

**TRANSCRIPT OF THE 36<sup>TH</sup> ANNUAL GENERAL MEETING OF HIKAL LIMITED HELD AT 11:30 A.M. IST ON TUESDAY, SEPTEMBER 17, 2024, THROUGH VIDEO CONFERENCING/ OTHER AUDIO-VISUAL MEANS**

**Rajasekhar Reddy:**

Good morning, ladies and gentlemen!

I am Rajshekar Reddy, Company Secretary of Hikal Limited. I welcome all of you to this 36<sup>th</sup> Annual General Meeting of members of Hikal Limited, being held in virtual mode as permitted by the Ministry of Corporate Affairs and SEBI.

The Notice of AGM dated 1<sup>st</sup> of August 2024 was sent by e-mail on 21<sup>st</sup> of August 2024, to all those shareholders whose e-mail addresses were registered with, either the company or the Registrar & Share Transfer Agent of the Company or their respective Depository Participants. I would like to take you through certain points regarding the participation and voting at this AGM.

The shareholders have been provided with the facility to join the meeting virtually. All the members joining this meeting are by default placed on mute mode to avoid any background noise, disturbance and to ensure smooth and seamless conduct of the meeting.

The remote Evoting facility was provided to all the shareholders, which was opened from Friday, 13<sup>th</sup> September 2024 to Monday, 16<sup>th</sup> September 2024. During the question & answer session, only those speakers who have registered in advance with the company would be able to speak. The moderator will unmute the registered speaker shareholders when their names as announced. I would request the speakers to use earphones while speaking so that everyone can hear them clearly without any disturbance from the background noise. Please ensure that the Wi-Fi is not connected to any other devices and no other background applications are running to have a good audio-video experience. The speaker shareholders are requested to switch on the audio and video while speaking. If the shareholders are unable to join for any reason, the shareholders are advised to switch off the video and speak through audio mode only. In the event of any connectivity related issue at the speaker shareholder's end, the next speaker shareholder will be asked to speak. When the connectivity is improved, the previous speaker shareholder will be called back to speak. During the meeting if the members face any technical issue, he or she may call the helpline number of NSDL as mentioned in the Notice of AGM.

Now I request the moderator to confirm the presence of the quorum.

The Moderator confirmed the presence of the quorum.

I now hand over the proceedings to the Chairman.

Thank you very much. Over to you sir.

**Jai Hiremath:**

Thank you, Rajshekar.

Good morning to all our Directors joining this meeting from various locations in virtual mode. Good morning to all our shareholders. I hope all of you and your family members are safe and healthy. On behalf of the Board of Directors, I extend a warm welcome to all the shareholders to this 36<sup>th</sup> Annual General Meeting of the members of the company. This meeting is being held in virtual mode as permitted by the MCA and SEBI. As the requisite quorum is present, I now call the meeting to order.

I, Jai Hiremath, Chairman of the Board hereby state that I am participating in this virtual Annual General Meeting from the Registered Office of the Company at Mumbai. Now I request the directors who are present, to introduce themselves by stating their names and location from where they are attending the meeting. The directors will have to unmute themselves before speaking.

**Sugandha Hiremath:**

Good Morning everybody, I am Sugandha Hiremath, non-executive and non-independent Director of the company. I am participating in this Annual General Meeting from the registered office of our Company at Mumbai. Thank you!

**Amit Kalyani:**

Good Morning. This is Amit Kalyani, non executive and non independent Director of the company. I am participating in this AGM from Pune.

**Ravi Kapoor:**

This is Ravi Kapoor, Independent Director . I am participating form Delhi airport.

**Jai Hiremath:**

Mr. Adivarekar, Mrs. Shivani is not attending.

**Shrikrishna K. Adivarekar:**

Good morning, everyone. I am Shrikrishna Adivarekar, Independent Director of the Company, I am attending this meeting form my office in Pune. Thank you!

**Berjis Desai:**

Berjis Desai attending the meeting from my office in Mumbai. Independent Director of the Company.

