



Stakeholders Empowerment Services

Analyze >>> **Educate** >>> **Empower**

ABOUT SES

Stakeholders Empowerment Services (SES) is a Corporate Governance Research and Advisory Firm. SES assists Investors to analyze Governance Practices including matters relating to sustainability, prevalent at Listed Entities and empower Investors to undertake meaningful engagement with Investee Entities.

SES SERVICES

E-BRSR Tool: Online web-based platform to create **BRSR Report** by the Company and generate **XBRL** in seamless, cost and time effective manner

Already subscribed by HUL, Maruti, TVS Motors, Kansai Nerolac, CDSL, Hero, L&T, Wipro, Bharat Forge, Reliance Group and many others. [Read More](#)

Contact for Demo – esgdata@sesgovernance.com

SES AIMS:

Designed primarily for Institutional Investors to carry out their stewardship activities in an efficient manner.

[Read More](#)

Proxy Advisory:

Advises Investors on the matters that require shareholder approval at Listed Entities and identify Governance Issues.

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ESG Scores:

Analyze sustainability initiatives of Companies based on various environmental, social and governance factors.

[Read More](#)

Corporate Governance Score (CGS):

CGS model measures the Company's compliance and also evaluates the Governance Practices with respect To Global Benchmarks. [Read More](#)

E-Ballot:

A web-based, one-stop vote management system to cater to the requirements of Institutional Investors.

[Read More](#)

Proxy Advisory Report (Addendum)

Sanofi India Ltd

COMPANY INFORMATION

BSE CODE: 500674

NSE SYMBOL: SANOFI

ISIN: INE058A01010

Industry: Pharmaceuticals

Email: igrc.sil@sanofi.com | haresh.vala@sanofi.com

Phone: +91 22 2803 2000

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

MEETING DETAILS

Meeting Type: AGM

Meeting Date: 29th April, 2026 at 03:30 PM

Venue / Mode of Meeting: Video Conferencing (VC) facility or other audio visual means (OAVM)

Notice Date: 25th March, 2026

Notice: [Click here](#)

Annual Report: [FY 2025](#)

SES PA Report (Last AGM): [Report](#)

E-VOTING DETAILS

e-Voting Platform: [NSDL](#)

Cut-off Date: 22nd April, 2026

Remote E-voting:

- **Start:** 25th April, 2026
- **Ends:** 28th April, 2026

ADDENDUM REPORT RELEASE DATE: 24th April, 2026

Research Analyst: Pravar Bhatnagar

Conflict Disclosure: SES - No Conflict | Analyst - No Conflict

PROXY ADVISORY REPORT | FOR LIMITED CIRCULATION



ADDENDUM

There are changes in the SES recommendation on Resolution #9 and #10 from 'AGAINST' to 'FOR' based on the Company's clarification and additional disclosures. There are no other changes apart from the above.

EXISTING RECOMMENDATION					
S. No.	Resolution	Type	SES Observation #	Rec.	Rationale
9	Approval of Material Related Party Transactions with Sanofi-Aventis Singapore Pte. Ltd.	O	LC + GC + TC	AGAINST	Inadequate disclosure w.r.t basis of arms' length pricing.
10	Approval of Material Related Party Transactions with Sanofi Healthcare India Private Ltd.	O	LC + GC + TC	AGAINST	Inadequate disclosure w.r.t basis of arms' length pricing; Significant shift not adequately justified.
REVISED RECOMMENDATIONS					
9	Approval of Material Related Party Transactions with Sanofi-Aventis Singapore Pte. Ltd.	O	LC	FOR	No major governance concern identified.
10	Approval of Material Related Party Transactions with Sanofi Healthcare India Private Ltd.	O	LC	FOR	No major governance concern identified.

