HIKAL

Innovation *Meets* Excellence

Annual Report 2023-24

Contents

2023-24 Highlights

Financial

INR **17,870** Million
REVENUE

15%
EBITDA MARGIN

INR **5.64**
EPS

INR **1,866** Million
CASH FROM OPERATIONS

21%
DIVIDEND PAYOUT RATIO

0.67x
NET DEBT TO EQUITY

Environment

61.7%
OF THE TOTAL ENERGY REQUIREMENT MET FROM RENEWABLE SOURCES

Multiple
POWER PURCHASE AGREEMENTS (PPAS) SIGNED TO PROCURE RENEWABLE ENERGY

Social

2,45,600
BENEFICIARIES

Zero
FATALITIES

Governance

27.3%
WOMEN DIRECTORS

Zero
COMPLAINTS ON WORKPLACE DISCRIMINATION

Innovation Meets Excellence

Hikal's journey of innovation and excellence is reflected through its strategic growth and sustainable operations. Focused on enhancing our technology and manufacturing capabilities, we are expanding our geographic and diversifying our sector foothold.

We are recognised for our commitment to ensuring high-quality services and customer satisfaction as we nurture operational excellence and sustainable practices like green chemistry. Focusing on customer-centric growth, we are expanding our customer base and launching new products supported by HiBEX projects and cost-saving measures. During the year, we witnessed traction in our pharmaceutical portfolio across Japan, Latin America, and the Middle East owing to our innovation proficiency and advanced significantly under our Project Pinnacle initiatives.

At Hikal, innovation and excellence are intertwined, delivering outstanding value and sustaining our industry leadership.

Navigating Challenges, Embracing Excellence

> **Amidst the global economic uncertainties during the financial year 2023-24, our commitment to resilience remains absolute.**

Dear Stakeholders,

Amidst the global economic uncertainties during the financial year 2023-24, our commitment to resilience remains steadfast. We recognise the challenges posed by over-capacity and intense price competition from China in the chemicals sector. While we anticipate inventory stabilisation by year-end, seizing this moment is crucial to expanding our customer base, bolstering execution, and optimising operational efficiency as a unified force. On a positive note, our pharmaceutical division continues to thrive, demonstrating robust growth, which positions us favourably in the market and contributes significantly to our overall success.

Financial Performance

For the financial year 2023-24, we achieved revenues of INR 17,870 Million and a net profit of INR 695 Million. Despite global macroeconomic pressures and a challenging market environment, including inventory buildup and intense price competition from China in the crop protection market, our EBITDA increased to INR 2,694 Million in 2023-24 from INR 2,625 Million in 2022-23.

In light of our performance, our Board of Directors has recommended a final dividend of 30%. Along with an interim dividend of 30% declared in February 2024, the total dividend for 2023-24 stands at 60% of face value (INR 1.2 per share).

Pharmaceutical Division

In the Pharmaceutical division, revenue remained at INR 11,002 Million in 2023-24, compared to INR 11,152 Million last year. However, EBIT improved significantly to INR 935 Million in 2023-24 from INR 650 Million in 2022-23.

Under our Active Pharmaceutical Ingredient (API), we have focused on aggressive business development that aims at boosting our sales in the next two years. This segment saw increased volume off-take due to higher demand from existing customers and expansion into new geographies. This coupled with stabilised raw material prices, enhanced our margin profile.

The Contract Development and Manufacturing Organisation (CDMO) segment received numerous Request for Proposals (RFPs) from global innovators and emerging pharmaceuticals, with multiple products in the advance stages of discussion. We have a robust pipeline of early to mid-phase projects showing promising prospects with two novel chemical entities (NCEs) in phase 3 clinical trials and two products at the production stage in the food ingredient segment.

We have achieved a 20% cost improvement across three generic APIs. Our API facility in Panoli, Gujarat, successfully passed a US FDA audit in 2023-24 with 'No Action Indicated' (NAI), also known as 'Zero 483' observations. This result highlights our commitment

20%
COST IMPROVEMENT ACROSS THREE GENERIC APIs

to regulatory compliance. These achievements highlight our strategic focus and resilience in a competitive market.

Crop Protection Division

Our Crop Protection division revenue stood at INR 6,844 Million and EBIT stood at INR 743 Million in 2023-24. The global crop protection industry faced significant challenges, including subdued demand due to inventory buildup and intense price competition due to over capacities. We remain optimistic about market stabilisation towards the end of the calendar year 2024, with recovery expected to begin thereafter.

We are committed to seizing new opportunities and reinforcing our position with global innovator companies. Through de-risking and optimising our supply chain, we are enhancing operational efficiencies. These efforts guarantee a reliable supply of essential raw materials and help maintain stable pricing.

By implementing comprehensive HIKAL business excellence (HIBEX) initiatives, we are fortifying our operations, reducing costs, and improving our capacity to meet customer demands efficiently and consistently.

Project Pinnacle 1.0 unlocked momentum in the supply chain, de-risking strategy, developing differentiated competencies, the acquisition of new customers globally and the building of a distinctive technology platform.

Animal Health Division

In our Animal Health business, progress continues in developing a portfolio of products under a long-term agreement with an innovator animal health company. During the third quarter, commissioning of our new multipurpose animal health facility in Panoli, Gujarat was completed.

Validation of four products has been successfully carried out, as per schedule, with validation of several other products currently underway and scheduled for completion in the upcoming few quarters. These validation batches are the initial step toward product registration and subsequent commercialisation. This progress solidifies our positioning in meeting the growing demands of the market.

Business Transformation – Project Pinnacle

Under our strategic transformation initiative, Project Pinnacle, we have made significant strides in sustaining growth across our diverse businesses. Building on the success of Project Pinnacle 1.0 in 2022-23, we have re-aligned our business segments as growth pillars for Project Pinnacle 2.0, laying the foundation for long-term value creation.

We are taking strides towards a leadership position in ESG, evidenced by our EcoVadis bronze rating, under Project Pinnacle 1.0. We also published our first Sustainability Report along with BRSR release. Implementing a product-specific cost improvement programme, we have secured a best-in-class cost position, and our de-risking strategy led to the development of alternate suppliers across our product portfolio, significantly reducing our dependence on China.

Project Pinnacle 1.0 unlocked momentum in the supply chain, derisking strategy, developing differentiated competencies, the acquisition of new customers globally and the building of a distinctive technology platform. Moving forward, our focus shifts to capitalising on front-end opportunities and building a robust pipeline for continued success.

Research and Technology

In our efforts to create just the right chemistry, we invested 4.5% of our sales in Research and Technology during 2023-24. During the financial year, we achieved significant milestones in the development and validation of Animal Health APIs, conducted at our state-of-the-art manufacturing facility in Panoli.

Additionally, we have expanded our regulatory footprint with multiple DMFs filed across different regions, further solidifying our presence in the pharmaceutical market. Furthermore, our ongoing investment in infrastructure, such as enhancing process safety capabilities and implementing Zero Liquid Discharge (ZLD) systems, demonstrates our commitment to innovation and environmental responsibility.

I am delighted to announce that our strategic focus centres on the backward integration of key raw materials and the development of sustainable processes, reflecting our dedication to environmental responsibility and operational efficiency. We have inaugurated an enhanced process safety lab and implemented Self-Managed Teams (SMTs) across our business verticals. This strategic move strengthens our supply chain resilience and enhances our competitiveness in the market, positioning us for sustained success in the evolving business landscape.

Creating Shared Value

We are collectively committed to excellence and the relentless pursuit of growth and innovation that serves as the cornerstone of our recent endeavours. Initiatives like 'Quality Week' and 'Safety Month' underscore our unwavering dedication to excellence across all operations, reflecting our organisational ethos. We believe that excellence is an ongoing journey of improvement ingrained in our culture, driving us to uphold the highest standards in product quality, workplace safety, and process refinement. As we strive to achieve our Pinnacle goals, excellence remains fundamental to our success, inspiring us to surpass expectations and set industry benchmarks.

Our identity as Hikalites is defined by our diligence on excellence, exemplified by our participation in prestigious global exhibitions. Moving into the second phase of the 'HIBEX Productivity Challenge', a Hikal Business Excellence initiative, I extend gratitude to all teams for their dedicated efforts and contributions to our Company.

Through our CSR initiatives under 'Srijan,' we strengthen our connection with the communities we serve and foster social development. We launched an 'Integrated Watershed Development' project in Mahad to eradicate water scarcity for 5,000 residents in the local village. We also initiated a 'Bicycle Library' project for the New English School in Taluka, Mahad, to address the commute challenges faced by students from tribal families and donated 59 bicycles to the school.

Progressing towards Sustainability

We regard ESG as a powerful differentiator for us. By prioritising our environmental responsibilities, we have set ambitious sustainability goals based on material issues and are progressing toward achieving them. We have identified critical ESG issues and implemented an ESG platform with clearly defined GHG reduction targets aligned with the Science-based Targets initiative (SBTi). Additionally, we continuously assess our ESG readiness and performance against industry standards to ensure we remain on track.

Our commitment to reducing emissions is evident in our targets: we aim to reduce Scope 1 and 2 emissions by 30% by 2027-28 compared to 2022-23 levels, with a strategy for Scope 3 emissions currently under development with a global energy management company. Moreover, we plan to increase our share of renewable energy to 80% by 2027-28, a significant rise from 56.4% in 2022-23. These efforts are complemented by our goal to reduce total waste disposal by 30% and the water consumption rate by 15% by 2027-28.

Diversity and inclusion are integral to our ESG strategy. Women represent 21% of our corporate office, and we have plans to significantly increase this number, over the next five years. Our dedication to a sustainable future has been recognised with a bronze rating from EcoVadis, and we are committed to further improvement, aiming to achieve a gold rating by 2025. We also became a United Nations Global Compact (UNGC) signatory during 2023-24 which reiterates our commitment towards ESG.

By focusing on these strategic ESG initiatives, we are not only enhancing our sustainability performance but also setting a benchmark in the industry. Our holistic approach ensures we contribute positively to the environment while driving long-term value for our stakeholders.

Future Ahead

We aspire to establish ourselves as a sustainable company driven by technology and focused execution, with a paramount commitment to customer satisfaction. Strategically positioned to leverage the global shift in supply chain to India, we are confident in our ability to ascend to new heights in the upcoming years.

As we look ahead to 2024-25, we aim to strengthen our foundation for accelerated future growth. Despite persistent market challenges, we are confident that our robust measures will navigate us through uncertainties, ensuring sustained long-term growth and profitability.

In conclusion, I extend sincere appreciation to our stakeholders for their valuable support and heartfelt gratitude to our dedicated employees, valued customers, trusted bankers, and loyal shareholders for their commitment and solidarity during challenging times. Let us persevere in our pursuit of excellence and continue to achieve new milestones on our journey of growth and success.

Warm regards,

Jai Hiremath
Executive Chairman

Tailored Excellence for a Better Tomorrow

Hikal is the preferred partner for pharmaceuticals and crop protection companies, providing 'just the right chemistry' for customised solutions while maintaining high quality and regulatory standards. We foster long-term relationships with global partners by delivering sustainable solutions across the life science value chain.

We offer world-class active ingredients, intermediates, and R&D services to global pharmaceuticals, animal health, biotech, crop protection, and specialty chemicals companies, meeting the evolving needs of our customers.