**V Ramachandra Kaundinya:**

Good morning, everyone. I am Ramachandra Kaundinya, Independent Director of the Company. I am the Chairman of the Audit Committee and the Nomination and Remuneration Committee of the Board. I am participating in the virtual AGM from my house in Hyderabad. Thank you!

**Ranjana Salgaocar:**

Good morning, everyone. I am Ranjana Salgaocar. Independent Director of the Company. I am participating in this Annual General Meeting from my office in Goa. Thank you!

**Sameer Hiremath:**

Good morning everyone! I am Sameer Hiremath, Managing Director of the company. I am participating in this Annual General Meeting from the registered office of the Company at Mumbai. Thank you!

**Sarangan Suresh:**

Good Morning everyone! I am Sarangan Suresh, Whole Time Director of the company. I am participating in this AGM from USA.

**Jai Hiremath:**

Thank you all the directors!

Mr. Vinayak Pujare, partner of SRBC & Co. LLP, Statutory Auditors and Mr. Dhrumil Shah, Secretarial Auditor, Mr. Kuldeep Jain – Chief Financial Officer and Mr. Rajasekhar Reddy – Company Secretary of the Company are also attending this virtual meeting. Mr. Dhrumil Shah, Practicing Company Secretary, is also appointed as Scrutinizer to scrutinize the e-voting process of this AGM. Since, there is no physical attendance at the members, the requirement of appointing proxies is not applicable. The registers as required under the Companies Act, 2013 are available for inspection in electronic mode. Since the notice of the AGM, along with the audited financial statements for 2023-24 together with the Directors' Report and Auditor's Report, has already been sent to all members. With your permission, I take the notice convening the meeting as read. Since the Statutory Audit Report and the Secretarial Audit Report are unqualified, they need not be read at the AGM. As the Chairman's message forms part of the Annual Report, I take the same as read. Questions and Answers.

I now request Rajshekhar to read out the instructions for speakers.

**Rajasekhar Reddy:**

Thank you, Sir!

Each speaker will be given 3 minutes time and I would request each speaker to adhere to this time limit, be brief and raise only those queries which have not already been raised by any other shareholders. All the questions will be addressed together, once all the registered speakers have completed their questions. I will now announce the names of the registered speaker shareholders and request the moderator to unmute and enable them to speak, one after the other.

Mr. Bimal Kumar Agarwal.

**Mr. Bimal Kumar Agarwal.**

Hello! Can you hear me? Hello!

**Kuldeep Jain:**

You are audible Mr. Bimal, please go ahead.

**Mr. Bimal Kumar Agarwal:**

Thank You.

Good morning, good afternoon, good evening and good night to the other shareholders who have joined from other parts of the world. Sir, I have already supported all the resolution and have no questions to ask. Thank you very much, please continue video conference. I got no questions to ask because I have to go out now. In case I will have any questions, I will send it by e-mail. I don't want to waste Company's time now. Thank You very much and please continue video conference.

**Rajasekhar Reddy:**

Mr. Prakishini Shenoy:

**Moderator:**

The speaker shareholder is not connected. We can proceed to the next speaker.

**Mrs. Lekha Shah:**

Hello!

Am I audible Sir?

**Rajasekhar Reddy:**

Yes, Ms. Lekha.

**Lekha Shah:**

Thank you, Sir.

Respected Chairman, Board of Directors and my fellow members, good morning and regards to everyone. Myself Lekha Shah from Mumbai. First of all I would like to thank our Company Secretary, Mr. Rajasekhar Reddy specially Nishantji for giving me this opportunity and smooth process where I am able to talk in front of all at this AGM. I found the AGM Notice and I am delighted to say that the AGM Report is so beautiful and full of colours with facts and figures in place being really useful with lots of information. On this occasion of Ganesh Chaturthi, I pray to lord Ganesha that he always showers his blessings upon you Chairman Sir.

Again, I would like to thank our Company Secretary Rajasekhar ji for best performance and outstanding support for all my doubts, hence I have only two questions. My first question is what is the total number of employees and how many women employees are working in the Company? What is the future of Company?

Chairman Sir, I hope that the Company will continue, video conference meeting in future. I strongly and wholeheartedly support all the resolutions for today's meeting.

