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STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

The Board of Directors
Emcure Pharmaceuticals Limited
Plot No. P-1 & P-2, IT-BT Park
Phase-II, M.I.D.C.
Hinjewadi, Pune – 411 057
Maharashtra, India

Date: 26 June 2024

Subject: Statement of possible special tax benefits (“the Statement”) available to Emcure Pharmaceuticals Limited (“the Company”), its shareholders and its material subsidiary in India prepared in accordance with the requirement under Schedule VI – Part A - Clause (9) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”)

This report is issued in accordance with the engagement letter dated 02 August 2022 and addendum to engagement letter dated 12 June 2024.

We hereby report that the enclosed Annexure II prepared by the Company, initialed by us for identification purpose, states the possible special tax benefits available to the Company, its shareholders and its material subsidiary in India, which is defined in Annexure I (List of Material Subsidiaries in India considered as part of the Statement), under direct and indirect taxes (together “Tax Laws”), presently in force in India as on the signing date, which are detailed in Annexure I. These possible special tax benefits are dependent on the Company, its shareholders and its material subsidiary in India, fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company, its shareholders and its material subsidiary in India to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company and its material subsidiary in India, may face in the future and accordingly, the Company, its shareholders and its material subsidiary in India may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure II cover the possible special tax benefits available to the Company, its shareholders and its material subsidiary in India and do not cover any general tax benefits available to the Company, its shareholders and its material subsidiary in India. Further, the preparation of the enclosed Annexure II and its contents is the responsibility of the management of the Company. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company (the “Proposed Offer”) particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (the “Guidance Note”) issued by the Institute of Chartered



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Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

We do not express any opinion or provide any assurance as to whether:

- i. the Company, its shareholders and its material subsidiary in India will continue to obtain these possible special tax benefits in future; or
- ii. the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of the enclosed Annexures are based on the information, explanation and representations obtained from the Company and its material subsidiary in India, and on the basis of our understanding of the business activities and operations of the Company and its material subsidiary in India.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

We hereby give consent to include this Statement in the Red Herring Prospectus, the Prospectus and in any other material used in connection with the Proposed Offer, and submission of this Statement to the Securities and Exchange Board of India, the stock exchanges where the Equity Shares of the Company are proposed to be listed and the Registrar of Companies, Maharashtra at Pune in connection with the Proposed Offer, however it is not to be used, referred to or distributed for any other purpose without our prior written consent.

For BSR & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022



Abhishek

Partner

Place: Pune

Date: 26 June 2024

Membership No.: 062343

UDIN: 24062343BKEWKI4064

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CC:

Kotak Mahindra Capital Company Limited

1st Floor, 27 BKC
Plot No. C-27, 'G' Block
Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India

Axis Capital Limited

1st Floor, Axis House
C-2 Wadia International Centre
Pandurang Budhkar Marg
Worli, Mumbai 400 025
Maharashtra, India

Jefferies India Private Limited

Level 16, Express Towers
Nariman Point
Mumbai 400 021
Maharashtra, India

J.P. Morgan India Private Limited

J.P. Morgan Tower
Off. C.S.T. Road
Kalina, Santacruz (East)
Mumbai 400 098
Maharashtra, India



ANNEXURE I

LIST OF DIRECT AND INDIRECT TAX LAWS ('TAX LAWS')

Sr. No.	Details of tax laws
1.	Income-tax Act, 1961 and Income-tax Rules, 1962 (read with applicable circulars and notifications) as amended by the Finance Act 2023, presently in force in India
2.	Central Goods and Services Tax Act, 2017
3.	Integrated Goods and Services Tax Act, 2017
4.	State Goods and Services Tax Act, 2017
5.	Customs Act, 1962 and Customs Tariff Act, 1975 read with respective rules, circulars and notifications made thereunder
6.	Foreign Trade Policy 2023 read with Handbook of Procedures

LIST OF MATERIAL SUBSIDIARIES IN INDIA CONSIDERED AS PART OF THE STATEMENT

1. Zuventus Healthcare Limited

Note 1: Material subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, includes a subsidiary whose income or net worth in the immediately preceding year (i.e. 31 March 2024) exceeds 10% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiaries in the immediate preceding year

SIGNED FOR IDENTIFICATION
BY

For B S R & Co. LLP

**Emcure Pharmaceuticals Limited**

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E-mail: corporate@emcure.com Website: www.emcure.com CIN: U24231PN1981PLC024251

ANNEXURE II

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO EMCURE PHARMACEUTICALS LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARY IN INDIA UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES ("TAX LAWS")

Outlined below are the Possible Special Tax Benefits available to the Company, its shareholders and its material subsidiary in India under the Tax Laws.