INR 17,846 Million
REVENUE FROM OPERATIONS

~3,000
EMPLOYEES (~350 R&T EMPLOYEES)

INR 32,650 Million
MARKET CAPITALISATION

69%
PRINCIPAL SHAREHOLDERS

Key Business Segments

PHARMACEUTICALS

Read more on page **12**

ANIMAL HEALTH

Read more on page **16**

CROP PROTECTION

Read more on page **18**

Vision

To be the leading global fine chemical company to the Pharmaceutical, Crop Protection and Specialty Chemical Industries.

Mission

To create value through superior, chemical products and operate as a responsible company.

Building trust and respect of our customers, shareholders and employees using science, technology and sustainable processes in harmony with the environment.

Core Values and Culture Pillars

Our Journey

1988
Founded by Jai Hiremath as a chemical business

1991
First plant site set up in Mahad, Maharashtra

1995
Listed on Bombay Stock Exchange and National Stock Exchange

1997
Taloja plant commissioned for CDMO Project with US Innovator

2000
Acquired the manufacturing site from Novartis in Panoli, Gujarat Project with US Innovator

2001
Acquired R&D and manufacturing site in Bangalore from Wintac Ltd.

2007
Entry into Animal Health business

2009
New R&T Centre established and Tokyo office to expand in Japan

2014
Co-generation plant and Biomass boilers commissioned at all sites (sustainability initiative)

2023
Two new multipurpose plants commissioned including the Animal Health Multi-Purpose facility at Panoli, Gujarat, validation in progress

Project Pinnacle

Pinnacle, our flagship business transformation initiative, is built on six pillars that demonstrate our commitment to creating value for all stakeholders. This strategic framework helps us maintain a competitive edge and drive our next growth phase.

Key Achievements of Pinnacle 1.0

Big Unlocks

Build Capabilities to Differentiate | **Take a Few Big Bets**

Leadership in ESG
- EcoVadis bronze achieved
- First Sustainability Report published and BRSR released
- Emission accounting initiated

Best-in-class 'Cost' Position
- Institutionalised operational excellence
- Product specific cost improvement programme implemented

De-risking Supply Chain
- Alternate suppliers developed across product portfolio
- On track to significantly reduce dependence on China
- Backward integration technology of critical KSM established with in-house manufacturing capability or through a network of local partners

Strengthening Animal Health Business
- Dedicated Animal Health Facility established
- Four new products commercialised and several more under validation in 2024
- Several new RFPs are under discussion from global innovators

New HPAPI/Peptides Technology Set-up
- Lab set up at R&T scale initiated
- Commercial set-up under evaluation

Project Pinnacle 2.0

We have now launched Pinnacle 2.0, with a renewed focus on front-end and operational excellence, enhancing customer interactions and optimising processes for superior value and performance.

Our vision is to create a better future with global, sustainable, and innovative fine chemical technology proudly Made in India. With our Project Pinnacle, we stay dedicated to sustainability and innovation, setting new industry benchmarks.

Growth Pillars

Pharmaceuticals

» Scale product portfolio
» Unlock relationship value with key strategic partners
» Lifecycle management with innovators
» New technology
» Food ingredients and additives

Animal Health

» Unlock relationship value with key strategic partners
» Introduce and scale product portfolio
» New technology

Crop Protection

» Grow CDMO business
» Unlock relationship value with key strategic partners
» Lifecycle management with innovators
» New technology
» Specialty chemical
» Personal care

Critical Unlocks in Pinnacle 2.0

» Enhanced customer integration (bolster BD and KAM, smart pricing)
» Building new business (animal health, specialty chemicals)
» Next-generation products (new product development, portfolio shift to new products)
» Building tech toolbox (path to scale new technologies)
» Funding the growth (best-in-class cost position)
» Sustainability (ESG, Lighthouse)
» Resilient back-end (operations, supply chain processes)

Winning Approach

Leading with Innovation

Our commitment to pioneering solutions is evident in our ongoing investments in Research and Technology (R&T), allocating 4-5% of our sales to R&T for innovative product development.

Elevating Customer Satisfaction

We prioritise enhancing customer satisfaction across the life sciences value chain through innovative solutions, prompt resolutions, and continuous improvements, fostering strong relationships, loyalty, and a positive brand image.

Maximising Stakeholder Value

Our focus is on long-term growth, transparency, responsibility, and delivering value to all stakeholders for sustained success.

Aligning with Global Frameworks and Standards

We emphasise integrating sustainability into our operations, aligning with Global Reporting Initiative (GRI) standards.

Pharmaceutical Division

Our pharmaceutical division excels in manufacturing APIs and intermediates. As a leading partner for global pharmaceutical companies, we specialise in conventional synthesis, complex chiral chemistry, custom synthesis, and contract research. Our proven ability to scale production from grams to tonnes empowers our partners to deliver life-changing treatments worldwide.

Our long-term relationships with major companies are built on best practices in technology, environment, health, safety, and quality. We supply to the US, European and Japanese regulatory standards owing to our experienced team and advanced facilities.

Financial Highlights

INR 11,002 Million
REVENUE

INR 935 Million
EBIT

Human Capital

1,954
EMPLOYEES

208
PERSONNEL IN R&T AND TECHNICAL SERVICES

Manufactured Capital

1,600 m³
CAPACITY

Note: All figures are for 2023-24.

Business Highlights of 2023-24

- Improvement in margins on account of change in product mix and business excellence initiatives in the API business
- New opportunities are under advanced stage of discussion with various global innovators in CDMO business
- Strengthening presence in new regions such as Middle East and Latin America
- New product launches in anti-diabetic therapeutic area
- Robust pipeline with 8 to 10 products under development
- Two opportunities in phase three of clinical trial, which are progressing as per plan and likely to get commercial in the upcoming years
- API facility in Panoli had received a No Action Indicated, (NAI) compliance status with 'Zero' 483 observations from the US FDA
- Our Food Ingredients CDMO business has shown an increasing trend with two products currently at production stage (for the US and Europe market), which will reach their full potential in the upcoming years

We Serve

Pharmaceutical companies from early-stage development till commercial launch of chemical entities

We Offer

- Contract development and manufacturing
- APIs and Intermediates
- Food ingredients and additives

We Partner with

Global pharmaceutical companies looking for commercial supply, contract research, custom synthesis and custom manufacturing of intermediates and APIs

	Overall asset base	Pharmaceutical asset base
Production Sites	5	3
Production Blocks	24	14
Integrated R&T Centre	1	1
No. of Active DMFs	67	
Key Commercialised APIs	49	27
Total Employees	3,008	1,954
Capacity	4,100 m³	1,600 m³
Active Ingredients Sold in FY24	6,200 MT	2,460 MT
Advanced Intermediates Sold in FY24	1,000 MT	360 MT

Overall asset base
Pharmaceutical asset base

The Hikal Advantage

Track Record of Excellence

We excel in independent and collaborative development with global innovator companies, leveraging our expertise in custom synthesis, contract research, and in-house product development.

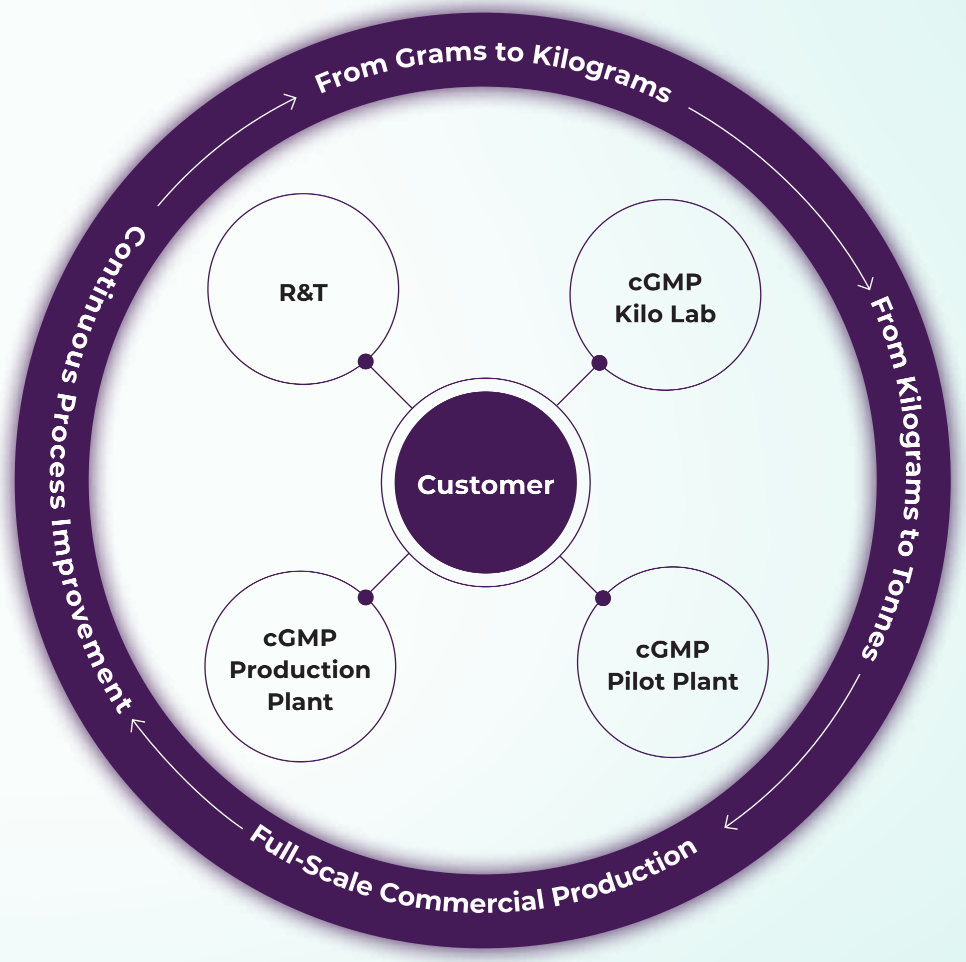
Strong R&D Capabilities

Our technical expertise spans the life sciences value chain, offering scale-up capabilities from lab to full-scale commercialisation, supported by highly experienced analytical resources at our Pune R&T centre.

Commitment to Global Standards

We have earned regulatory approvals from the US FDA (cGMP), TGA-GMP, KFDA (Korea), PMDA (Japan), AFMPS (Belgium), ANVISA, EDQM, EPA, and COFEPRIS (Mexico).

Our Capabilities



Our Products

- Anti-convulsant
- Anti-emetic
- Anti-depressant
- Anti-psychotic
- Anti-lipemic
- Hemorheologic
- Anti-diabetic
- Anti-coagulant
- Anti-viral
- Analgesic
- Anti-ulcer
- Overactive Bladder (OAB)
- Food Ingredients and Additives

Animal Health

We develop animal health APIs and intermediates for the farm and companion animal segment. We create in-house products and offer contract manufacturing from GMP-compliant facilities. Apart from synthetic products, we are developing capability for high potency at our Research and Technology (R&T) Centre.

Animal Health Business

2007
ENTRY INTO THE BUSINESS

10+
ANIMAL HEALTH FOCUSED APIs

61
DEDICATED R&T RESOURCES

4+
EXISTING RELATIONSHIPS WITH ANIMAL HEALTH INNOVATORS

145 m^3
REACTOR CAPACITY

New Animal Health Multipurpose facility commissioned at Panoli, Gujarat (validation of several products is in progress)

Note: All figures are for 2023-24.

We Serve

30+ chemistries to seven animal species in the companion animal segment

We Offer

- Animal Health APIs and intermediates
- Animal Health Contract Development and Manufacturing

Our Products

- Analgesic
- Anthelmintic
- Antibacterial
- Anti-parasitic
- Dementia

Crop Protection Division

We specialise in delivering cost-effective solutions for the agricultural industry. Leveraging research, technology, and manufacturing capabilities, we provide world-class crop protection products, including insecticides, fungicides, herbicides, biocides, and intermediates.