Thank you so much Sir.

**Rajasekhar Reddy:**

Thank you Mrs. Lekha Shah.

**Mr. Yusuf Rangwala:**

Sir, very good morning, Chairman Sir, can you hear me?

**Kuldeep Jain:**

You are audible Mr. Rangwala.

**Mr. Yusuf Rangwala:**

This is Yusuf Rangwala from Mumbai. The Company has paid the dividend twice during the current financial year being Rs. 0.60 each aggregating to Rs. 1.20 per share on shares having face value of Rs. 2.00 which is an excellent payout. Hikal is having good reputation in the market and brokers like Venturous Securities, Motilal Oswal and Sharekhan are recommending Hikal to the investors.

Thanks to our Company Secretary, Rajasekhar Reddy Sir and would say “Wanakkam” to him for his proficient services. Please schedule next AGM through physical mode, so that shareholders like us can meet you in person as the same has not happened since last five years. We can also have a small get together after Diwali. Our Annual report is of around 450 pages very excellent. Mr. Rajasekhar Reddy our Company Secretary’s services are appreciable and we are happy and feel lucky about it. We would also like to visit the factory of Hikal.

Thank you very much, Sir. Wishing you good luck.

**Rajasekhar Reddy:**

Wanakkam Rangwala Ji. Thank you very much for speaking.

**Mr. Rajendra Jamnadas Sheth:**

Hello! Hello! Hello!

**Mr. Kuldeep Jain :**

Please go ahead.

**Mr. Rajendra Jamnadas Sheth:**

Chairman Sir, Management Team and my fellow shareholders, I am Rajendra Sheth from Thane, Maharashtra. I am completely satisfied with the performance of the Company and the dividend paid by the Company. I pray to God that the Company progresses further more in the leadership of our Chairman and I don't have any particular questions. I support all the resolutions and heartfelt congratulations. Thank you for giving me this opportunity to speak. Thank You.

**Kuldeep Jain:**

Thank You Rajendrajji, Thank You.

**Rajasekhar Reddy:**

Mr. Krunal Shah

**Kuldeep Jain:**

Is Mr. Shah there? Technical team?

**Moderator:**

Yes Sir, he is connected.

Sir, your mic is unmuted, and you can speak now.

**Rajasekhar Reddy :**

Mr. Krunal, can you please speak?

Technical team it seems there is a technical issue at the end of the speaker shareholder. Can we move to the next speaker shareholder.

**Mr. Ayush Gupta :**

**Moderator:**

The speaker shareholder is not connected. We can move to the next speaker.

**Rajasekhar Reddy:**

Mr. Anil Mehta

**Mr. Anil Mehta:**

Hello! Am I audible?

**Kuldeep Jain:**

Yes Mr. Anil. Go ahead.

**Mr. Anil Mehta :**

Good morning. This is Anil Mehta attending this meeting from Mumbai with all my family members, they are also the shareholders of the Company. We have already send the questions so there are no further questions from our side. We are supporting all the resolutions. Thanks to the secretarial department for being supportive and cooperating.

**Rajasekhar Reddy:**

Thank You Mr. Anil.

**Rajasekhar Reddy:**

Mr. Shashi Jain.

**Shashi Jain:**

Am I audible Sir?

**Kuldeep Jain:**

Yes Mr. Shashi. Go ahead.

Good morning Chairman Sir, Board of Directors and my co-fellow shareholders joining the AGM through VC portal. I Shashi Jain, joining the meeting from Delhi. First of all I would like to thank our Chairman and Board of Directors for a grand performance during the year and also for a high dividend during the year. I am impressed with the performance and I hope that the future of our Company is also bright. I also thank our Company Secretary, Sir, and his entire team Mr. Nishant and other person for helping me joining the AGM on VC portal. So many queries are covered under Chairman Sir's speech and previous shareholders have also asked the same. In future please conduct the AGM through VC mode only as people staying far can also join the AGM through this portal. I support all the resolutions and my good wishes are with the Company.

**Kuldeep Jain:**

Thank you, Mr. Sushil.

