my humble request to everybody will be don't take it lightly, please do look after yourselves and continue to take whatever is the correct precaution to take. I also wish and pray that we could physically meet and I think I mentioned it in my talk as well that it would have been a pleasure to meet you all in person. It has been such a long time anyway. But I would love to do that and I hope that next year that we are able to do that.

- So, do take care, do look after yourself but don't think COVID is over. Please be very careful with taking all the correct precautions which are required to be taken. And before I answer any further questions and have further comments, I must finish one other business. There was one excellent suggestion which came from one of the shareholders requesting that we actually get Rodolfo to say a few words so that you all can listen to his nice voice rather than just seeing his good face. So all the best Rodolfo, just a short introduction would be very nice. Thank you.
- **Mr. Rodolfo Hrosz - Managing Director, Sanofi India Limited:**
- Good afternoon to all and I hope you are all safe and well. Thank you Mr. Chairman for the invitation to join the AGM in advance of my official start date. Thank you also for your kind words in introducing myself to the public in this meeting. Mr. Bhesania, thank you for your genuine mention and the prompt for me to speak. Also wanted to extend a thank you to all the shareholders that are present here today for their many suggestions, questions and comments which I am sure are going to help us drive improvement in company going forward. I am deeply honoured by the appointment and I am looking forward to my official start date on June 1st. I envision great growth potential for this thriving in this fantastic market of India and for now, I am very much focused on preparing myself for the first day on June 1st. And in that way, I am focusing on listening, learning and digesting more so than speaking what I have in mind. And I think this is a good approach actually for this transition phase. And this is the way I am preparing myself to join the colleagues of Sanofi India, enjoying the leadership of Sanofi India on that date. From that point onwards, I will be able to contribute to the plans and contribute to the strategy together with the team, together with the solid senior leadership team that we have in the company. Thank you Mr. Chairman for the opportunity to speak.
- **Mr. Aditya Narayan – Chairman, Sanofi India Limited:**

- Thank you. It was always wonderful to listen to you and I am delighted that you chose to speak. I am sure people will remember your starting words. All the best.
- **Mr. Rodolfo Hrosz - Managing Director, Sanofi India Limited:**
- Thank you.
- **Mr. Aditya Narayan – Chairman, Sanofi India Limited:**
- This in a way brings me to the end of the meeting. But before I announce the closure of the meeting, there are a few important points for me to mention as the last points for the meeting. First, members who have still not voted on resolutions are requested to cast their votes on the NSDL e-voting system. The detailed process of voting is mentioned in the AGM notice. Let me remind you that voting will close after 30 minutes from the time of closure of this meeting. I also now wish to thank our employees across our company for their strong commitment to the values of Sanofi and their relentless perseverance to deliver their best for all customers and patience. I would also like to record my thanks to all the government agencies and other stakeholders who have continued their firm support to all our activities. Also as I conclude, I would like to once again thank you on behalf of all members of the board for your continued trust, good will and support in all our endeavours. And last of all, I must wish you and your families all the very best for a safer and healthier tomorrow. With this, with your permission I would like to close this meeting. Remember 30 minutes more left for voting. So please do vote if you have not already done so. Thank you very much for your support and God bless.

End of Transcript