We empower our partners with extensive experience in synthesising diverse molecules efficiently. Our advanced chemistry capabilities with the state-of-the-art Research and Technology Centre at Pune, enable global product development and ensure quality and regulatory compliance.

Financial Highlights

INR **6,844** Million
REVENUE

INR **743** Million
EBIT

Human Capital

988
EMPLOYEES

73
PERSONNEL IN R&T AND TECHNICAL SERVICES

Manufactured Capital

2,500 m³
CAPACITY

Note: All figures are for 2023-24.

We Offer

- Contract manufacturing
- Intermediates
- Insecticides
- Fungicides
- Biocides
- Specialty chemicals
  - Personal care products
  - Biocides
  - Electronic and battery chemicals
  - Homecare

We Partner with

Crop protection companies for custom synthesis and custom manufacturing of intermediates and active ingredients

Business Highlights of 2023-24

- Significant channel inventory coupled with over-capacity has resulted in reduced sales
- New opportunities under advance stage of discussion with various global innovators
- Stabilisation activity is ongoing at the new multipurpose facility at Panoli, Gujarat

	Overall asset base	Crop Protection asset base
Production Sites	5	3
Total Employees	3,008	988
Production Blocks	24	10
Capacity	4,100 m³	2,500 m³
Integrated R&T Centre	1	1
Active Ingredients Sold in FY24	6,200 MT	3,740 MT
Kilo Lab (Scale up & Pilot)	3	2
Advanced Intermediates Sold in FY24	1,000 MT	640 MT
Key Commercial Products	49	22

The Hikal Advantage

Strong Product Pipeline

Our dedication to research and technology ensures a robust product development pipeline. By focusing on integrated solutions, we are well-positioned for sustained growth and success, meeting the evolving needs of our customers.

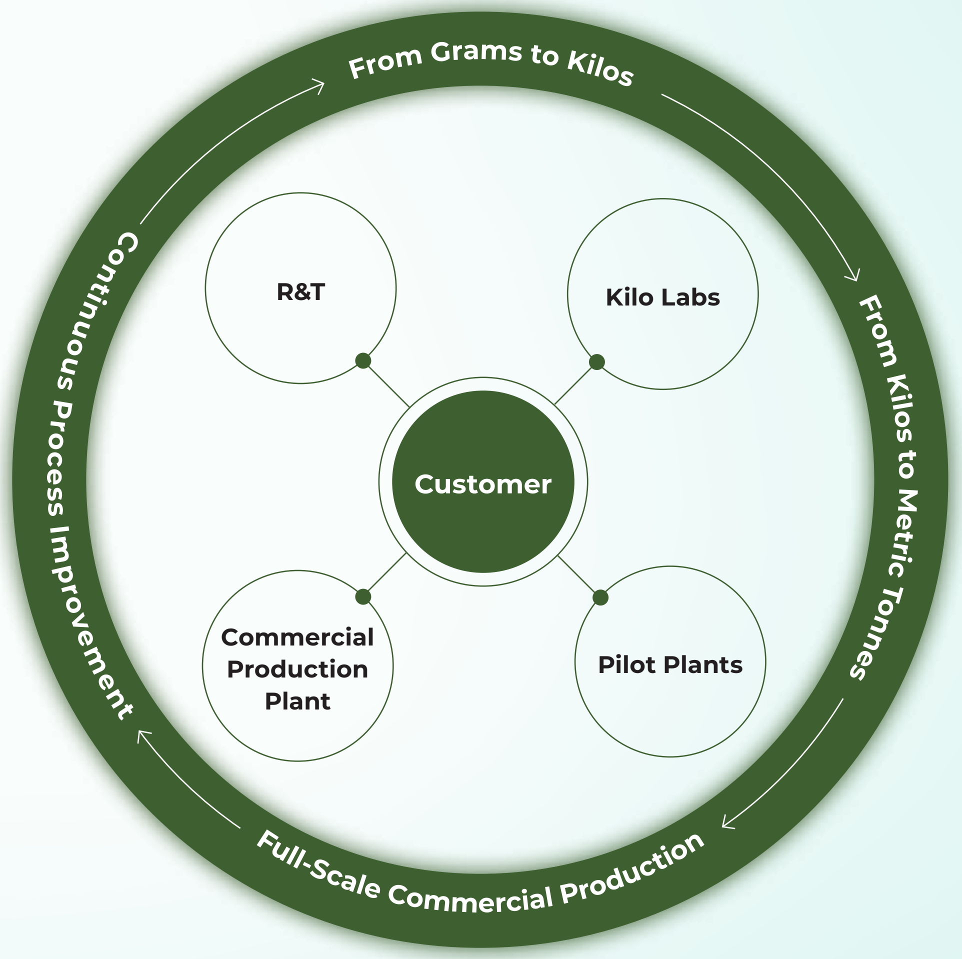
Customer Focus

At Hikal, customer needs are our top priority. Through advanced manufacturing and technical expertise, we deliver comprehensive solutions that exceed expectations, fostering long-term partnerships based on mutual success and satisfaction.

Multi-use Asset Base

Our multi-use asset base provides the flexibility needed to safeguard profitability. This strategic advantage allows us to adapt to market changes, optimise resource allocation, and seize emerging opportunities.

Our Capabilities



Our Products

Algaecide	Herbicide	Biocide
Insecticide	Fungicide	Intermediate

Innovating the Right Chemistry

At Hikal, we solve complex chemistry problems for global innovators and custom-generic companies through our state-of-the-art Research and Technology Centre. We partner with Pharmaceuticals, Animal Health, Biotech, Crop Protection, and Specialty Chemicals industries to develop sustainable, safe, and cost-effective processes for NCEs, generic molecules, and life-cycle management.

Leveraging advanced research, technology, and expertise, we offer integrated solutions with a focus on quality, service delivery, and intellectual property. Our commitment to green chemistry and engineering ensures both business and environmental sustainability.

15 SYNTHETIC LABORATORIES

4 INSTRUMENTATION LABS

1 HIGH PRESSURE LAB

6 PD LAB

1 KILO LAB (SCALE UP AND PILOT)

1 EFFLUENT TREATABILITY LAB

1 INNOVATION LAB

1 SIMULATION LAB

1 PROCESS SAFETY LAB

1 SOLID STATE CHEMISTRY LAB

>250 POST GRADUATES

26 PHD (including 10 post-Doc)

Differentiated Offerings

- Route Scouting
- Process Development
- Analytical Method Development
- Technology Development
- Small Scale Synthesis
- Scale-up Support
- Process Engineering

Differentiated Offerings

Kilo Lab

- Facility for kilo and pilot batches
- Process feasibility and scalability demonstration
- Reactor geometrically matched to commercial scale
- Validate design and process at a higher scale
- Reactor capacity: 20 to 160 L
- Facility for cryogenic reactions (up to -80°C)
- Fractionation at 2-3 Torr up to 200°C
- Scrubber for acidic and general vapours

Flow Chemistry

- State-of-the-art facility for flow chemistry
- VaporTech equipment
- Continuous Stirred Tank Reactor (CSTR)
  - Capacity: 0.5 to 2 Litres
  - MOC: Glass
- Reduced effluent generation
- Estimates key unit operation variables for desired output
- Capable of bi-phasic, liquid-liquid, gas-liquid, and solid-liquid reactions

Solid State Lab

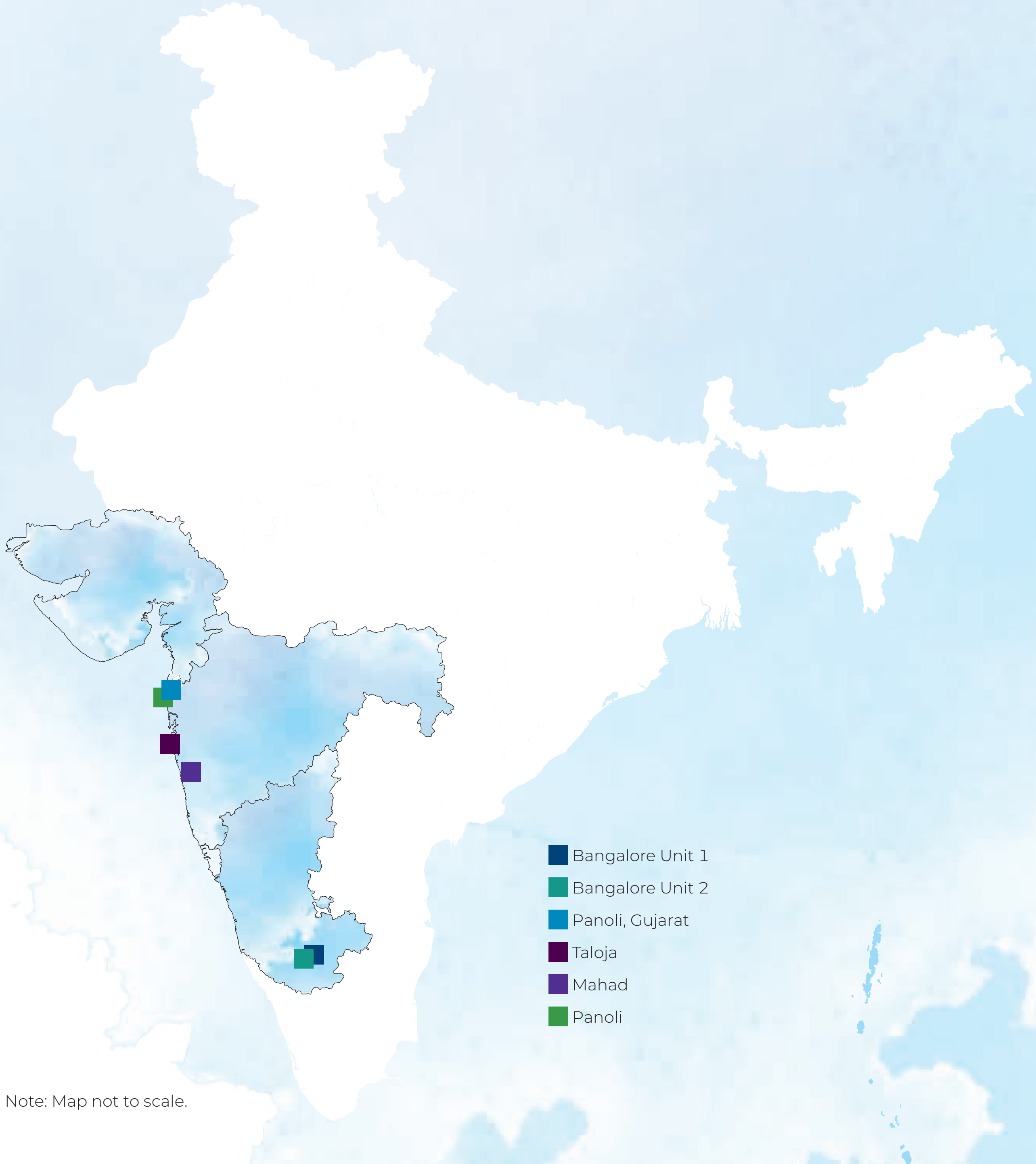
- Enhances processes related to product's physical attributes for commercial use
- Polymorph screening and optimisation
- Particle size engineering
- Crystallisation process development
- Solid state characterisation
- Equipment: pXRD, Malvern Mastersiser, DSC, TGA, Hot Stage Microscope

Bio-catalysts

- Expertise in handling enzymes from lab development to manufacturing
- Supported enzymes for recovery and recycling
- Enzymatic processes demonstrated for commercial APIs
- Examples of enzymes: Nitrilase, Lipase, and Transaminase

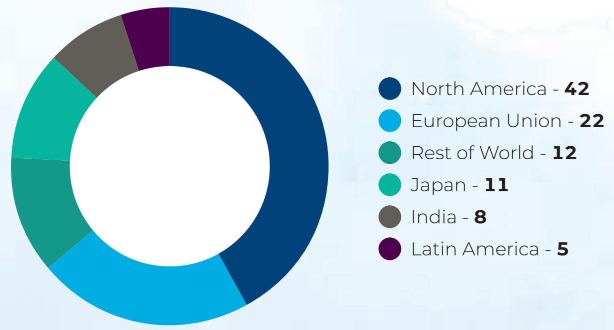
Our Network of Excellence

We have five manufacturing sites and a world-class R&T centre that cater to domestic and international markets with offices across USA, Europe, India, and Japan.



