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The Board of Directors
Sanofi India Limited
Sanofi House,
CTS No.117-B, L&T Business Park
Saki Vihar Road, Powai, Mumbai 400 072
Maharashtra, India.

10 May 2023

Sub: Recommendation of equity share entitlement ratio for the Proposed Demerger by Sanofi India Limited of its Consumer Healthcare Business to a new company - Sanofi Consumer Healthcare India Limited

Dear Sirs,

We refer to the engagement letter dated 01 May 2023 whereby Sanofi India Limited ("Sanofi India") has requested KPMG Valuation Services LLP ("KPMG" or "Valuer" or "us" or "we") to recommend an equity share entitlement ratio in connection with the proposed demerger ("Proposed Demerger" or "Transaction") of its Consumer Healthcare ("CHC") business ("Demerged Undertaking") to a new company - Sanofi Consumer Healthcare India Limited ("Resulting Company").

(Sanofi India and Resulting Company together referred as "Companies").

SCOPE AND PURPOSE OF THE EQUITY SHARE ENTITLEMENT REPORT

We understand that the Board of Directors of Sanofi India propose to demerge and transfer the Demerged Undertaking to Resulting Company with from the Effective Date as defined in draft Scheme of Arrangement. This is proposed to be achieved by way of a composite scheme of arrangement under Section 230 to 232 of the Companies Act 2013 and other applicable provisions of the Companies Act 2013 ("Proposed Scheme"). Under the Proposed Scheme, as consideration for the transfer of Demerged Undertaking, the shareholders of Sanofi India will be issued equity shares of Resulting Company.

KPMG has been requested by the Board of Directors of Sanofi India to submit a letter recommending an equity share entitlement ratio, as at date of this report, in connection with the Transaction. We understand that this equity share entitlement report ("Share Entitlement Report") will be used by the Client for the above mentioned purpose only and, to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or government authorities, in connection with the Transaction.

The scope of our services is to arrive at the equity share entitlement ratio for the aforesaid Transaction in accordance with generally accepted professional standards and the standards prescribed by the Institute of Chartered Accountants of India.

This Share Entitlement Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the Share Entitlement Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

SOURCES OF INFORMATION

In connection with preparing this Share Entitlement Report, we have received the following information from the management of the Companies ("Management"):

- Shareholding pattern of the Companies as on 31 March 2023;
- Interviews and discussions with the Management to augment our knowledge of the operations of the Companies;
- Draft Scheme of Arrangement;
- Details of current and proposed corporate structure;
- Other information, explanations and representations that were required and provided by the Management;





- Such other analysis, review and enquires, as we considered necessary.

The Companies have been provided with the opportunity to review the draft report (excluding the recommended equity share entitlement ratio) as part of our standard practice to make sure that factual inaccuracies/ omissions are avoided in our final report.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The service does not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This Share Entitlement Report t, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; and (ii) the date of this Share Entitlement Report and other information provided by the Management.

A valuation of this nature is necessarily based on the information made available to us as of, the date hereof and the prevailing market conditions, if impacting the company. Events occurring after the date hereof may affect this Share Entitlement Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Share Entitlement Report.

The recommendation(s) rendered in this Share Entitlement Report only represent our recommendation(s) based upon information received from Sanofi India till 5 May 2023 and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). Further, the determination of equity share entitlement ratio is not a precise science and the conclusions arrived at, in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single equity share entitlement ratio. While we have provided our recommendation of the equity share entitlement ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the equity share entitlement ratio of the equity shares of Sanofi India and Resulting Company. You acknowledge and agree that you have the final responsibility for the determination of the equity share entitlement ratio at which the Proposed Demerger shall take place and factors other than our Share Entitlement Report will need to be taken into account in determining the equity share entitlement ratio; these will include your own assessment of the Transaction and may include the input of other professional advisors.