S - Special Resolution | O – Ordinary Resolution; Rec. - Recommendation

LC - Legally Compliant, NC - Legally Non-Compliant, TC - Disclosures & Transparency Concern, GC - Governance Concern

BACKGROUND

SES as per its policy, had emailed its PA Report ([Weblink](#)) to the Company on 18th April, 2026, in respect of the AGM of the Company.

Post release of PA Report, SES received an email from the Company on 23rd April, 2026. The Company, through the email, provided its view point, which is reproduced at the last in *blue text*.

It may be noted that the email of the Company dated 23rd April, 2026 (as per SES policy framed to comply with SEBI Circular dated 3rd August, 2020 [SEBI/HO/IMD/DF1/CIR/P/2020/147](#)) has already been forwarded to SES clients as it is, without any inputs from SES.

This Addendum provides appropriate responses of SES, wherever required.

SES COMMENTS TO COMPANY'S RESPONSE

Company's View:

Reply to first part on ALM :

Sanofi India Limited (SIL) is deeply committed to upholding the highest standard of corporate governance and ensuring that all related party transactions are conducted in a fair, transparent, and arm's length manner, in the best interest of all shareholders. We recognize the importance of these transactions being subject to rigorous scrutiny, and we have established a robust framework to ensure their appropriateness.

To determine the appropriate arm's length nature of inter-company pricing, SIL employs a dual layer review process. In addition to internal expert team's evaluation of related party transactions, SIL's management engages an independent external subject matter expert firm – B B S R & Associates LLP, one of the Big Four firm to conduct a comprehensive benchmarking exercise while validating the arm's length nature of its related party transactions. This firm compares the operating margins earned by Sanofi India against those of comparable companies and establishes an appropriate arm's length range. The management ensures that the margins earned by Sanofi India in respect of such transactions falls within this independently validated range.

While the Companies Act, 2013 does not prescribe a specific method for determining arm's length price or range, we have adopted the well-established principles and methodology prescribed under the Income Tax Act which provide a recognized and credible framework



for such determinations. This approach has been consistently applied and is aligned with regulatory expectations and industry best practices.

SIL acknowledges the importance of adequate disclosures to enable shareholders to make **informed decisions**. The Company remains firmly committed to enhancing transparency in its disclosures relating to related party transactions, including providing greater clarity on the basis of arm's length pricing, the methodology adopted and the role of the external expert firm engaged for this purpose. **We will continue to strengthen our communication with shareholders to ensure that rationale and safeguards underlying these transactions are clearly understood.**

SES View:

SES has raised governance and transparency concern on the proposed resolution **#9** and **#10**, due to inadequate disclosure in the Notice regarding the basis of determining arm's length pricing.

It is to be noted that in the Notice, the Company had merely stated that "An independent external consulting firm has reviewed these RPTs and provided benchmarks upon which the arm's length pricing was determined." However, the same was very open-ended and generic in nature without providing any concrete input on the actual method or basis of arriving at the arm's length pricing.

In the above response, the Company has clarified that the related party transactions shall be priced and independently validated by an independent authority by comparing operating margins and other multiple factors across the companies.

SES is of the view that the aforesaid disclosure appears adequate and sufficient for the shareholders to make an informed decision. However, SES also highlights that such material information regarding the basis of pricing must be disclosed in the notice itself, to maintain transparency and allow shareholders to make an informed decision.

Hence, in view the above, SES concern regarding the basis of arm's length pricing of the proposed RPTs, stands addressed. Accordingly, SES is modifying its recommendation from '**AGAINST**' to '**FOR**', **under Resolutions #9 & #10.**

Company's View:

Reply to Second part on limit:

We would also like to address the concern raised regarding the quantum of limits proposed for related party transactions.

The Company adopts a prudent and considered approach in determining the RPT limits by establishing separate thresholds for each transaction category, rather than relying on aggregate limits. We believe this category-specific methodology is a more disciplined and governance-oriented approach, as it provides greater visibility into each type of transaction and ensures that appropriate oversight is maintained across all categories.