Note: Map not to scale.

Revenue Mix across Markets (2023-24)
(%)



Manufacturing Capabilities

Pharmaceuticals–Kilo Lab–R&T, Pune

Bangalore Unit 1, Karnataka
» APIs and Advanced Intermediates

74,800 m^2
SITE AREA

Bangalore Unit 2, Karnataka
» APIs and Intermediates

8,000 m^2
SITE AREA

Panoli, Gujarat
» APIs and Intermediates

84,600 m^2
SITE AREA

Note: One pilot plant in Unit 1 Bangalore for the Pharma business.

Crop Protection–Kilo Lab–R&T, Pune

Taloja, Maharashtra
» Fungicides, insecticides, and intermediates

60,000 m^2
SITE AREA

Mahad, Maharashtra
» Fungicides, herbicides, and intermediates

27,000 m^2
SITE AREA

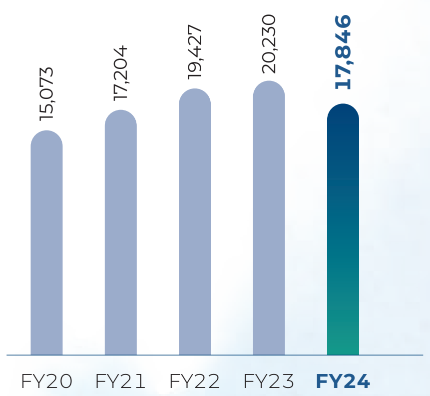
Panoli, Gujarat
» Fungicides, insecticides, and intermediates

36,700 m^2
SITE AREA

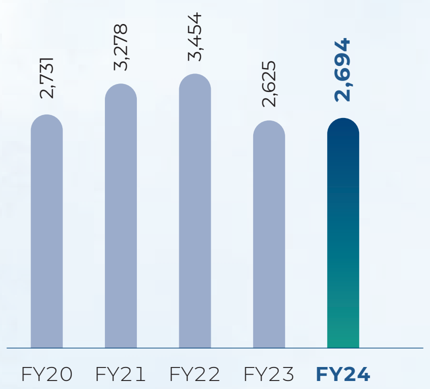
Note: One pilot plant in Taloja for the Crop Protection business.

Metrics that Matter

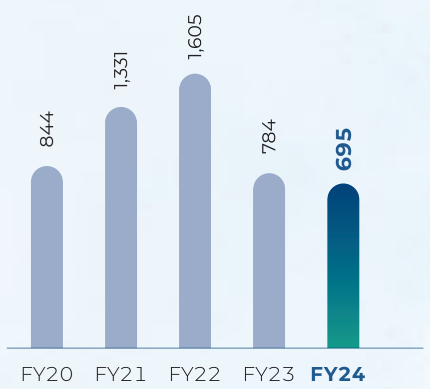
Revenue
(INR in Million)



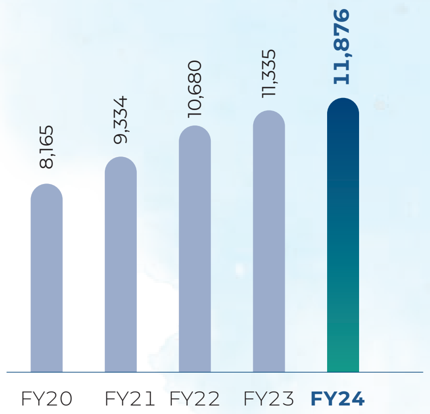
EBITDA
(INR in Million)



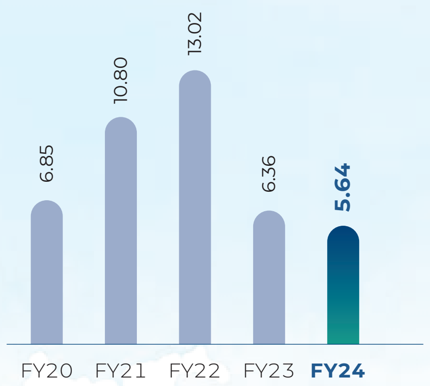
PAT
(INR in Million)



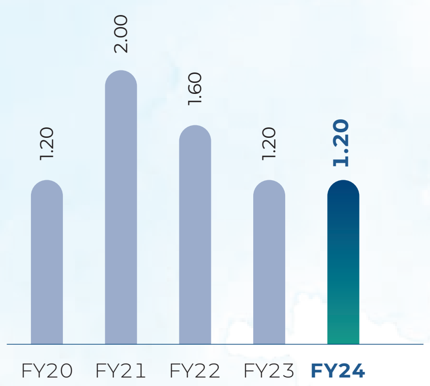
Net Worth
(INR in Million)



EPS
(INR)



DPS
(INR)



Credit Rating

A+

LONG-TERM RATING
BY ICRA

Celebrating Excellence

Received two prestigious awards in Learning and Development – 'Best Corporate University in Pharma' and 'Coaching/Mentoring Programme in Pharma'.

Honoured with Annual Cyber Security Excellence Award for our robust IT Infrastructure and IT Strategy for 2023-24. This recognition underscores our unwavering commitment to excellence in IT and cyber security.

Awarded the 'Most Preferred Workplace' (Manufacturing Edition) 2023-2024 by Marksmen Daily and the esteemed 'Great Managers Award' 2023-2024 by People Business for the consecutive year. We received this award for our commitment to provide a positive and healthy work environment to our employees.

Honoured by the Computer Society of India (CSI) for the exceptional cyber security team in the manufacturing sector during the CSI Cyber Security FIFC Awards 2023.

Management Discussion and Analysis

Economic Review

Global Economic Review

The world economy exhibited immense potential for high growth rates in 2023-24; however, it was disrupted by the outbreak of the Russia-Ukraine conflict. The war in Ukraine has not shown definitive signs of immediate resolution, despite diplomatic efforts and ceasefire agreements in some regions, reducing the intensity of conflicts in the short-term. Additionally, rapidly rising tensions in the Middle East due to the Israel-Gaza war and new commodity price spikes from geopolitical shocks, including Red Sea Crisis and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions.

The International Monetary Fund anticipates, global inflation rates have peaked in many countries and are showing signs of gradual decline, from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025, with advanced economies returning to their inflation targets sooner than emerging, thanks to factors like central bank monetary tightening through interest rate hikes, moderating energy prices, and easing supply chain disruptions. However, inflation remains at elevated levels compared to pre-pandemic norms, and central banks are cautious about declaring victory too soon.

Europe's Recovery is on Track

Europe's recovery, supported by domestic demand, is progressing steadily. The latest GDP data for the Euro area show growth slightly above expectations, as all major economies have performed slightly better than expected in April 2024. The recovery is fuelled by increasing confidence among consumers and businesses. Household incomes are maintained by strong labour markets, contributing to the rise in incomes during this recovery phase.

Outlook

According to the April 2024 report by the IMF, the baseline forecast is for the world economy to continue growing at 3.2% during 2024 and 2025, at the same pace as in 2023. Conversely, upside factors include the potential for a short-term fiscal stimulus in light of numerous countries holding elections in 2024, expedited monetary policy accommodation, and productivity enhancements facilitated by advancements in technologies such as artificial intelligence. In contrast, the World Bank's 'Global Economic Prospects' report released in January 2024 adopts a more conservative stance, estimating global Real GDP growth at 2.6% for 2023, with growth forecasts of 2.4% and 2.7% for 2024 and 2025, respectively.

Global Growth Forecast (%)

Particulars	2023	2024 (P)	2025 (P)
World Output	3.2	3.2	3.2
Advanced Economies	1.6	1.7	1.8
US	2.5	2.7	1.9
Eurozone	0.4	0.8	1.5
Japan	1.9	0.9	1.0
UK	0.1	0.5	1.5
Other Advanced Economies	1.8	2.0	2.4
Emerging Market and Developing Economies	4.3	4.2	4.2
China	5.2	4.6	4.1
India	**7.8**	**6.8**	**6.5**
Emerging Market and Middle-Income Economies	4.4	4.1	4.1
Low-Income Developing Countries	4.0	4.7	5.2

Source: World Economic Outlook, IMF, April 2023
Note:
1 P stands for projections
2 For India, data and forecasts are presented on fiscal year basis, with FY24 (starting in April 2023) shown in the 2023 column. India's growth projections are 6.9% in 2024 and 6.5% in 2025 based on the calendar year.

Indian Economic Review

The Economic Review for March highlighted that India's economy has maintained its strength despite facing global challenges and geopolitical tensions. Factors like robust domestic demand, increased rural demand, strong investment, and sustained momentum in manufacturing have all played a role in India's resilience.

India's retail inflation in 2023-24 witnessed a notable decline, reaching its lowest point since the Covid-19 pandemic. The Monetary Policy Committee (MPC) of India opted to maintain the current policy rates, pointing to the ongoing transmission of monetary policy. The aim is to bring inflation into alignment with the target rate of 4% while also continuing to support economic growth. The RBI has projected CPI inflation for 2024-25 at 4.5% taking into consideration the potential challenges like geopolitical tensions and domestic weather-related disruptions. Additionally, the government's proactive measures, such as reducing prices of petrol, diesel, and LPG, have also contributed to inflation control efforts. Crude oil prices have a direct bearing on the rise of retail and wholesale inflation in India. Currently, crude oil and related products have a weight of 4.4% in retail (CPI) inflation and 10.3% in wholesale (WPI) inflation. Changes in crude oil prices tend to get directly reflected in the CPI and WPI readings, as well as indirectly through the pass-through to other components over time.

March 2024 witnessed several indicators of robust economic performance, including record-levels of the stock market indexes, remarkable Goods and Services Tax (GST) collections, and substantial growth in both the manufacturing and services sectors.

Outlook

The National Statistical Office (NSO) estimates India's GDP growth at 7.6% for 2023-24, up from 7.0% in 2022-23. Consumption, comprising 56% of GDP, grew by 3.0%, exports by 1.5%, and imports surged by 10.9% in 2023-24. Government capex initiatives spurred private investment, leading to a 10.2% growth in Gross Fixed Capital Formation, accounting for 34% of GDP. Agriculture grew by 0.7%, manufacturing by 8.5%, construction by 10.7%, and services by 7.5%. 'Trade, hotels, transport, communication, and broadcasting services' within the service sector grew by 6.5%. (Source: NSO estimates, February 2024)

The joint efforts of the government and the RBI to tackle inflation, involving adjustments in policy rates, bolstering food reserves, and easing imports, have led to successful management of inflation. Consequently, retail inflation in 2024-25 witnessed a significant decline, reaching its lowest level since the COVID-19 pandemic, with core inflation dropping to 3.3% in March 2024.

