

B S R & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Emcure Pharmaceuticals Limited
Plot No. P-1 & P-2, IT-BT Park, Phase II MIDC, Hinjawadi
Pune. 411057

Dear Sirs,

1. We B S R & Co. LLP, Chartered Accountants ("we" or "us" or "B S R") have examined the attached Restated Consolidated Financial Information of Emcure Pharmaceuticals Limited (the "Company" or the "Holding Company" or the "Issuer") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), comprising the Restated Consolidated Balance Sheet as at 31 March 2024, 31 March 2023 and 31 March 2022, the restated consolidated statement of profit and loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated statement of cash flows for the years ended 31 March 2024, 31 March 2023 and 31 March 2022, the Summary Statement of Material Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 18 June 2024 for the purpose of inclusion in the Red Herring Prospectus ("RHP") and Prospectus prepared by the Company in connection with its proposed initial public offer of equity shares ("IPO") prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
2. The Company's management and Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the RHP and prospectus to be filed with Securities and Exchange Board of India ("SEBI"), the relevant stock exchanges where the equity shares of the Company are proposed to be listed and the Registrar of Companies, Maharashtra, situated at Pune ("RoC"), in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 1B of Annexure V to the Restated Consolidated Financial Information. The responsibility of the respective management and board of directors of the companies included in the Group includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective board of directors are also responsible for identifying and ensuring that the Group complies with the Act, the ICDR Regulations and the Guidance Note.



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3. We have examined such Restated Consolidated Financial Information taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 31 October 2023 and 12 June 2024 in connection with the proposed IPO;
- b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
- d) The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note, in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the management from:

As at and for the years ended 31 March 2024, 31 March 2023 and 31 March 2022: audited consolidated financial statements of the Group as at and for the year ended 31 March 2024, 31 March 2023 and 31 March 2022, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 27 May 2024, 1 June 2023 and 12 May 2022 respectively.

5. For the purpose of our examination, we have relied on:

- a) Auditor's report issued by us dated 27 May 2024 on the consolidated financial statements of the Group as at and for the year ended 31 March 2024 as referred in Paragraph 4 above. The auditor's report on the consolidated financial statements of the Group for the year ended 31 March 2024 included the following paragraphs in relation to reporting on other legal and regulatory requirement:

- Based on our examination which included test checks, except for the instances mentioned below, the Holding Company and its subsidiary incorporated in India have used accounting softwares for maintaining its books of accounts, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares. Further during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

- In case of the Holding Company and its subsidiary companies incorporated in India, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining all books of accounts.
- In case of the Holding Company and its subsidiary companies incorporated in India, the feature of recording audit trail (edit log) facility was not enabled for certain fields and tables at the application layer of the accounting software used for maintaining books of accounts relating to Revenue and Receivables, Inventory, Property, plant and equipment, Purchases and payables.



- b) The above-mentioned matter does not require any adjustments
- c) Auditor's report issued by us dated 09 June 2023 on the consolidated financial statements of the Group as at and for the year ended 31 March 2023 as referred in Paragraph 4 above. The auditor's report on the consolidated financial statements of the Group as at and for the year ended 31 March 2023 included the following Emphasis of Matter paragraphs:

- We draw attention to Note 42 to the consolidated financial statements, which describes the uncertainty related to the ultimate outcome of the Search and Seizure operation conducted by the Income Tax Department. The Holding Company has not received any demand notices in relation to the Search and Seizure as at this date. Management is confident that no taxes will devolve on the Group and hence no provision has been recognised in these consolidated financial statements as at 31 March 2023. Though the Holding Company has not received any demand notice till date, the uncertainty in the matter remains till the proceedings are concluded.
- We draw attention to Note 42 to the consolidated financial statements, which describes the uncertainty related to the ultimate outcome of the Arbitration proceedings filed against Gennova Biopharmaceuticals Limited ('Gennova') in the London Court of International Arbitration and the lawsuit filed against Emcure Pharmaceuticals Limited ('the Company') in the United States District Court - Seattle Division by HDT Bio Corp. ("HDT") in the matter relating to the COVID vaccine being developed by Gennova. The uncertainty in the matter, including financial impact, if any, will remain till the proceedings are concluded. Given the uncertainty of outcome of the proceedings, the merits of HDT's claims can neither be fully assessed at present nor the possible loss or range of loss, if any, that may result from the proceedings can be estimated. Accordingly, no provision has been recognised in these financial statements as at 31 March 2023.

Our opinion is not modified in respect of these matters.

