

Tax Strategy & Governance Policy
Laurus Labs Limited



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Tax Policy

Established in 2005, Laurus Labs Limited (hereinafter referred to as “Laurus Labs”) is a leading research-driven integrated pharmaceutical company. Our operations span four key segments: Contract Development and Manufacturing (CDMO) – which includes the clinical and commercial supply of human health and animal health APIs and intermediates, crop science ingredients and speciality ingredients for dietary and cosmetic industries, Generics Finished Dosage Form (FDF), Generics Active Pharmaceutical Ingredients (APIs), and Biotechnology. Our product is supplied to 300+ customers and distributed in 80+ countries worldwide. Collaborating with the world’s top generic and innovator pharmaceutical companies, we leverage expansive growth avenues in manufacturing, services, and market development across North America, Europe, and LMICs. In view of our business operations spanning across multiple locations, we are required to pay various taxes such as corporate tax, income tax, including withholding of income tax, customs duty, excise duty, goods and service tax, sales tax/vat, cess, property tax, employment or professional tax etc.

Our tax policy would comprise of elucidating our approach and commitments towards the following:

1. Tax Governance
2. Tax Planning and Approach
3. Tax Compliances
4. Engagement with Tax Authorities.

Tax Principles and Policy

At Laurus’ Labs, taxation is a fundamental concern for us, our stakeholders, and the communities we engage with. The taxes we contribute are a vital part of our overall economic and social impact, supporting the development of the areas where we operate. We believe our tax responsibilities are essential to our commitment to sustainable, responsible, and socially inclusive growth. We understand that tax evasion is unlawful, and we are committed to fully complying with the tax regulations in every country where we do business. Our dedication goes beyond simply adhering to the law; we also aim to respect the intent behind tax policies. We strive to balance our obligations as a responsible taxpayer while promoting competitive business growth. We aim to serve all our stakeholders, including investors, suppliers, and employees.

We make sure our commitment to tax transparency is reflected through our principles of:

- I. **Accountability:** Foster a culture of accountability by ensuring that all tax-related decisions are made transparently and with full responsibility.

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- II. **Transparency:** Establish clear and transparent tax structures to facilitate optimal tax planning and compliance.
- III. **Documentation:** Maintain both hard and soft copies of all tax-related documents and significant information, ensuring timely submission to relevant tax authorities upon request.
- IV. **Informed Decision-Making:** Ensure all tax decisions are made at appropriate levels, supported by thorough research and professional opinions from legal counsels.
- V. **Risk Management:** Identify and assess tax planning opportunities within defined risk parameters, regularly reviewing plans in light of evolving laws and their potential impacts on financial statements. We also commit to ethical practices by refraining from utilizing secrecy jurisdictions or "tax havens" for tax avoidance purposes.
- VI. **Continuous Improvement:** Periodically review tax strategies in light of new court decisions and legislative changes, assessing their implications for financial statements.
- VII. **Ethical Conduct:** Our tax policy is closely aligned with the Company's core values, corporate governance practices, and integrated with the enterprise risk management framework applicable in each tax jurisdiction.

Tax Governance & Risk Management

We are committed to ensuring compliance with all tax laws and regulations relevant to the jurisdictions in which we operate. This commitment involves timely filing of returns and forms, making accurate tax payments on schedule, and providing any requested data and information to tax authorities as needed. Our team of finance professionals, located across our operating territories and reporting to the Head Finance, is dedicated to upholding these tax obligations diligently.

Our Governance Structure

S.No	Level	Roles & Responsibility
1	Executive Director - Finance	Oversees the company's tax strategy, ensuring it aligns with business goals and complies with relevant laws.
2	Audit Committee & Risk Management Committee (Assisting on Financial Matters)	Monitors tax-related risks, review compliance practices, and ensures the integrity of financial reporting.
3	Head Finance	Develops and implements the overall tax strategy, ensuring accurate reporting and compliance while leading the tax department.
4	Company Tax Department (Management Committee)	manages tax compliance, develops planning strategies, and provides advisory support to ensure optimal tax positioning.