Further, the forecast of an above-normal monsoon in 2024 suggests favourable conditions for a strong harvest, alleviating worries about inflation.

India's trade deficit is expected to decline in the coming years as the PLI scheme deepens its coverage and extends to other sectors. India has established itself as the world's third largest fintech economy, ranking just behind the US and the UK.

Overall, amid uncertain global conditions, India's economy continues to demonstrate resilience, supported by robust growth, strong economic indicators, stable prices, and consistent performance in the external sector. Despite global uncertainties, India remains the fastest-growing major economy, with both international organisations and the Reserve Bank of India expressing optimism about its growth prospects for the current fiscal year.

India's Growth Forecast (%)

2022-23	2023-24 (E)	2024-25 (P)
7.0	7.6	7.0

Source: CSO/RBI

Industry and Business Review: Pharmaceutical

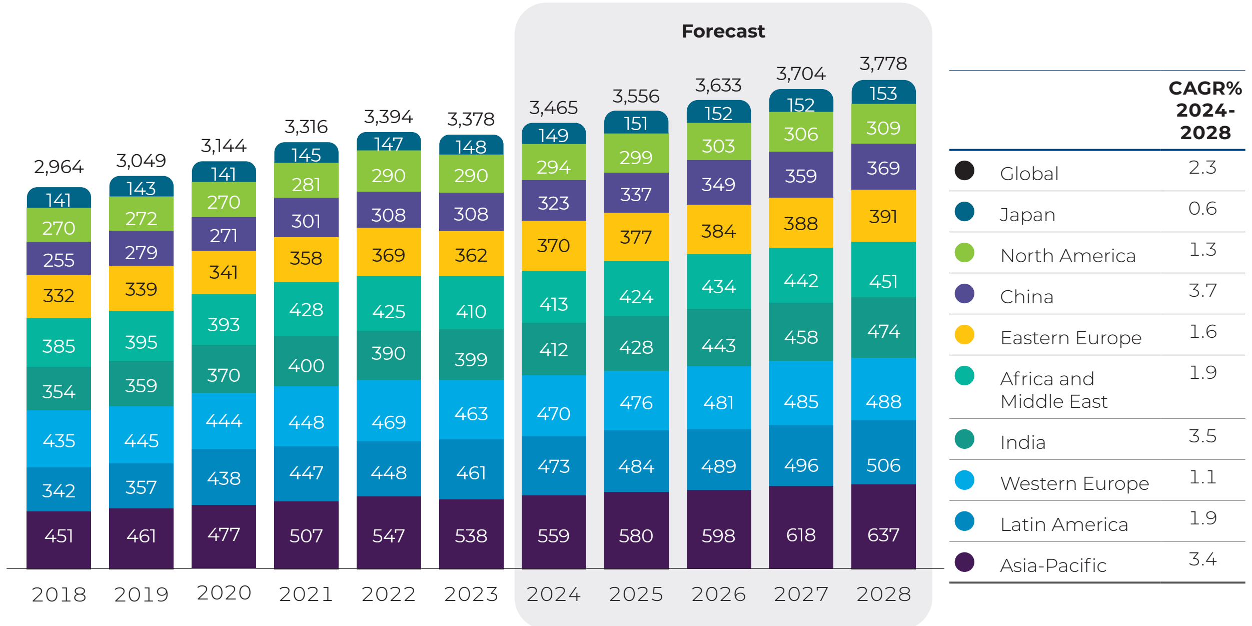
Global Pharmaceutical Industry*

In 2023, the global pharmaceutical sector experienced significant changes in medicine consumption and expenditure worldwide, laying the groundwork for robust expansion in the foreseeable future. Despite downward adjustments in spending on vaccinations and Covid-related treatments due to decreased usage, the industry displayed remarkable resilience and adaptability by embracing innovative therapies and increasing overall medicine utilisation. While global medicine usage reached a plateau in 2023, projections by SP Industries suggest a steady growth trajectory at an average rate of 2.3% until 2028. Biotechnology continues to be a key driver of medicine growth over the next five years, alongside specialised medications addressing chronic and rare ailments. Furthermore, advancements in neurology, mental health treatments, and the emergence of next generation biotherapeutics are poised to reshape patterns of medicine expenditure and consumption.

With the shift of the pandemic from an acute crisis to an ongoing endemic situation, the forecast for medicine expenditure until 2028 saw an upward revision, indicating faster growth rates and an expected Compound Annual Growth Rate (CAGR) ranging from 5-8%. This surge is anticipated to result in a total expenditure of USD 2.3 Trillion.

Global Pharmaceutical Industry Growth: 2018-2028*

Historical and projected use of medicine by region, 2018-2028, Defined Daily Doses (DDD) in Billions



Source: IQVIA Institute, December 2023

Global Pharmaceutical Market

(USD Bn)

Regions	2019-2023 CAGR	2023	2024-2028 CAGR	2028
Developed Markets	7.2%	1,275.5	5-8%	1,775-1,805
Pharmerging Markets	7.8%	303.7	10-13%	400-430
Other Markets	5.6%	27.6	3-6%	33-37
Global Pharmaceutical Market	7.3%	1,606.8	6-9%	2,225-2,255

Source: IQVIA 2023 report

* IQVIA Institute: Global Use of Medicine Outlook 2024.

Global Pharmaceutical Market – Share by Product Type

(% of Total)

Region	Original Brands (%)		Non-original Brands (%)		Unbranded Generics (%)		OTC, Vaccines and Others (%)		Total (USD in Billion)	
Year	2023	2028	2023	2028	2023	2028	2023	2028	2023	2028
Developed Markets	76	78-79	10	9-10	9	7-8	5	4-5	1,275.5	1,775-1,805
Pharmerging Markets	27	28-30	35	33-35	14	13-17	24	21-24	303.7	400-430
Other Markets	32	27-35	49	45-51	6	5-7	13	11-12	27.6	33-37
Global Markets	66	68-69	15	14-15	10	8-9	9	7-8	**1,606.8**	**2,225-2,255**

Developed Markets

By 2025, spending on medicine in developed markets is projected to reach USD 1.775 to USD 1.805 Trillion annually. This growth is driven by innovative therapeutics, despite challenges from generics and biosimilars. Immunology treatments will see steady use, though biosimilar competition may offset some gains. The spending increase will be fueled by new products and existing branded medicines.

Developed Markets – Pharmaceutical Spending and Growth

(USD in Billion)

Region/Country	2019-2023 CAGR	2023	2024-2028 CAGR	2028
Top 10 Developed Markets	7.0%	1,081.6	5-8%	1,505-1,535
Other Developed Markets	8.5%	193.9	5-8%	255-285
Total Developed Markets	7.2%	1,275.5	5-8%	1,775-1,805

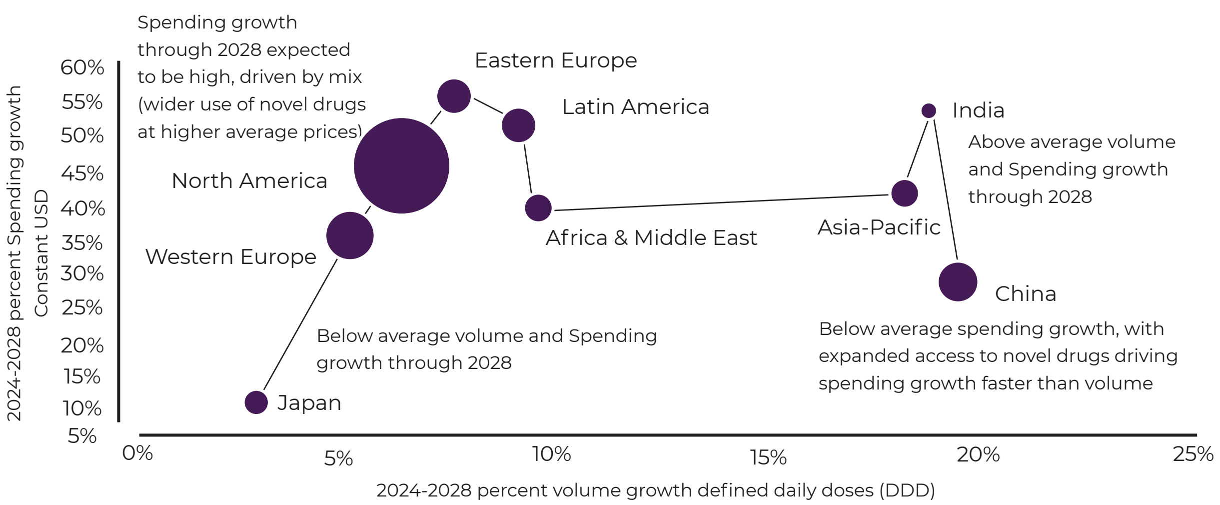
Growth by Region

Global use of medicines grew by 14% over the past five years and a further 12% increase is expected through 2028, bringing annual use to 3.8 Trillion defined daily doses according to IQVIA. The global use of medicines increased by 414 Billion defined daily doses over the past five years and is expected to grow another 400 Billion by 2028. Pharmaceutical spending in the United States will likely increase steadily, with forecasts indicating a 2% to 5% annual rise until 2028. Over the next five years, the top five European pharmaceutical markets are expected to witness a notable increase in consumer spending.

The highest volume growth over the next five years is expected in China, India, and Asia-Pacific, all exceeding 3% compound annual growth. Lower volume growth in higher income regions such as North America, Western Europe and Japan are linked to more established health systems and existing access to medicine.

Regions around the world are growing following diverging trends, with some more volume driven while others have a greater contribution from adoption of innovation. Countries in North America, Eastern and Western Europe, Latin America, and Africa and Middle East are expected to increase spending growth by more than 30%, indicating both population-driven volume growth and a shift in the mix of products to more expensive products. China, the world's second largest country by pharmaceutical spending, will increase volume by 20% in aggregate over five years, while spending will increase 21%, a more modest rate than in the prior years and still embedding a focus on expanding access to novel drugs via the National Reimbursement Drug List (NRDL).

Spending and Volume Growth by Region



Source: IQVIA MArket proqnosis, September 2023; IQVIA Institute, December 2023.

Megatrends

Personalised Medicine and Genomics

The availability of genomic data has made personalised medicine possible. Pharmaceutical companies are now using genetic information to develop customised therapies tailored to the individual needs of each patient. This approach promises not only more effective treatments but also a reduction in unwanted side effects.

Advances in Biotechnology

Biotechnology will continue to play a central role in drug development. New biological therapies, such as gene therapies or cell therapies, could offer breakthrough treatment options for diseases that have been difficult to treat to date.

Digital Health and Telemedicine

Through the use of digital technologies and telemedicine, patients can now receive medical advice and treatment from the comfort of their own homes. Pharmaceutical companies are increasingly investing in digital health solutions that improve patient care and increase adherence to treatment. This leads to better healthcare, especially in rural areas.

FDA Drug Approvals

The FDA's Centre for Drug Evaluation and Research (CDER) oversees the regulation of both prescription and over-the-counter drugs, including biological therapeutics and generic drugs. The CDER, a division of the US Food and Drug Administration (FDA), recently published a comprehensive report detailing the centre's approval of 55 new drug innovations in 2023. Additionally, the report highlights significant developments such as the expansion of treatment applications and patient populations for previously approved therapies, as well as the approval of drugs in new dosage forms and formulations. Over the past decade, from 2014 to 2023, the CDER has consistently averaged around 46 new drugs in its portfolio.