This methodology serves various important purposes:

Business Continuity: Prevents operational disruptions that could arise from inadvertently exceeding category-specific limits or **change in product flow**, particularly in a dynamic business environment.

Regulatory Compliance: Avoids the need for mid-term shareholders approvals, which could otherwise cause delays in critical business operations.

Risk Management: Providing necessary flexibility to accommodate unforeseen business requirements, supply chain uncertainties and market volatilities.

All the above factors are inherent in pharmaceutical industry and directly impact our ability to serve patients.

While the proposed limits appear substantial when viewed against the actual transaction values recorded in FY 2025 actuals. However, we wish to clarify that these limits represent:

Maximum permissible thresholds and not projections of anticipated transaction values. The headroom built into these limits serves a prudent contingency provision, reflecting the Company's commitment to uninterrupted patient care and operational resilience. It is also pertinent to note that the actual utilization of these limits has historically been well within the approved thresholds, and the Company



remains fully committed to transparent and detailed reporting of actual transaction values against approved limits in its periodic disclosures.

SES View:

Shareholders may take note of the above clarifications regarding the reason for the significant shift in the quantum of limits for the proposed transactions. As observed in the PA Report, SES had noted that the transaction under Resolution #10 was ~300% higher than the actual limits of the transactions undertaken in the previous year.

Accordingly, SES had raised transparency concern on the proposed resolution #10 due to inadequate justification for the significant shift between the quantum of actual transactions occurred during FY 2025 compared with the proposed quantum of transactions for FY 2026 with the proposed party.

The Company, through its response, has addressed this concern and has now provided more clarity in this regard. It is also specifically stated that, *Maximum permissible thresholds and not projections of anticipated transaction values. The headroom built into these limits serves a prudent contingency provision, reflecting the Company's commitment to uninterrupted patient care and operational resilience.* Furthermore, the Company has also stated that such practices are aligned with the standard patterns in the pharmaceutical industry. SES is of the opinion that the aforesaid provides adequate information to the shareholders to make an informed decision.

Accordingly, the **concern raised by SES stands addressed** in this regard.

Based on the above, SES is changing its recommendation on the proposed resolution #10 from **'AGAINST'** to **'FOR'**.

COMPANY'S EMAIL

Dear ***,

Thank you for sharing your recommendations on the resolutions for Sanofi India Limited. We value your engagement and the opportunity to address the concern raised regarding the related party transactions.

Reply to first part on ALM :

Sanofi India Limited (SIL) is deeply committed to upholding the highest standard of corporate governance and ensuring that all related party transactions are conducted in a fair, transparent, and arm's length manner, in the best interest of all shareholders. We recognize the importance of these transactions being subject to rigorous scrutiny, and we have established a robust framework to ensure their appropriateness.

To determine the **appropriate** arm's length nature of inter-company pricing, **SIL employs a dual layer review process. In addition to internal expert team's evaluation of related party transactions, SIL's management engages an independent external subject matter expert firm – B B S R & Associates LLP, one of the Big Four firm to conduct a comprehensive benchmarking exercise while validating the arm's length nature of its related party transactions. This firm compares the operating margins earned by Sanofi India against those of comparable companies and establishes an appropriate arm's length range. The management ensures that the margins earned by Sanofi India in respect of such transactions falls within this independently validated range.**

While **the Companies Act, 2013 does not prescribe a specific method** for determining arm's length price or range, we have adopted the well-established principles and methodology prescribed under the Income Tax Act which provide a recognized and credible framework for such determinations. This approach has been consistently applied and is aligned with regulatory expectations and industry best practices.

SIL acknowledges the importance of adequate disclosures to enable shareholders to make **informed decisions**. The Company remains firmly committed to enhancing

transparency in its disclosures relating to related party transactions, including providing greater clarity on the basis of arm's length pricing, the methodology adopted and the role of the external expert firm engaged for this purpose. We will continue to strengthen our communication with shareholders to ensure that rationale and safeguards underlying these transactions are clearly understood.