- d) Auditor's report issued by us dated 12 May 2022 on the consolidated financial statements of the Group as at and for the year ended 31 March 2022 as referred in Paragraph 4 above. The auditor's report on the consolidated financial statements of the Group as at and for the year ended 31 March 2022 included the following Emphasis of Matter paragraphs:

- We draw attention to Note 42 to the consolidated financial statements, which describes the uncertainty related to the ultimate outcome of the Search and Seizure operation conducted by the Income Tax Department. The Group has not received any demand notices in relation to the Search and Seizure as at this date. Management is confident that no taxes will devolve on the Group and hence no provision has been recognised in these consolidated financial statements as at 31 March 2022. Though the Group has not received any demand notice till date, the uncertainty in the matter remains till the proceedings are concluded.
- We draw attention to Note 42 to the consolidated financial statements which describes the uncertainty related to the ultimate outcome of the Arbitration proceedings filed against Gennova Biopharmaceuticals Limited ('Gennova') in the London Court of International Arbitration and the lawsuit filed against Emcure Pharmaceuticals Limited ('the Company') in the United States District Court - Seattle Division by HDT Bio Corp. ("HDT") in the matter relating to the COVID vaccine being developed by Gennova. The uncertainty in the matter, including financial impact, if any, will remain till the proceedings are concluded. Given the uncertainty of outcome of the proceedings, the merits of HDT's claims can neither be fully assessed at present nor the possible loss or range of loss, if any, that may result from the proceedings can be estimated. Accordingly, no provision has been recognised in these financial statements as at 31 March 2022.



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- We draw attention to Note 60 to the consolidated financial statements regarding the Scheme of Demerger between Emcure Pharmaceuticals Limited, Avet Lifesciences Limited and their respective Shareholders ('Scheme') which has been described in the aforesaid note. The Scheme has been approved by the National Company Law Tribunal ('NCLT') vide its order dated 4 June 2021 with appointed date of 1 April 2021 and a certified copy has been filed by the Company with the Registrar of Companies, Maharashtra, on 25 July 2021. In accordance with the scheme approved by NCLT, the Company has given effect to the Scheme from the retrospective appointed date specified therein i.e. 1 April 2021 which overrides the relevant requirements of Ind AS 103 (according to which the scheme would have been accounted for from 25 July 2021 which is the date of acquisition as per the aforesaid standard). The financial impact of the aforesaid treatment has been disclosed in the aforesaid note.

Our opinion is not modified in respect of these matters.

6. As indicated in our audit reports referred above:

- a) we did not audit the financial statements of seventeen, twelve and twelve subsidiaries included in the Group as of and for the year ended 31 March 2024, 31 March 2023 and 31 March 2022, respectively whose financial statements share of total assets (before consolidation adjustments), total revenues (before consolidation adjustments) and total cash inflows/(outflows) (net) (before consolidation adjustments) included in the consolidated financial statements, for the relevant years/periods is tabulated below, which have been audited by other auditors, as mentioned in Appendix I, and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors:

(Rs in million)

Particulars	As at and for the year ended 31 March 2024	As at and for the year ended 31 March 2023	As at and for the year ended 31 March 2022
Total assets	35,772.75	23,625.01	22,664.13
Total revenues	27,299.38	18,402.92	17,566.41
Total cash in/(out)flows-net	671.26	(311.02)	1.00

Certain of these subsidiaries (including step down subsidiaries) are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements/financial information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements is not modified in respect of this



matter.

Further, the financial statements of these subsidiaries included in these Restated Consolidated Financial Information, is based on such financial statements audited by the other auditors and have been restated by the Management of the Issuer to comply with the basis set out in Note 1B to the Restated Consolidated Financial Information. The restatement adjustments made to such financial statements to comply with the basis set out in Note 2 to the Annexure VI - Statement of Adjustments to the Restated Consolidated Financial Information, have been audited by us.

- b) we also did not audit the financial statements/financial information of three, eight and eight subsidiaries included in the Group as of and for the year ended 31 March 2024, 31 March 2023 and 31 March 2022, respectively, whose share of total assets (before consolidation adjustments), total revenues (including other income) (before consolidation adjustments), net cash inflows / (outflows) (net) (before consolidation adjustments) included in the consolidated financial statements, for the relevant years is tabulated below:

(Rs in million)

Particulars	As at and for the year ended 31 March 2024	As at and for the year ended 31 March 2023	As at and for the year ended 31 March 2022
Total assets	629.92	4,030.80	3,354.99
Total revenues	1,083.09	4,141.60	3,396.11
Total cash in/(out) flows-net	36.89	234.87	(73.27)

The financial statements/financial information of these subsidiaries is unaudited and is included in these Restated Consolidated financial Information, based on such unaudited financial statements/ financial information furnished to us by the Management of the Company. Our opinion on the consolidated financial statements and the Restated Consolidated Financial Information, in so as it relates to the amounts and disclosures included in respect of these subsidiaries are based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of this matter.