In the course of the valuation, we were provided with both written and verbal information. In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification the accuracy and completeness of information made available to us by Sanofi India. We have not carried out a due diligence or audit of the Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided. We are not legal or regulatory advisors with respect to legal and regulatory matters for the Transaction. We do not express any form of assurance that the financial information or other information as prepared and provided by Sanofi India is accurate.

Our conclusions are based on these assumptions and information given by/on behalf of the Companies. The Management of Sanofi India has indicated to us that it has understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/ results. Accordingly, we assume no responsibility for any errors, incompleteness or inaccuracies in the information furnished by Sanofi India and its impact on the Share Entitlement Report. Also, we assume no responsibility for technical information (if any) furnished by the Companies. Nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Share Entitlement Report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of Sanofi India, their directors, employees or agents. In no circumstances shall the liability of the Valuer, its partners, directors or employees, relating to the services provided in connection with the engagement set out in this Share Entitlement Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.





The Share Entitlement Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Share Entitlement Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the provisional financial statements of the Companies. Our conclusion of value assumes that the assets and liabilities of the Companies, reflected in its respective latest balance sheets remain intact as of the Share Entitlement Report date.

This Share Entitlement Report does not address the relative merits of the Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

We have carried out valuation in accordance with the principles laid in ICAI Valuation Standards, as applicable to the purpose and terms of this engagement.

The fee for the Engagement is not contingent upon the results of the Share Entitlement Report.

We owe responsibility to the Board of Directors of Sanofi India which have retained us, and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of the other. We do not accept any liability to any third party in relation to the issue of this Share Entitlement Report. This Share Entitlement Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. It is understood that this analysis does not represent a fairness opinion.

This Share Entitlement Report is subject to the laws of India.

Neither the Share Entitlement Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement. Further, it cannot be used for purpose other than in connection with the Transaction, without our prior consent. In addition, this Share Entitlement Report does not in any manner address the prices at which equity shares will trade following consummation of the Transaction and we express no opinion or recommendation as to how the shareholders of either Companies should vote at any shareholders' meeting(s) to be held in connection with the Transaction.

BACKGROUND OF THE COMPANIES

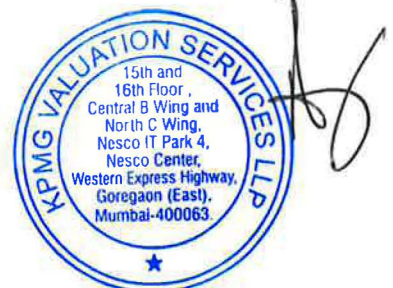
Sanofi India Limited

Sanofi India Limited is a company incorporated under the Companies Act, 1956 bearing corporate identification number L24239MH1956PLC009794 and having its registered office at Sanofi House, CTS No.117-B, L&T Business Park Saki Vihar Road, Powai, Mumbai, Maharashtra, India – 400072. Sanofi India is primarily engaged in the business of manufacturing, producing, processing, marketing, formulating, buying, trading, storing, packing, selling, distributing, importing, exporting, providing consultancy and otherwise dealing in all varieties of pharmaceuticals including drugs, chemicals, medicinal products and antibiotic products. The equity shares of Sanofi India are listed on BSE Limited and the National Stock Exchange of India Limited.

The shareholding of Sanofi India as of 31 March 2023 is as follows:

Particulars	INR
Authorized Capital	
23,500,000 Equity Shares of INR 10 each	235,000,000
Total	235,000,000
Issued, Subscribed and Paid-Up Capital	
23,030,622 Equity Shares of INR 10 each	230,306,220
Total	230,306,220

Source: Management





Resulting Company

Resulting Company is a company incorporated under the Companies Act, 2013 and will have having its registered office at Sanofi House, CTS No.117-B, L&T Business Park Saki Vihar Road, Powai, Mumbai, Maharashtra, India - 400072. Resulting Company is a wholly owned subsidiary of Sanofi India. Resulting Company is engaged in the business of manufacturing, producing, processing, marketing, formulating, buying, trading, storing, packing, selling, distributing, importing, exporting, providing consultancy and otherwise dealing in all kinds of varieties of pharmaceuticals, especially consumer healthcare products including drugs, chemicals, medicinal products and antibiotic products.