55

NOVEL DRUGS APPROVED BY THE CDER IN 2023

New Drug Launches

The number of new drugs approved by CDER last year was notably higher than 2022, which saw 37 approvals, and the highest year for novel approvals since 2018, which saw 59 approvals. Oncology, neurology, and immunology have had rising shares of new launches in the past five years, with 204 of the 362 launches (56%) compared to 105 of 246 (43%) from 2014 to 2018.

Infectious diseases, including anti-bacterial, anti-viral, anti-fungal and anti-parasitic treatments, have included novel treatments for HIV, Ebola, and more recently smallpox, and are 11% of NAS launches over the last decade, with some year-to-year variability.

Particularly, CDER approved five biosimilars last year, including three biosimilars for reference therapies that did not previously have a corresponding biosimilar. In addition, 20 of the 55 novel drugs approved, or 36 %, in 2023 were deemed first-in-class, meaning they contain a mechanism of action different from existing therapies.

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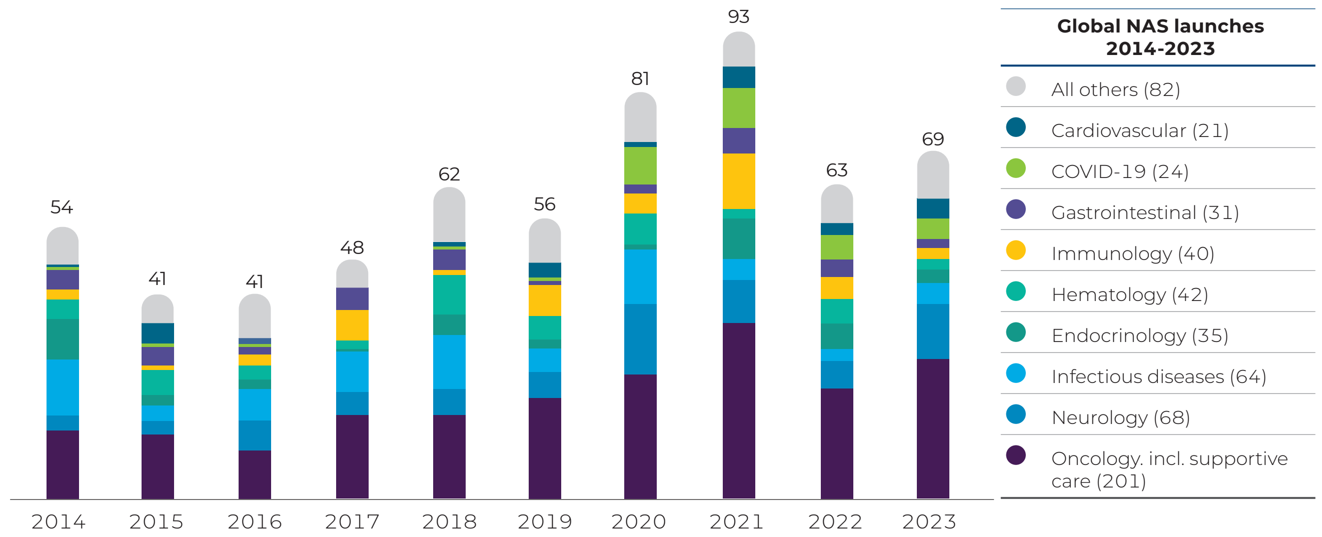
NOVEL ACTIVE SUBSTANCES (NASS) WERE LAUNCHED GLOBALLY IN 2023

Global Launches of Novel Active Substances (NAS) by Therapy Area, 2014-2023

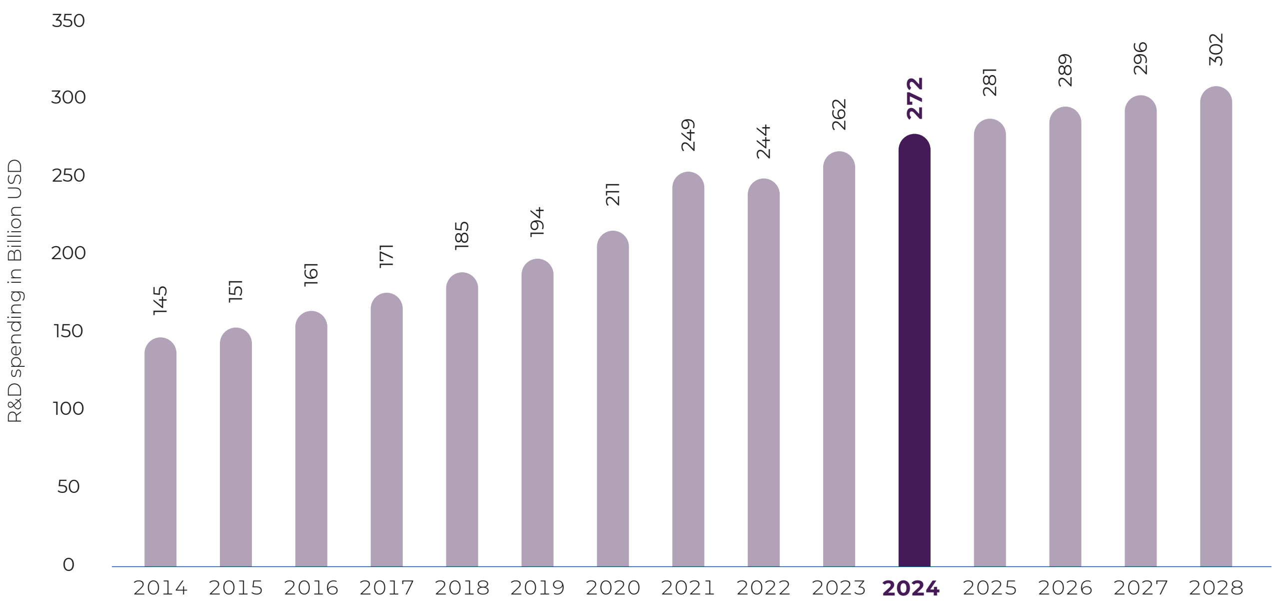


Source: IQVIA Institute, Jan 2024.
Source: https://www.iqvia.com/insights/the-iqvia-institute/reports-and-publications/reports/global-trends-in-r-and-d-2024-activity-productivity-and-enablers

Pharmaceutical R&D

According to Statista, in 2022, global pharmaceutical R&D spending reached USD 244 Billion, up from USD 137 Billion in 2012. This encompasses all stages from disease research to clinical trials, with regulatory oversight primarily by the FDA in the US. Pharmaceutical companies face significant pressure to innovate due to limited patent protection and competition from generics and biosimilars, driving high R&D investment and a focus on specialty drugs. Recent trends include outsourcing R&D to reduce costs and leveraging big data for predictive modeling, enhancing drug safety and efficiency. Real-world Evidence (RWE) is increasingly important, necessitating partnerships with tech companies and using diverse data sources, including social media.

Total Global Spending on Pharmaceutical Research and Development from 2014 to 2028



Source: https://www.statista.com/statistics/309466/global-r-and-d-expenditure-for-pharmaceuticals/

Indian Pharmaceutical Industry

India has become a cornerstone of global healthcare, emerging as the world's largest supplier of generic drugs and a leading force in affordable vaccines and medications. This thriving sector, currently ranked third globally in pharmaceutical production by volume, has exhibited remarkable growth with a CAGR of 9.43% over the past nine years. With medicine spending expected to reach USD 3,842 Billion by 2028, reflecting a CAGR of 7-10% between 2024 and 2028, India's pharmaceutical market is likely to grow.

Encompassing a diverse range of segments – from generic drugs and over-the-counter medications to cutting-edge biosimilars and biologics – the Indian pharmaceutical industry is a powerhouse of innovation and affordability. This dynamic landscape plays a critical role in ensuring access to essential medicines and fostering advancements in global healthcare.

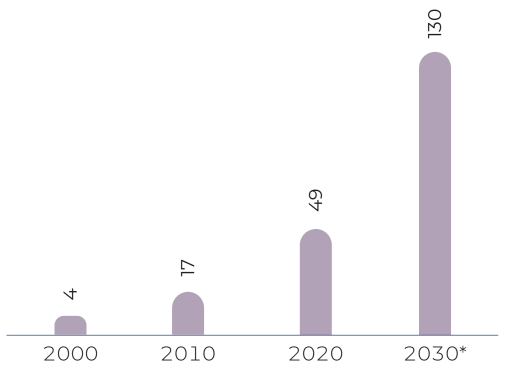
Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK. The domestic pharmaceutical industry includes a network of 3,000 drug companies and 10,500 (Approx) manufacturing units. India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with the potential to steer the industry ahead to greater heights.

Importance of the Indian Pharmaceutical Sector among Foreign Investors

The Indian pharmaceutical industry has become a magnet for foreign investment, solidifying its position as one of the top ten most attractive sectors in India. This is no accident, as the government allows for 100% automatic FDI in greenfield ventures, streamlining the investment process. Even established players can benefit, with up to 74% automatic FDI available, followed by a smooth government approval route. This openness, coupled with the industry's robust growth, makes India an incredibly attractive proposition for foreign investors.

According to a recent EY FICCI report, there has been a growing consensus over providing new innovative therapies to patients. Indian pharmaceutical market is estimated to touch USD 130 Billion in value by the end of 2030. Meanwhile, the global market size of pharmaceutical products was estimated to cross over the USD 1 Trillion mark in 2023.

Indian Pharmaceutical Market Size



Source: Statista Report, 2024

Snapshot of Government Policies

Production Linked Incentive Scheme for Bulk Drugs (PLI 1.0) → Domestic Manufacturing of 53 KSMs / Drug Intermediates and APIs

Production Linked Incentive Scheme for Pharmaceuticals (PLI 2.0) → Domestic Manufacturing of high value products

Bulk Drugs Park Scheme → 3 Bulk Drug Parks with Common Infrastructure Facilities

Incentives

Fermentation Products

2022-26: **20%**

2026-27: **15%**

2027-28: **5%**

Chemically sythesised products

2021-27: **10%**

Tenure of the scheme

The scheme shall be operational during the period 2020-2021 to 2024-2025.

Base Year

Financial Year 2019-20

Eligibility

Support under the scheme shall be provided only to manufacturers of critical KSMs/DIs and APIs registered in India subject to committed investment and minimum annual production capacity.

Proposer

The proposer shall be a State Government who can make only one proposal of Bulk Drug Park under the Scheme having a minimum area of 1,000 acres. For north eastern and hilly states the minimum area is 700 acres.

Incentives

The total financial outlay is INR 150,000 Million allocated amongst 3 applicant groups based on revenue:

Group A: **INR 110,000 Million**

Group B: **INR 22,500 Million**

Group C: **INR 17,500 Million**

Tenure of scheme

Tenure of the Production Linked Incentive Scheme is 2020-21 to 2029-30. Base year of the scheme is 2019-20.

Incentives

INR 30,000 Million for providing financial assistance for construction of Common Infrastructure Facilities in 3 Bulk Drug Parks with a maximum limit of INR 10,000 Million.