**Rajasekhar Reddy:**

Mr. Henil Bagadia

**Henil Bagadia:**

I hope I am audible.

**Rajasekhar Reddy**

You are audible Mr. Henil.

**Henil Bagadia:**

Thank you for this opportunity, Sir. I would start off with the pharma sector. So currently the situation is that we are seeing the BIOSECURE Act and the CDMO pipeline is looking very strong, so if the management can touch upon how the CDMO enquiry is being panning out, especially under the BIOSECURE Act and globally lot of Companies are not willing to share a lot of sensitive tech processes and products with China, and looking at alternatives, India is one of the alternatives, So what is right to win for Hikal in this part of the CDMO?

Overall how has the customer enquiry been going, so probably from the ratio and conversion from customer enquiry to validation batches and commercial orders, how that has been over the last 2-3 years and also after the event where the US BIOSECURE Act draft had been drafted. If the management could also touch upon how the current situation in API is in the last few years after COVID started normalizing, raw material prices have shot up and we are seeing a lot of margin pressure, especially in the US geography side, what is the current situation.

Also on the side of CDMO, due to inventory issues lot of orders have been delayed and postponed, so what is the current situation on the CDMO side also.

In pharma what is the major chemistry that we have been using for fulfilling our orders, because I think number of peers have also been getting in fluorine chemistry and by the industry stats a lot of process patents have been filed from the fluorine chemistry side and that happens to be a niche and a very complex process phase what is our role in that and what chemistry we have been using.

Also if the management could touch upon the current portfolio of products, what percentage of the portfolio is where we get about 15% + gross margins and the ones which are the legacy products, where we do not enjoy a lot of high margins.

Also on the product side, given our history and vs. the current, where we have added a number of capability in terms of R&D spends, what has been the product lifecycle, right form the commercialization in terms of gross margins to commoditization. Earlier I think it used to be around four years or so after which our lot of products started being commoditized as the supply increased.

Coming to the animal health part, if the management could briefly touch upon how the industry is, since it is currently classified under pharma segment and in sometime as the segment picks up it might be classified as a different segment. How is the industry of animal health, how is the competitiveness, what is the number of players, what is the right to win Hikal has in terms of



bagging larger orders. Out here a lot of customers out of Global five have been talking positively about the industry in the last probably three years where post Covid a number of pet adoptions have shot up and awareness, vaccinations, medications etc. have also shot up, so how the industry growth is going to pan out and how this is going to be beneficial for Hikal.

Also how are we targeting our top five customers globally? And given that Zoetis has also expanded its commercial facilities both R&D and commercial in India, is there a chance for strategic taps with such large players, wherein we could jointly put up a facility and also have some exclusive products, which we are exclusively supplying to such customers both on the products and process side.

Currently in animal health, is our product exclusive to a particular customer or processes are exclusive to a particular customer or can we supply the same product to multiple customers also. And on an overall side, since the Company is said that, they wont be planning any major capex unless they receive a large order. So based on the industry situations and the industry dynamics, both globally and in India, are we receiving customer enquiry for products which could be very sizable and probably Hikal could be putting money jointly with the customers and if not what are the specific capabilities that we are planning to add in order to get such kind of orders in future.

Also, on the financial side if the CFO could address there are about 263 Crores of Capital Work in progress, so if you could address what that is? And this capital work in progress are about to be matured in a period of 1-4 years.

Thank you. That is, it from my side.

**Jai Hiremath:**

Is there anybody else?

**Rajasekhar Reddy:**

Mr. Shravan Vohra

Shravan Vohra:

Thanks for the opportunity. First of all we have our family office based out of Dehradun. We are investors in the Company for over 5 years now. I would first like to take 10 seconds to appreciate the management for whatever has been done over the last 3 years which have been a turbulent time for the entire industry, when we started with how the backward integration projects were started back in 2019 and also long term decisions about building the animal health vertical and being patient with it. I would like to commend the management for the same.

Moving ahead to my questions, a lot of my questions were covered in the previous speakers' questions, so I would just stick to two questions.