BASIS OF TRANSACTION – PROPOSED SCHEME

Basis the Proposed Scheme, the Transaction contemplates the demerger of Demerged Undertaking from Sanofi India and transfer to Resulting Company.

Pursuant to the above scheme, all the shareholders of Sanofi India would also become shareholders of the Resulting Company and their shareholding would mirror in the Resulting Company. The effect of the demerger is that each shareholder of Sanofi India becomes the owner of shares in the Resulting Company through the mechanism as explained in the Proposed Scheme.

Accordingly, any entitlement ratio can be considered fair for the above demerger including the entitlement ratio proposed in this Share Entitlement Report.

Given the above, the Management has requested to compute the Share Entitlement Ratio considering the mirror shareholding of the shareholders of Sanofi India in the Resulting Company.

The Management of Sanofi India has informed us that there were no material changes in the shareholding pattern between 31 March 2023 and 05 May 2023.

The Proposed Scheme will include the following:

- *Demerger and transfer of Demerged Undertaking from Sanofi India to Resulting Company:*

Resulting Company, which is a wholly owned subsidiary of Sanofi India, shall issue shares to the equity shareholders of Sanofi India in consideration of the transfer of Demerged Undertaking.

BASIS OF EQUITY SHARE ENTITLEMENT RATIO

As on 31 March 2023, the issued, subscribed and paid up capital of Sanofi India consists of 23,030,622 fully paid up equity shares of face value INR 10 each.

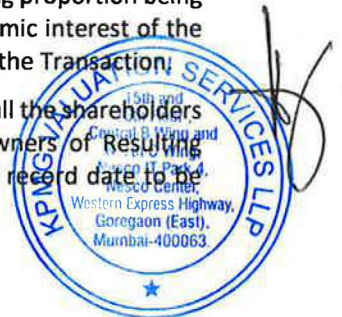
As set out above, Resulting Company is wholly owned subsidiary of Sanofi India, hence all the shareholders of Sanofi India would also become shareholders of Resulting Company and their shareholding would mirror in Resulting Company.

We understand that, In consideration for the demerger of Demerged Undertaking, Resulting Company proposes to issue 1 (One) fully paid up equity share of the face value INR 10 each for every 1 (One) fully paid up equity shares of the face value INR 10 each in Sanofi India Limited.

In case any shareholder's equity holding in Sanofi India is such that such shareholder becomes entitled to a fraction of an equity share of Resulting Company, the same will be treated as per relevant provisions of the Proposed Scheme.

Based on the aforementioned and that upon demerger, the set of shareholders and holding proportion being proposed for Resulting Company is identical to that of Sanofi India, the beneficial economic interest of the equity shareholders of Sanofi India in Resulting Company will remain same at the time of the Transaction.

We believe that the above share entitlement ratio is fair and reasonable considering that all the shareholders of Sanofi India are and will, upon demerger, be the ultimate economic beneficial owners of Resulting Company and in the same ratio (inter se) as they hold shares in Sanofi India, as on the record date to be decided by Management of Sanofi India in the Proposed Scheme.





Our Report and share entitlement ratio is based on the envisaged equity share capital structure of Sanofi India and Resulting Company as mentioned earlier in this Report. Any variation in the equity capital structures of Sanofi India and Resulting Company apart from the above mentioned Proposed Scheme may have material impact on the share entitlement ratio.

Respectfully submitted.

For KPMG Valuation Services LLP

Registered Valuer

RV No. – IBBI/RV-E/06/2020/115

Amit Jain, Partner

IBBI Registration No. IBBI/RV/06/2018/10501

Date: 10 May 2023