UNDER THE TAX LAWS

A. Special tax benefits available to the Company:

1. Subject to the fulfillment of conditions of Integrated Goods and Services Act, 2017 and the Central Goods and Services Act, 2017, the Company's unit located in the state of Jammu and Kashmir is eligible for reimbursement of 29% of the integrated tax that is paid using debit in the cash ledger maintained by the unit in accordance with Section 20 of the Integrated Goods and Services Act, 2017 after utilizing the Input Credit of the Central Tax and Integrated Tax and for reimbursement of 58% of the Central tax that is paid using debit in the cash ledger account maintained by the unit in accordance with Sub - Section (1) of Section 49 of the Central Goods and Services Act, 2017 after utilizing the Input Credit of the Central Tax and Integrated Tax. This is under 'Scheme of budgetary support under Goods and Service Tax Regime to the units located in States of Jammu & Kashmir, Uttarakhand, Himachal Pradesh and North East including Sikkim by Central Government'.
2. Duty free procurement of raw material or capital goods through import for Export Oriented Units (EOUs) under Foreign Trade Policy 2015-20, Foreign Trade Policy, 2023, Customs Act, 1962, Notification no. 78/2017-custom dated 13 October 2017, as amended from time to time. IGST benefit in terms of deemed export, Notification no. 47/2017-Central Tax dated 18 October 2017, as amended from time to time.
3. The Company is availing the benefit of duty-free import of input as per Advance Authorization license under the Foreign Trade Policy 2015-20, Foreign Trade Policy, 2023, subject to export obligations.
4. The Company is entitled to claim refund of the unutilized input tax credit accumulated in the electronic credit ledger owing to the zero-rated nature of supply under section 54 of CGST Act, 2017, subject to certain conditions and restrictions.
5. The Company is entitled to avail the benefit of remission of duties, taxes and other levies at the Central, State and local level which are borne on the exported goods manufactured in India under RoDTEP scheme issued through Notification no. 19/2015-2020 dated 17 August 2021 by Ministry of Commerce & Industry under Department of Commerce.
6. The Company is entitled to avail the benefit of duty drawback as per Duty Drawback scheme under Section 74 and 75 of Custom Act, 1962.

B. Special tax benefits available to Shareholders of the Company:

There are no special tax benefits available to the Shareholders under the Tax Laws.

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C. Special tax benefits available to Material Subsidiary in India ('Zuventus Healthcare Limited'):


1. Subject to the fulfillment of conditions of Integrated Goods and Services Act, 2017 and the Central Goods and Services Act, 2017, the units located in the state of Sikkim of the Company's subsidiary Zuventus Healthcare Limited is eligible for reimbursement of 29% of the integrated tax that is paid using debit in the cash ledger maintained by the unit in accordance with Section 20 of the Integrated Goods and Services Act, 2017 after utilizing the Input Credit of the Central Tax and Integrated Tax and for reimbursement of 58% of the Central tax that is paid using debit in the cash ledger account maintained by the unit in accordance with Sub - Section (1) of Section 49 of the Central Goods and Services Act, 2017 after utilizing the Input Credit of the Central Tax and Integrated Tax. This is under 'Scheme of budgetary support under Goods and Service Tax Regime to the units located in States of Jammu & Kashmir, Uttarakhand, Himachal Pradesh and North East including Sikkim by Central Government'.

2. The Material Subsidiary in India can avail the benefit of remission of duties, taxes and other levies at the Central, State and local level which are borne on the exported goods manufactured in India under RoDTEP scheme issued through Notification no. 19/2015-2020 dated 17 August 2021 by Ministry of Commerce & Industry under Department of Commerce.

NOTES:

1. The above is as per the current Tax Laws in force in India (i.e., applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26 till the signing date of this Annexure).
2. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.
3. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

For & on behalf of Emcure Pharmaceuticals Limited



Tajuddin Shaikh

Chief Financial Officer

Place: Pune

Date: 26 June 2024

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