Scheme Tenure

Financial Year 2020-21 to Financial Year 2018-29

Global Active Pharmaceutical Ingredients (API) Industry

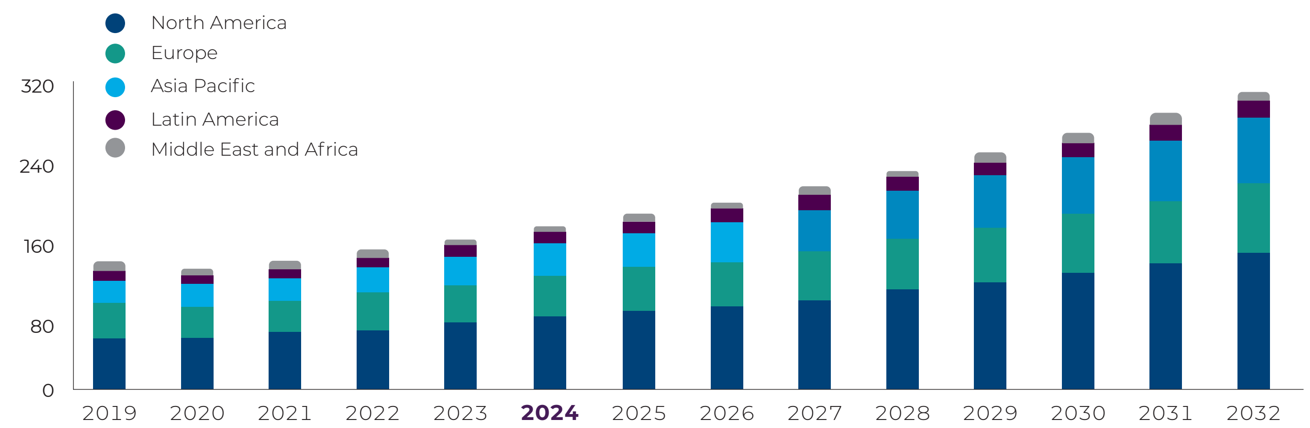
The Active Pharmaceutical Ingredients (API) market size is estimated to grow by USD 86.47 Billion at a CAGR of 6.73% between 2023 and 2028.

The market is currently witnessing an upward trend of intent to outsource APIs by leading players in the pharmaceutical industry. For emerging biopharmaceutical and virtual pharmaceutical companies, most of the API and intermediate manufacturing is done by outsourcing providers. This trend is also observed in generic drug manufacturing, where orchestration is done by the generic drug manufacturer to have the API manufacturing outsourced by a large portion. In addition, active pharmaceutical ingredient manufacturers are known to obtain a cost advantage through economies of scale and the availability of low-cost labour and land.

Growth by Market Segment

Active Pharmaceutical Ingredient Market Size, By Region, 2019-2032

(USD Billion)



Source: https://www.polarismarketresearch.com/industry-analysis/active-pharmaceutical-ingredients-market

Megatrends

Increasing Focus on Digital health and AI Integration

AI is being used for drug discovery, predicting patient outcomes, and personalising treatment plans. Machine learning algorithms analyse vast datasets to identify potential drug candidates and optimise clinical trial design.

Geopolitical Uncertainty and Supply Chain Resilience

Recent global events have highlighted the vulnerabilities of global supply chains. Pharmaceutical companies are increasingly looking to diversify their manufacturing footprint and invest in domestic production capabilities. This trend could benefit companies with a strong presence in emerging markets like India.

Focus on affordability

There is a large population with limited access to healthcare. The pharmaceutical industry is therefore under pressure to develop and deliver affordable medicines. This is leading to a focus on biosimilars, Contract Research and Manufacturing Services (CRAMS), and value-based pricing.

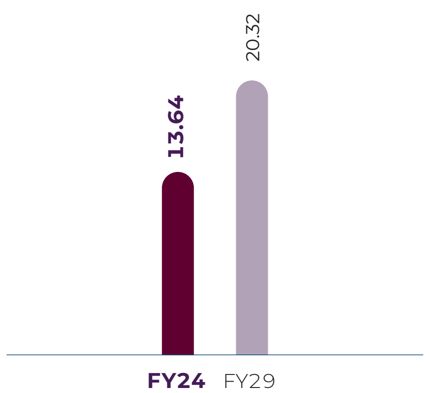
Indian Active Pharmaceutical Ingredients (API) Industry

According to Mordor Intelligence, the Indian Active Pharmaceutical Ingredients Market size is estimated at USD 13.64 Billion in 2024, and is expected to reach USD 20.32 Billion by 2029, growing at a CAGR of 8.31% during the forecast period (2024-2029). India's drugs and pharmaceuticals exports stood at USD 22.51 Billion in 2023-24. (April-January) recording a strong year-on-year growth of 8.12% during the period. Exports of drugs and pharmaceuticals were estimated to be at USD 2.13 Billion in January 2024, accounting for 5.8% of the total exports in the month. The Indian government has implemented the Production Linked Incentive (PLI) initiative for the pharmaceutical industry, which incorporates a programme specifically designed to encourage the domestic production of crucial KSMs and APIs.

India Active Pharmaceutical Ingredients (API) Market

Market Size in USD Billion

CAGR 8.31%



Source: https://www.mordorintelligence.com/industry-rweports/india-active-pharmaceutical-ingredients-market

Factors Driving Growth

Government Initiatives: The Indian Government has introduced various initiatives to support the pharmaceutical industry, such as 'Pharma Vision 2020,' which aims to make India a global leader in end-to-end drug manufacture.

Aging Population: The growing elderly population in India is leading to an increased prevalence of chronic diseases, which in turn drives demand for pharmaceuticals.

Shifting competitiveness of Chinese firms: The growing stringency of environmental regulations and increasing labour expenses have escalated operational costs for Chinese companies, particularly impacting those in the Agro and API sectors, resulting in the closure of some businesses. Consequently, Indian firms have found themselves in a more competitive position.

Fragmentation: Despite significant deal activity, the API and CDMO sector in India remains notably fragmented, boasting over 2,500 manufacturers of APIs and intermediate products.

Global Contract Development and Manufacturing Organisation (CDMO) Industry[2]

The global Contract Development and Manufacturing Organisation (CDMO) market is poised for a period of sustained expansion, with a projected Compound Annual Growth Rate (CAGR) of 7.2% throughout the forecast period of 2021-2026. This growth is attributed to a confluence of compelling factors. One key driver is the burgeoning demand for specialised treatments, as the pharmaceutical landscape increasingly focuses on targeted therapies for complex medical conditions. Additionally, the flourishing biopharmaceutical industry is fostering a need for specialised manufacturing expertise, propelling the CDMO market forward. Furthermore, the growing need for advanced manufacturing technologies is playing a significant role. As the development of novel drugs necessitates cutting-edge production processes, CDMOs with these capabilities are becoming increasingly sought-after.

The market itself is segmented into two distinct categories: service type and end-user. By service type, the market encompasses contract development and contract manufacturing services. Contract development refers to the outsourcing of activities related to drug discovery and pre-clinical development, while contract manufacturing focuses on the large-scale production of drugs. In terms of end-user, the market primarily caters to pharmaceutical and biotechnology companies. These companies leverage CDMOs to streamline their drug development processes, reduce costs, and gain access to specialised expertise.

7.2%
EXPECTED CAGR 2021-2028

Asia Pacific
FASTEST GROWING MARKET

[2] https://www.mordorintelligence.com/industry-reports/pharmaceutical-contract-development-and-manufacturing-organisation-cdmo-market

Growth by Region

The U.S. CDMO market is expected to rise from USD 54.21 Billion in 2023 to USD 68.32 Billion by 2028 (CAGR of 4.74%). China's market, valued at USD 27.12 Billion in 2023, is projected to reach USD 42.94 Billion by 2028 (CAGR of 9.63%).

Geographically, North America currently holds the dominant position within the global CDMO market. This is due to the presence of a well-established pharmaceutical and biotechnology industry, coupled with a robust infrastructure for clinical trials. However, the Asia-Pacific region is projected to witness the most significant growth during the forecast period. This surge can be attributed to factors such as a growing domestic pharmaceutical market, a skilled and cost-effective workforce, and government initiatives aimed at promoting the development of the CDMO sector.

Indian Contract Development and Manufacturing Organisation (CDMO) Industry

The Indian Contract Development and Manufacturing Organisation (CDMO) industry is rapidly growing due to increasing demand for outsourcing pharmaceutical manufacturing and development services. India is poised to overtake China in the global CDMO market, projected to grow from USD 238.47 Billion in 2024 to USD 330.36 Billion by 2028.

India's CDMO market is anticipated to grow from USD 19.63 Billion in 2023 to USD 44.63 Billion by 2029 (CAGR of 14.67%), driven by opportunities in API production and contract research, especially as many new molecules go off-patent.

The Indian government has launched several initiatives to promote the growth of the CDMO industry, including the PLI (Production Linked Incentive) scheme, which provides incentives to pharmaceutical companies for manufacturing high-value products in India.

Major Trends

Increasing Demand for High-Value Services

The demand for specialised services such as drug discovery and development are rising. Consequently, CDMOs are investing in R&D capabilities and forming partnerships with academic institutions and biotech companies to provide comprehensive drug development solutions.

Focus on Technology and Innovation

CDMOs are adopting advanced technologies like continuous manufacturing, automation, and artificial intelligence to optimise production processes, reduce costs, and enhance quality control.

Offering Integrated Services

CDMOs now provide a range of services including drug discovery, preclinical and clinical development, and commercial manufacturing. This shift towards end-to-end solutions enables CDMOs to offer more comprehensive services and establish long-term client partnerships.

Hikal – Business Review of the Pharmaceutical Division

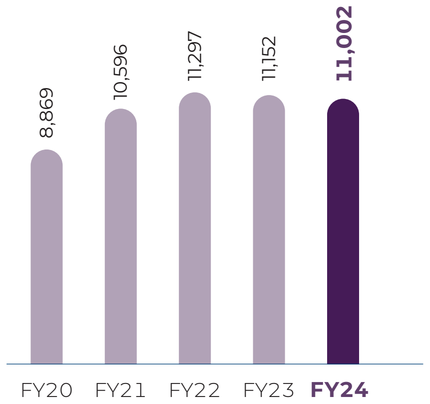
Hikal's Pharmaceutical division has seen positive improvements in margins, attributed to changes in the product mix and business excellence initiatives. Our Company has experienced significant traction in its own products segment, particularly from customers in Japan, Latin America, and the Middle East, showcasing a promising outlook for its newer product portfolio.

Despite challenges, the pharmaceutical sector is showing signs of improvement with a stabilised demand profile and raw material prices. Hikal remains strategically focused on acquiring new customers, enhancing operational efficiencies, and optimising costs through various business excellence initiatives. This strategic approach has led to an enhanced margin profile and volume growth in the pharmaceutical business, reflecting the positive outcomes of its efforts in recent years.

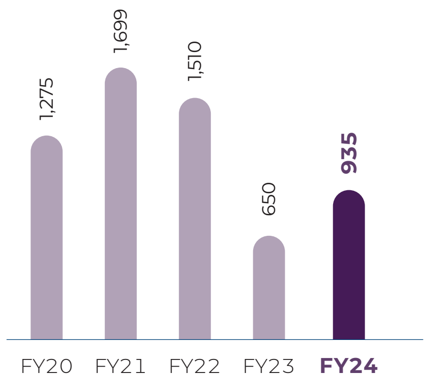
Regulatory approvals from multiple customers and authorities have strengthened Hikal's customer base across key geographies, including Japan, Latin America, and the Middle East, especially within the API segment. The pharmaceutical division's performance has enhanced, with EBIT at 8.5% compared to 5.8% in the previous year. Pharmaceutical revenue stood at INR 11,002 Million and EBIT stood at INR 935 Million up by 44% over last year. Hikal has demonstrated resilience amidst challenges and is poised to sustainably drive growth in the future, leveraging its strong market presence and continued focus on operational excellence.

