



**STATEMENT OF SPECIAL TAX BENEFITS (UNDER DIRECT AND INDIRECT TAX LAWS)
AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS**

Date: January 02, 2026

The Board of Directors
Hindustan Laboratories Limited
302, A Wing, Victory Park, Chandavarkar Road,
Borivali (West), Mumbai Maharashtra, India, 400092.

AND

Choice Capital Advisors Private Limited
Sunil Patodia Tower, Plot No. 156-158, J.B. Nagar,
Andheri (East), Mumbai Maharashtra, India, 400099.

(Choice Capital Advisors Private Limited is referred to as the "Book Running Lead Manager" or the "BRLM")

Dear Sir/Madam,

Sub: Proposed initial public offering of equity shares of face value of ₹ 10/- each (the "Equity Shares") of Hindustan Laboratories Limited ("Company" and such offering, the "Offer")

We, JAIN V & CO, Chartered Accountants (Firm registration number: 116306W), the Statutory Auditors of the Company and as per the engagement letter as on October 22, 2025, we have been appointed by the management of the Company to state the possible special tax benefits, available to the Company, its shareholders under direct and indirect taxes (together "the Tax Laws"), presently in force in India as on the signing date, which are defined in the Annexure I.

We, JAIN V & CO, Statutory Auditors of the Company, have been informed that the Company proposes to file the Draft Red Herring Prospectus with respect to the Offer (the "DRHP") with the Securities and Exchange Board of India ("SEBI"), Bombay Stock Exchange Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges") in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") and subsequently proposes to file (i) Red Herring Prospectus proposed to be filed with SEBI, the Stock Exchanges and the Registrar of Companies, Maharashtra at Mumbai ("Registrar of Companies" and such Red Herring Prospectus, the "RHP"); (ii) Prospectus proposed to be filed with SEBI, the Stock Exchanges and the Registrar of Companies (the "Prospectus"); and (iii) any other documents or materials to be issued in relation to the Offer (collectively with the RHP and Prospectus, the "Offer Documents").

We enclose hereby report that (the Annexure I) showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the Indian direct and indirect tax laws including the Income-tax Act, 1961, ("Income Tax Act") the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") (collectively the "Taxation Laws") including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force, and applicable to the Assessment Year 2025-26 relevant to the fiscal year 2024-25 for inclusion in the Draft Red Herring Prospectus ("DRHP") for the proposed initial public offering of Equity Shares of the Company as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations").



Management's Responsibility

The Company's management's responsibility includes the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Annexure I and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The management is also responsible for ensuring that the Company complies with the requirements of the relevant provisions of the Tax Laws and to avail the available special tax benefits.

The Company's management is also responsible for providing details pertaining to its returns, records and other relevant documentation and their reflection in the books of accounts/returns of the Company.

Statutory Auditor's Responsibility

In this regard, we have performed the following procedures in relation to Annexure I:

- a) Review of the Company's fiscal statements and tax records to identify eligible tax benefits.
- b) Review of requisite documentation, including tax computation sheets and supporting evidence of qualifying expenditures or investments.

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 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 Fiscal information, and Other Assurance and Related Services Engagements.

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 confirm that while providing this certificate we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India.

Conclusion

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the direct and indirect taxation laws including the Income-tax Act 1961. Hence, the ability of the Company or its shareholders to derive these direct and indirect tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed Annexure I are neither exhaustive nor conclusive. The contents stated in the Annexure I are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide 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 their own tax consultants, with respect to the specific tax implications arising out of their participation in the 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 benefits, which an investor can avail. We are



neither suggesting nor are we advising the investors to invest or not to invest money based on this statement

The contents of the enclosed Annexure I are based on the representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

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

- i) the Company and its shareholders 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.

Other Matters

This certificate may be relied upon by the Company, the Book Running Lead Manager, and the Legal Counsel appointed in relation to the Offer. We also consent to the submission of this certificate as may be necessary to any regulatory authority and/or for the records to be maintained by the Book Running Lead Manager in connection with the Offer and in accordance with applicable law.