7. Based on our examination and according to the information and explanations given to us and as per the reliance placed on the examination report submitted by the other auditor for the respective periods/ year, we report that the Restated Consolidated Financial Information:
- have been prepared after incorporating adjustments for the change in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2023 and 31 March 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for year ended 31 March 2024 ;
 - does not contain any qualifications requiring adjustments. However, those qualifications in the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act and items relating to emphasis of matters (refer paragraph 5 above), which do not require any corrective adjustment to the Restated Consolidated Financial




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Information have been disclosed in the Annexure VI to the Restated Consolidated Financial Information; and

- c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
8. We have not audited any financial statements of the Group as of any date or for any period subsequent to 31 March 2024. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group as of any date or for any period subsequent to 31 March 2024.
 9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 4 above.
 10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the consolidated financial statements referred to herein.
 11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
 12. Our report is intended solely for use of the Board of Directors for inclusion in the RHP and Prospectus to be filed with SEBI, the stock exchanges where the equity shares of the company are proposed to be listed and RoC in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Abhishek
Partner
Membership No: 062343
ICAI UDIN: 24062343BKEWJZ6188

Place: Pune
Date: 18 June 2024

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a) For the year ended 31 March 2024

Name of Subsidiary	Name of Auditor	Relation
Emcure Nigeria Limited	Segun Thomas & Co.	Subsidiary
Emcure Pharmaceuticals Mena FZ-LLC	Almheiri and Devjani (CA)	Subsidiary
Emcure Pharmaceuticals South Africa (Pty) Ltd	A.S. Auditors Incorporated	Subsidiary
Emcure Pharma UK Ltd	MHA MacIntyre Hudson	Subsidiary
Tillomed Laboratories Limited	MHA MacIntyre Hudson	Step down subsidiary
Emcure Pharma Peru S.A.C.	R.B.Sharma & Co	Subsidiary
Marcan Pharmaceuticals Inc.	KNAV Professionals Corporation	Subsidiary
Emcure Pharmaceuticals Pty Ltd	GCC Business & Assurance Pty Ltd	Subsidiary
Tillomed Italia SRL	Baker Tilly Revisa S.p.A.	Step down subsidiary
Tillomed Malta Ltd.	Baker Tilly Malta	Step down subsidiary
Lazor Pharmaceuticals Limited	Arun Bhatt. & Co.	Subsidiary
Emcure Pharma Philippines Inc.	Maceda Valencia & Co.	Subsidiary
Emcure Pharma Chile Spa	R.B. Sharma and Co.	Subsidiary
Emcure Pharma Mexico S.A. DE C.V.	R.B. Sharma and Co.	Subsidiary
Emcure Brasil farmaceutics Ltda	R.B.Sharma and Co.	Subsidiary
Mantra Pharma Inc.	KNAV Professionals Corporation	Step down subsidiary
Tillomed Italia S.R.L. Italy	Baker Tilly Revisa S.p.A.	Subsidiary

b) For the year ended 31 March 2023:

Name of Subsidiary	Name of Auditor	Relation
Emcure Nigeria Limited	Segun Thomas & Co	Subsidiary
Emcure Pharmaceuticals Mena FZ-LLC.	Almheiri and Devjani (CA)	Subsidiary
Emcure Pharmaceuticals South Africa (Pty) Ltd	A. S. Auditors Incorporated	Subsidiary
Emcure Brasil Farmaceutica Ltda.	M.R Gujar & Co.	Subsidiary
Emcure Pharma UK Ltd	MHA MacIntyre Hudson	Subsidiary
Tillomed Laboratories Limited	MHA MacIntyre Hudson	Step down subsidiary
Emcure Pharma Peru S.A.C.	M.R Gujar & Co.	Subsidiary
Emcure Pharma Mexico S.A. DE C.V.	M.R Gujar & Co.	Subsidiary
Marcan Pharmaceuticals Inc.	KNAV Professionals Corporation	Subsidiary
Emcure Pharmaceuticals Pty Ltd	GCC Business & Assurance Pty Ltd	Subsidiary
Emcure Pharma Chile SpA	M.R Gujar & Co.	Subsidiary
Emcure Pharma Philippines Inc	Maceda Valencia & Co.	Subsidiary



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c) For the year ended 31 March 2022:

Name of Subsidiary	Name of Auditor	Relation
Emcure Pharmaceuticals Mena FZ-LLC.	Rao & Ross Auditing of accounts	Subsidiary
Emcure Pharmaceuticals South Africa (Pty) Ltd	A. S. Auditors Incorporated	Subsidiary
Emcure Brasil Farmaceutica Ltda.	M.R Gujar & Co.	Subsidiary
Emcure Pharma UK Ltd	MHA MacIntyre Hudson	Subsidiary
Tillomed Laboratories Limited	MHA MacIntyre Hudson	Step down subsidiary
Emcure Pharma Peru S.A.C.	M.R Gujar & Co.	Subsidiary
Emcure Pharma Mexico S.A. DE C.V.	M.R Gujar & Co.	Subsidiary
Marcan Pharmaceuticals Inc.	KPMG LLP, Canada	Subsidiary
Emcure Pharmaceuticals Pty Ltd	GCC Business & Assurance Pty Ltd	Subsidiary
Emcure Pharma Chile SpA	M.R Gujar & Co.	Subsidiary
Emcure Pharma Philippines Inc	Maceda Valencia & Co.	Subsidiary
Emcure NZ Limited	GCC Business & Assurance Pty Ltd	Step down subsidiary