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Tax regulations around the world are continuously changing and can be quite intricate, often creating uncertainties and potential tax risks due to differing interpretations. At Laura's Labs, we proactively seek external tax advice and support as needed to effectively navigate tax-related issues. We tackle tax risks by establishing strong internal controls, offering training, keeping our knowledge current, and encouraging collaboration across departments to ensure we remain compliant. Additionally, we utilize technology and automation whenever possible to efficiently manage the increasing compliance demands of global tax regulations.

Tax Planning Approach

At Laurus Labs, we engage in efficient tax planning that supports our business objectives and reflects our commercial and economic activities, ensuring alignment with our overall business strategy and investment goals to enhance stakeholder value. We have a comprehensive Tax Planning Approach for Laurus Labs:

- **Efficient Tax Planning:** We engage in tax planning that supports our business objectives and reflects our commercial and economic activities, aligning with our overall strategy to enhance stakeholder value.
- **Compliance with Tax Laws:** We adhere to both Direct and Indirect Tax laws in India in their true spirit, ensuring full compliance with all applicable regulations.
- **Arm's-Length Transactions:** We conduct all transactions with related parties on an arm's-length basis, in line with transfer pricing principles and OECD guidelines.
- **Avoidance of Artificial Arrangements:** We do not engage in artificial tax arrangements, tax evasion, or fraudulent practices, upholding our integrity as a responsible corporate citizen.
- **Management of Low-Tax Jurisdictions:** While operating in low-tax jurisdictions, we do not use these to avoid taxes on activities conducted elsewhere.
- **Utilization of Tax Incentives:** We take advantage of tax incentives, exemptions, or benefits as per relevant legislation and schemes notified by the appropriate statutory authorities.
- **Engagement of External Advisors:** In cases of uncertainty, we consult external tax advisors to obtain necessary clarifications and guidance, minimizing unnecessary tax disputes and litigation.

Tax Compliances

We are committed to tax compliance across all countries we operate in, by timely filing of the applicable tax returns and by timely payment of the applicable taxes. We understand that the taxes paid by us contribute to wider economic and social impact in the development of

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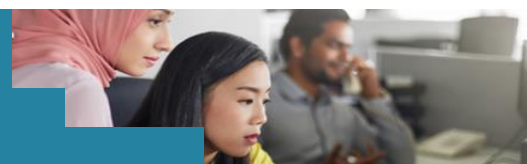


Countries where we operate.

Engagement with Tax Authorities

Laurus Labs is dedicated to fostering transparent, professional, and collaborative relationships with all tax authorities and is committed to providing timely and accurate responses to any inquiries related to our tax matters. Given the complexity of tax laws across the various regions in which we operate, we may not always align with the perspectives of tax authorities on certain issues. In cases of disagreement regarding the tax treatment of specific items, we actively engage in constructive dialogue to resolve these issues within the appropriate dispute resolution frameworks.

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Annexure

List of Entities as on 31st March 2024

Name of the Holding Copany	Name of the Subsidiary	Country	% Shareholding	Status
Laurus Labs Limited	Sriam Labs Pvt. Ltd.	India	100%	Wholly Owned Subsidiary
	Laurus Holdings Limited, United Kingdom	India	100%	Wholly Owned Subsidiary
	Laurus Synthesis Pvt. Ltd.	India	100%	Wholly Owned Subsidiary
	Laurus Generics (SA) Pty Ltd.	India	100%	Wholly Owned Subsidiary
	Laurus Specialty Chemicals Pvt. Ltd.	India	100%	Wholly Owned Subsidiary
	Laurus Bio Pvt. Ltd.	India	91.14%	Subsidiary
	Immunoadoptive Cell Therapy Private Limited	India	33.89%	Associate
	Ethan Energy India Private Limited	India	26%	Associate
Laurus Holdings Ltd., UK	Laurus Generics GmbH, Germany	Germany	100%	Wholly Owned Subsidiary
	Laurus Generics Inc., USA	USA	50.76%	Subsidiary

Major jurisdiction-wise other Key Financial Information for FY24 (₹ in Crores)

Jurisdictions	Revenues - Total	Profit (Loss) before Income Tax	Income Tax Accrued - Current Year	Income Tax Paid (on a cash basis)	Employees
India	4,839	264	68	105	6,724
USA	178	(8)	-	-	8
Germany	19	(6)	-	-	1
UK	5	0	-	-	2
South Africa	-	(14)	-	-	0
Total	5,041	236	68	105	6,735