We have an impeccable regulatory track record; I do not find any CDMO players not having USFDA issues for closer to a decade now. So, banking on that I feel Hikal as a Company should

have a very ambitious and audacious targets. In the previous call when I interacted with Sameer, we have been highlighting how we want to grow this business at 10% - 15% over the next few years but if I take the last two years from FY'22 to FY'24 we have not grown because of obvious reasons what the industry was facing and the China issues and all of those things. But for us to justify the opportunity size and the scale that we have, I would highly urge the management to look at high margin products but just the topline opportunity of the industry because when I speak to other Companies, the opportunity size is huge with this China plus one strategy paying our for Japanese, European and American innovators. And we have done so much of CAPEX close to 600-900 Crores in the last three years and it gets capitalized over the last 3 years. I would love to hear your ambition for the business, not looking for a specific guidance, but three years back when we wanted to go from mid to high teens, and if we do that in the next three years we would have to double in size for having a five years growth from mid to high teens.

And also on asset turns, we will be guiding on 1 to 1.35 asset turns in the last 2-3 quarters, while if I do that the ROCE of business profile changes drastically because earlier we used to talk about 1.5 - 1.7 asset turns. So just some clarification on the asset turns of the business, how we see that and the ambition, I really feel like after what we have achieved over the last 2-3 years and after coming out of all the turbulence which we feel that FY'25 should be like the base and the year from where we see the improvement, we should have audacious ambitions, so just your thought process on different verticals wise ambitions for the business.

That's it. I really look forward to exciting 3-5 years ahead with the business and the management. My best wishes and Thank You.

**Rajasekhar Reddy:**

Thank You Mr. Shravan.

**Jai Hiremath:**

Sameer will answer these questions.

**Rajasekhar Reddy:**

We have one more shareholder Mr. Manoj Bagadia.

**Manoj Bagadia:**

Hello! Can you hear me Sir?

**Rajasekhar Reddy:**

Yes Mr. Manoj.

**Manoj Bagadia:**

Chairman Sir thankyou very much for the opportunity to speak. We have been investors in Hikal for more than 10 years may be 13-14 years I am not sure, but we have been an investor for a long time, and we do plan to stick with the Company for time to come. I would not go too much into details, I just have some broad questions.

One is since we got large contract for animal health some years back, has there been any such large contracts that we have bagged or are we in the process because some of the Indian players do seem to have got large contracts in different products. So, if we can throw some lights and what is the strategy to get such large contracts because we should be one of the prime players, and if you consider some of the large pharma Companies I mean in our case we don't have any of the USFDA issues, whereas some of the largest Companies face such issues so considering our capability and quality what we have and the processes we should be one of the prime players to get such large contracts.

Second thing is about the US BIOSECURE Act, where do you see the opportunity, is it going to be more with the innovators or is it going to with the other players generics.

Third thing is if you look at the growth opportunities for next 3-5 years, where do you see the largest opportunities, is it in the CDMO or own products and how the mix would change and its impact on the margins.

Fourth is on the R&D part Sir, I mean we have a strong R&D and I think mainly its used captively, but do you see that to become a profit center and we start providing R&D services independently in future to the customers and if you think so how big the opportunity that you think for Hikal.

Another part is Sir, the role of technology or digital across the Company right from R&D, manufacturing, marketing to cost competitiveness, I mean where are we in that and if we have made large investments we can just throw some lights on what kind of investments have been made in the last 3-5 years what more would be required into that and will that be a key competitiveness advantage for us.

Another is Japanese customers Sir, in total, I am just talking about in total for the whole company, what would be percentage of revenue that we would be getting from Japanese customers and do you see changing significantly in coming 3-5 years, because those are the large customers and they stick with suppliers for very very long time unlike lot of other global players. In terms of capital work in progress, has there been any change in the product economics or dynamics that might force us to tweak the plants or whatever plants we had for the plant we might have to look at some products to ensure that we get optimum returns out of those investments. In terms of exports it is dipped and you have mentioned it clearly in the Annual Report about the situation but how do you see that as a percentage of sales in coming to 2-3 years once things gets normalized once we get benefits out of the new plants. Also, if you can throw some light on future road map for gross margin, cash flow, PAT which is around 800+crore and ROE, how do you see those things panning out in next 3-5 years.