Reply to Second part on limit:

We would also like to address the concern raised regarding the quantum of limits proposed for related party transactions.

The Company adopts a prudent and considered approach in determining the RPT limits by establishing separate thresholds for each transaction category, rather than relying on aggregate limits. We believe this category-specific methodology is a more disciplined and governance-oriented approach, as it provides greater visibility into each type of transaction and ensures that appropriate oversight is maintained across all categories.

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While the proposed limits appear substantial when viewed against the actual transaction values recorded in FY 2025 actuals. However, we wish to clarify that these limits represent:



Maximum permissible thresholds and not projections of anticipated transaction values. The headroom built into these limits serves a prudent contingency provision, reflecting the Company's commitment to uninterrupted patient care and operational resilience. It is also pertinent to note that the actual utilization of these limits has historically been well within the approved thresholds, and the Company remains fully committed to transparent and detailed reporting of actual transaction values against approved limits in its periodic disclosures.

We trust that the above explanation provides the necessary context and assurance regarding the rationale for the proposed RPT limits. SIL's Board and Audit Committee exercise robust oversight over all related party transactions, and we remain steadfast in our commitment to the highest standards of corporate governance, transparency, and accountability to all our shareholders.

We hope this addresses the concerns raised and provides you with confidence in the robustness of our governance framework. We remain available to discuss any further questions you may have and deeply appreciate your continued trust and support.

Thanks & Regards

Disclaimer Sources

Only publicly available data has been used while making the report. Our data sources include Notice of Shareholders' Meeting, BSE, NSE, SEBI, Capitaline, MCA, Moneycontrol, Businessweek, Reuters, Annual Reports, Sustainability Reports, IPO Documents and Company Website.

Analyst Certification

The Analyst(s) involved in development of this Report certify that no part of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this Report. The concerned Research Analyst(s) and Director(s) do not have any pecuniary relationship with the Reported Company, except that they may be holding miniscule shares in the Company which does not impact their independence in respect of this Report.

SES may be a shareholder in the Company holding equity shares as disclosed on its [website](#). The objective of SES' investment is solely to obtain Shareholders' communications from the Company as a shareholder.

CAUTIONARY STATEMENT

The recommendations made by SES are based on publicly available information and conform to SES's stated Proxy-Advisory Guidelines. SES opinion is based on SES's interpretation of law and governance benchmarks, which may differ from opinion/ benchmarks of other analysts or practitioners. Further, SES analysis is recommendatory in nature and reflects how SES would have voted if it was a shareholder. Therefore, SES expects that the clients will evaluate the effect of their vote on their investments independently and diligently and will vote accordingly. Subscribers may also carry out an impact analysis of their votes and keep the same as an addendum for their records. In our opinion, Institutional investors are positioned significantly differently from other shareholders due to their ability to engage with the board and the management to bring out desired result. As a firm, it is our endeavour to improve the level of corporate governance while not causing any disruption in company's proceedings and therefore we respect the independence of investors to choose alternate methods to achieve similar results.

Disclaimer

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All disputes shall be subject to jurisdiction of High Court of Bombay, Mumbai.

Concern terminology

NC – Compliance Concern: The Company has not met statutory compliance requirements

FC – Fairness Concern: The Company has proposed steps which may lead to undue advantage to a particular class of shareholders and can have adverse impact on non-controlling shareholders including minority shareholders

GC – Governance Concern: SES questions the governance practices of the Company. The Company may have complied with the statutory requirements in letter. However, SES finds governance issues as per its standards.

TC - Disclosures & Transparency Concern: The Company has not made adequate disclosures necessary for shareholders to make an informed decision. The Company has intentionally or unintentionally kept the shareholders in dark.

Company Information



Stakeholders Empowerment Services

SEBI Reg. No. INH000000016

CIN No. -

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Warning

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