We confirm that we will immediately communicate any changes in writing in the above information to the Book Running Lead Manager until the date when the Equity Shares allotted in the Offer commence trading on the relevant stock exchanges. In the absence of any such communication from us, Book Running Lead Manager and the Legal Counsel in relation to the Offer can assume that there is no change to the above information.

The details above are based on the information, explanation and representations obtained from the Company and basic understanding of business operations of the Company.

Our scope of work did not involve performance of any audit test in this context of our examination. Accordingly, we do not express an audit opinion.

This certificate is not to be used, referred to or distributed for any other purpose without our prior written consent.

We hereby give consent to include this certificate in the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus and submission of this certificate as may be necessary, to the Stock Exchange/ SEBI/ any regulatory authority and/or for the records to be maintained by the Book Running Lead Manager in connection with the Offer and in accordance with applicable law in relation to the initial offering of equity shares of the Company in a public offering in India.

This certificate may be relied on by the Book Running Lead Manager and the legal counsel in relation to the Offer. We have no responsibility to update this report for events and circumstances occurring after the date of this report.



All capitalized terms used herein and not defined hereinabove shall have the same meaning as defined in the Offer Documents.

Yours faithfully,

For and on behalf of
For JAIN V & CO
Chartered Accountants

ICAI Firm Registration No: 116306W

Jain
CA VIRENDRA JAIN

Partner

Membership No: 100216

Place: Mumbai

Date: 2nd January 2026

UDIN: 26100216CUJCHV7091



Encl: As above

CC:

Legal Counsel to the Offer
M/s. Crawford Bayley & Co.
State Bank Buildings N.G. N. Vaidya Marg
Fort, Mumbai Maharashtra, India 400023

TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO HINDUSTAN LABORATORIES LIMITED ("COMPANY") AND THE SHAREHOLDERS OF THE COMPANY ("SHAREHOLDERS")

I. Under the INCOME TAX ACT, 1961

a) Special Tax Benefits to the Company

• Lower Corporate Tax rate under Section 115BAA

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%) from the Fiscal year 2019-20, provided such companies do not avail specified exemptions/incentives (e.g. deduction under Section 10AA, 32(1) (iia), 33ABA, 35(2AB), 80-IA etc.) The Amendment Act, 2019 also provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ("MAT") under Section 115JB. The CBDT has further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available. Corresponding amendment has been inserted under Section 115JAA dealing with MAT credit.

The company has exercised the above option in the financial year 2020-21.

b) Special Tax Benefits available to Shareholders

There are no special direct tax benefits available to the shareholders for investing in the shares of the Company.

With respect to a Resident Corporate Shareholder, a new section 80M is inserted in the Finance Act, 2020, to remove the cascading effect of taxes on inter-corporate dividends during financial year 2020-21 and thereafter. The section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other Domestic Company or a Foreign Company or a Business Trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other Domestic Company or Foreign Company or Business Trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139.

NOTES:

1. The above is as per the existing tax laws, for the assessment Year 2026-27.
2. The above Statement of possible special tax benefits sets out the provisions of Indian Income Tax Regulations 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. The possible special tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.
4. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile. 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.
5. The tax benefits discussed in the Statement are not exhaustive and are only intended to provide general information to the investors and hence, 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 offer.
6. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time.



7. As the Company has opted for concessional corporate income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions:
- Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
 - Deduction under clause (iia) of sub-section (1) of section 32 (Additional Depreciation)
 - Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, Site restoration fund)
 - Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section or subsection (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
 - Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
 - Deduction under section 35CCD (Expenditure on skill development)
 - Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or section 80M;
 - No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above
 - No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above

II. Under the Indirect Tax Laws

a) Special Tax Benefits to the Company

There are no special indirect tax benefits available to the Company under the Indian Indirect Tax Regulations.

b) Special Tax Benefits available to Shareholders

There are no special indirect tax benefits available to the shareholders for investing in the shares of the Company under the Indian Indirect Tax Regulations.

NOTES:

- 1) The above Statement of possible special tax benefits sets out the provisions of indirect 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.
- 2) The tax benefits discussed in the Statement are not exhaustive and are only intended to provide general information to the investors and hence, 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 issue.
- 3) Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