And my last question is, if you at FY 26 onwards, hope things would be much better for us as well as the industry can you see our best performance, we overtake the best performance what we had in the history for HIKAL. Again, Sir, thank you for the opportunity and my good wishes for the future of the Company. Hope in next to 3-5 years things will be significantly better for us. Thank you again Sir.

**Rajasekhar Reddy:**

Thank you, Mr. Manoj.

**Jai Hiremath :**

Thank you, all the shareholders. There were lot of questions and some of them were little overlapping. Sameer will respond to them.

**Sameer Hiremath:**

Hi, Good Morning everybody, I will answer the questions.

So the first question was regarding the number of employees and we have 2040 employees to be exact on the rolls as on today of which 129 are women employees and the number is growing significantly and there is great focus on diversity in the Company to increase the number of women employees. Over 22% of our workforce in the Senior Management is women employees and close to 30% of the Hikal Board of Directors have women representation. So as we go up in senior position, women employees participation is even higher. As a Company, we are increasing year-on-year and the target is to cross 10% of the total workforce, that is the immediate short-term target, and then go in excess of that. So that was the first question.

Other two gentlemen asked questions and I will answer them, some of them overlapped. How was the CDMO pipeline with the BIOSECURE Act, I think this was asked by a few shareholders.

Well the BIOSECURE Act has been passed in the House although it has not been converted into a bill, but its expected to do so and will be passed with the majority.

It is a very positive development for our Company. The BIOSECURE Act basically mentions certain Chinese Companies that Companies in the US should not trade with in any form of which the world's largest pharma CDMO Company has been mentioned in specific detail. The BIOSECURE Act mentions that we must not work with such Companies and whatever business is currently in place has to be moved out of these Companies within 8 years and no new inquiries are being given to these Companies.

So what we are seeing form our customers that, what is currently with them it will take around 4-5 years to untangle, for whatever new inquiries are coming they will start flowing towards non-chinese Companies which are not being mentioned in the BIOSECURE Act. So definitely in creasing the number of enquiries, no of RFPs are going up significantly and this is very positive

for the Companies in the Pharma-CDMO space from India with a good impeccable regulatory track records such as Hikal.

How is the API business doing?

Well the API business went through a little down turn post Covid, it has come back this year and we expect margins to stabilize and remain stabilized because raw material prices have corrected in the last year or so.

How is the inventory issue in CDMO?

The inventory issue in the CDMO is more or less tapered off in the pharma business, while in the crop business it continues but in the pharma sector the inventory is more or less corrected and demand is coming back in the CDMO business in pharma.

The other question was regarding major technologies. Hikal has many different types of technologies, fluorine is one part of technologies we have many other technologies in which we differentiate ourselves in and being able to unique in them and build new contracts and new businesses.

The other question was regarding what the portfolio or high margin Vs. lower margin business is, well it is a blend, we look at the product selection based on technology mix, customer mix, product portfolio, gross margins etc. So it is good blend 50-50 between high margin and mid margin business. We don't do much low margin business, I think we are very selective about the type of products and the customers that we take and any new product that we put into our plants have a very tough internal matrix to meet and only then they meet based on gross margins, EHS compliance, safety and ROCE.

The other question was regarding animal health competitiveness. Well animal health has been in the focus for the Company in the last 4-5 years and we have made significant investments, we have onboarded few major customers.

The other question was regarding how are we doing with the top five customers globally. We have a relationship with almost all of them. Some of them are more advanced than the other but Hikal has been viewed as top-tier service providers to the animal health Companies globally and we see significant growth opportunities in these business. Some of these products are exclusive they are NCEs under patent but some of the products we are free to sell to multiple customers, so it is a blend of both. From a Capex plant perspective, well most of the major capex are already completed or are being completed in this year and the CWIP that is there in our books will get capitalized in the next few quarters and into next year. And we don't see any major projects right now because we have already created some capacities, ahead of schedule but if any major investments comes and we are not shy of investing it and will be backed by long term contracts from our customers.

You spoke about the regulatory track record, yes, that is something we are very proud about the Company, but we are always keeping abreast with the regulatory changes in the environment globally and Hikal continues to invest to ensure higher standards of quality environment in animal health and safety compliance and stay ahead of the curve and be a benchmark in the industry.

The question was regarding, also I will come back to the animal health part about future new contracts, what is the strategy, our strategy to continue doing more of what we are doing at a larger scale and win new businesses. We are moving to more high margin business, new chemical entities on both the human and animal health business. Our growth opportunities in CDMO and own products. In own products we have filed a few new DMFs every year that will continue but the CDMO is where the focus is become, tilting towards more as we see more and more opportunities coming in from global innovator companies in US, Europe and Japan. Japan is a large focus market for us, we have over 10% of the total revenue coming out of Japan and that is going to be growing and as rightly said that is a very sticky business and we work with the top global Companies in crop, pharma and in specialty chemicals business segment.

R&D services is also an area where we are getting involved with customers not only in manufacturing but also during development, during clinical face trials, during registration of material in the crop business, we are increasing our R&D focus to provide services from our R&T center in Pune which is growing and we have been expanding our capabilities to generate business and revenues from the R&T site as well.

Digital is a focus area for our Company and Hikal sites are highly automated with high level of automation, all our plants are BLC PLC computer controlled. We have a very strong digital backbone in the Company where we do a lot of initiatives in the Company whether it is project management, whether it is customer relationship management and now we are moving towards industry 4.0 and we have started implementing those programs at some of our sites and this is going to become a good differentiator, and we are offering our services to our customers also part of our ESG strategy of the Company to reduce carbon footprints and Hikal is well on its way to becoming one of the leaders from an ESG perspective in the country.

Exports as a percentage of sales are close to about 90% and we expect it to remain in that while we increase our footprint in India we are selling more and more into India because India is to become an attractive market for us as we expand our business in pharma, crop, animal health and spec-chem business as well.

The other question was regarding any sizeable projects. While we are doing it something is under way. As I mentioned if anything comes, we will not be shy form investing.

Lastly someone spoke about, I think Mr. Vohra spoke about having more ambitious targets and how to accelerate the growth. Yes, definitely asset turns will improve from where we are today the ROCE will improve and our growth will come back from FY 2025-26 onwards, we should be back on track as the whole industry has gone through a difficult time. The crop industry continues to face challenges, but the pharma and the animal health business have significant opportunities, and we expect these business/divisions to drive the growth in the short term and we expect business to come back on track and margins and ROCEs to improve significantly going forward. This answers all the questions, Thank You.

**Jai Hiremath:**

Yeah, so any other questions, I hope all the questions were adequately answered, there were lot of them. Overall, I think the business is looking up and the future looks bright. Should you have any further questions feel free to write to the Company's e-mail ID as given in the Notice of the AGM and our team will respond to you.

We now proceed to the resolutions. We have six resolutions for approvals at this AGM, which have been elaborated in the Notice of the Meeting dated 1<sup>st</sup> August 2024.

**Voting & Conclusion**

Members who have not cast their vote through the remote e-voting, may cast their vote at the meeting today.

The e-Voting window will remain open for 15 minutes after the closure of this meeting and will be disabled thereafter. Result of the voting will be announced within the statutory timelines, and the same will be intimated to the stock exchanges and also will be posted on the websites of the Company & NSDL. I authorize the Company Secretary to receive the voting results from the scrutinizer and announce the same.

I once again thank all the Directors and shareholders for attending this meeting.

I would like to extend my appreciation to all our stakeholders for supporting us and standing by our side this year. I wish to convey my sincere thanks and appreciation to all our employees for their continued commitment and dedication to the organization during difficult times. I would like to express heartfelt gratitude to our customers, bankers, and shareholders for their unwavering support and commitment.

With your permission, all the Directors including myself will now log out.

With this, I declare the meeting as concluded and I wish all the shareholders and their families a very healthy and safe future.

Thank you very much.