Pharmaceuticals Performance Trajectory

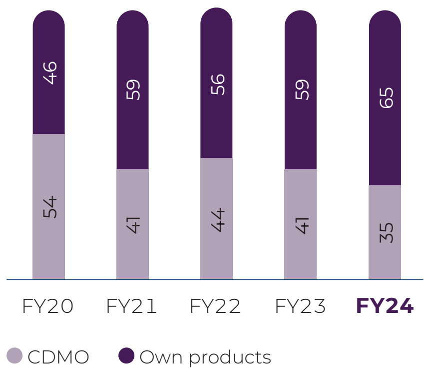
Revenue
(INR in Million)



EBIT
(INR in Million)



Revenue Break-up
(%)



API

Hikal's API division has been pivotal to the Company's growth. This growth is attributed to new product launches and expanded sales volumes, supported by robust global contracts with major pharmaceutical firms. The division's focus on developing complex APIs and ongoing investments in R&D underscores its commitment to innovation and product enhancement.

Investments in manufacturing infrastructure have been significant, with a state-of-the-art facility in India meeting top-tier quality standards. Embracing green technology, Hikal has started purchasing renewable power at Jigani, aligning with sustainability objectives.

Expanding its market reach, the API division has secured new clients in Latin America and the Middle East, particularly in the generics segment. A robust pipeline of new products is poised for imminent launch, while ongoing business excellence initiatives focus on enhancing throughput, productivity, and cost efficiencies.

Hikal envisions leadership in critical APIs, prioritising innovation, and operational optimisation. Its unwavering commitment to regulatory compliance and quality assurance is reflected in its global service delivery. Looking ahead, Hikal aims to bolster API sales by increasing customer engagement, exploring new markets, and consolidating its position in key API segments, leveraging strengths in backward integration, scalability, and technology advancement.

CDMO

Hikal's Contract Development and Manufacturing Organisation (CDMO) division has been integral to its success, renowned for delivering intricate projects while upholding stringent quality standards. Long-term

collaborations with global pharmaceutical giants underscore its commitment to compliance and regulatory excellence. Continual investments in capacity expansion and technological advancements keep Hikal at the forefront of the industry.

To fuel its growth trajectory, the Company is ramping up capacity, enhancing technology toolbox and bolstering manufacturing capabilities. Efforts to diversify raw material sources aim to reduce reliance on China, aligning with evolving industry trends favouring outsourcing. India's rising prominence as an outsourcing hub, coupled with shifting geopolitical dynamics, presents favourable opportunities for expansion.

Hikal remains optimistic about expanding its CDMO business, backed by a robust project pipeline and an expanding client base. Emphasising customer satisfaction, quality, and compliance, the division's growth strategy remains steadfast.

With ongoing discussions with global innovators and a relentless focus on quality and innovation, Hikal's CDMO division is poised for sustained growth, capitalising on the burgeoning outsourcing landscape in the pharmaceutical sector.

Industry and Business Review: Animal Health

Global Animal Health Industry

As per Grand View Research, the global Animal Health market was valued at USD 62.40 Billion in 2023 and is expected to grow at a CAGR of 9.0% from 2024 to 2030. Factors propelling market growth include increased animal health spending, disease prevalence, concerns about zoonotic diseases, company initiatives, pet insurance adoption, and pet humanisation. According to Skyquest, the animal health market, valued at USD 54.01 Billion in 2019, is projected to reach USD 112.36 Billion by 2031, growing at a CAGR of 8.8% from 2024 to 2031.

Animal healthcare involves treating medical conditions in animals using drugs, vaccines, medicated feeds, and diagnostics. Animals play crucial roles in human life, providing food, protection, and companionship. Additionally, they are utilised in biological research fields like genetics and drug testing. Increasing awareness of animal diseases, stricter regulations, and a focus on disease prevention are driving demand for animal healthcare products, leading to rapid market expansion globally.

8.8%

CAGR FROM 2024 TO 2031 (PROJECTED ANIMAL HEALTH MARKET VALUE)*

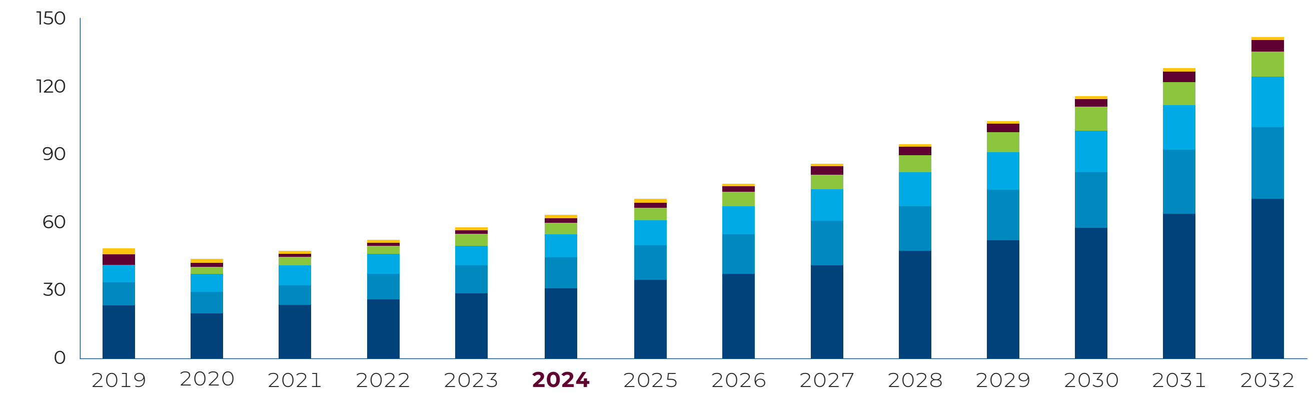
* Skyquest

Growth by Regional Market Segment

The global animal health market is segmented into several regions, including North America, Europe, Asia-Pacific, Latin America, and the Middle East and Africa.

According to Grand View Research, North America dominated the market in 2023, holding a 32% share, attributed to robust government measures and animal welfare efforts. The Asia Pacific region is poised to grow rapidly at over 10%, driven by investments in animal healthcare and competitive pricing strategies. Europe also boasts a significant market share due to rising disease prevalence and increased spending on veterinary care.

Animal Health Market Size, by Region, 2019-2032
(USD Billion)



Source: https://www.polarismarketresearch.com/industry-analysis/animal-health-market

Indian Animal Health Industry

According to IMARC, the Indian animal health market size is valued at INR 80.0 Billion in 2023 is poised to reach INR 160.5 Billion by 2032, exhibiting a CAGR of 7.8% during 2024-2032. India's animal health industry represents 2.5% of the global industry. This growth is propelled by factors such as rise in zoonotic diseases, increased government investment in animal healthcare, and extensive R&D efforts by key players are key drivers of the market's growth.

The current industry can be segmented based on products, such as medicines, parasiticides and disinfectants, vaccines, medical devices, and nutritional supplements. Animal vaccines alone make up 17% of the animal healthcare industry which amounts to USD 170 Million. Currently, vaccines and pharmaceuticals dominate the market, particularly in companion animal healthcare segment including the livestock health segment. Dogs account for a high market share in the companion animal healthcare market, due to the growing dog population and ownership rate, the rising prevalence of zoonotic diseases and other skin allergies in dogs and rising canine healthcare costs. However, there's a noticeable shift towards natural and organic products in the pet segment. The poultry segment accounts for 33% of the market share and has been experiencing good growth, despite challenges such as high input costs. The Indian Government has rolled out various policies and initiatives, including the National Livestock Mission, the National Programme for Bovine Breeding and Dairy Development, and the Rashtriya Krishi Vikas Yojana, to foster the growth of the animal health industry. These endeavours aim to enhance animal health, boost livestock productivity, and promote sustainable agriculture.

Major Trends

Government Support and Initiatives

The Indian government has implemented initiatives like the National Livestock Mission and the Livestock Health and Disease Control scheme to bolster the growth of the animal health industry.

Zoonotic Diseases and Market Growth

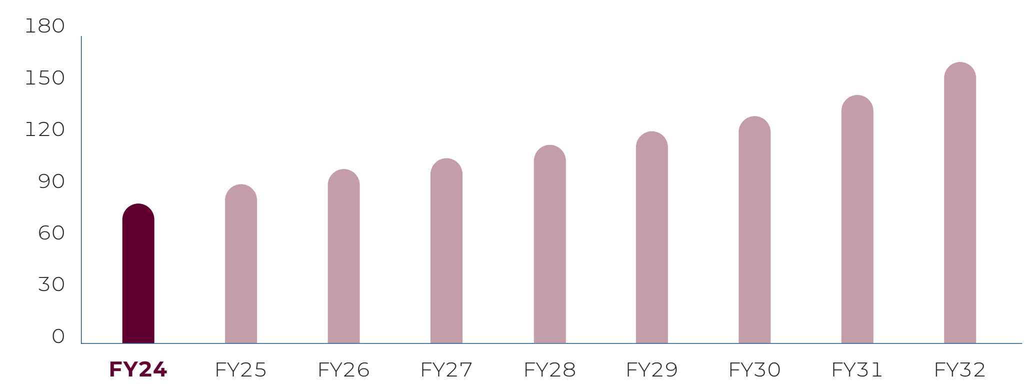
Zoonotic diseases, transmitted from animals to humans, pose health risks. Recent outbreaks like avian influenza and COVID-19 highlight the need for proactive measures. Demand for animal vaccines and diagnostics surges, driving market growth. Investments in infrastructure and policies further boost expansion.

Technological Advancements Driving Growth

Emerging tech reshapes animal healthcare, offering innovative solutions. Advanced diagnostics ensure rapid disease detection, aiding treatment decisions. Telemedicine and remote monitoring enable real-time health tracking. Data analytics and AI optimise disease management. Biotech innovations promise novel therapies, fuelling market growth.

India Animal Health Market Size, 2024-2032

(In Billion INR)



Source: https://www.imarcgroup.com/india-animal-health-market

Hikal – Business Review of the Animal Health Division

We are dedicated to developing and manufacturing high-quality veterinary products for both domestic and international markets. Our strong regulatory track record and manufacturing capabilities have fostered lasting partnerships with leading animal health companies. Recently, we have expanded our global presence, particularly in Europe and Latin America, with a strong focus on quality.

To sustain growth, our Animal Health business aims to diversify our product portfolio, in the Anti-parasiticide segment and beyond. We commissioned a new animal health facility in Q3 FY24. We have completed validation for four products and several others are underway. Over the next few quarters, these validation batches will act as a first step towards registration and then towards commercialisation of the products. We will explore new geographical markets to capitalise on emerging opportunities. Investing in R&T is crucial for creating innovative products that address unmet needs in the animal health industry. With increasing global demand for veterinary products, Hikal is well-positioned to seize opportunities and solidify its market position.

Animal Health Multi-Purpose cGMP facility at Panoli, Gujarat

We have attained significant certifications demonstrating our commitment to global excellence and regulatory compliance. This site has achieved a Zero 483s inspection from the US FDA in May 2023 for stringent quality standards. It has secured PMDA certification from Japan in June 2019 to bolster our presence in Asia, and obtaining GMP certification from the Local FDA in December 2023, highlighting our adherence to superior manufacturing practices. In November 2013, we were audited by FAMHP in Belgium, reinforcing our compliance with European regulatory standards. Additionally, our Integrated Management System (IMS) certifications—ISO 9001:2015, ISO 14001:2015, valid till May 2026, and ISO 45001:2018, valid till November 2026—underscore our commitment to quality management, environmental responsibility, and occupational health and safety globally.

Industry and Business Review: Crop Protection

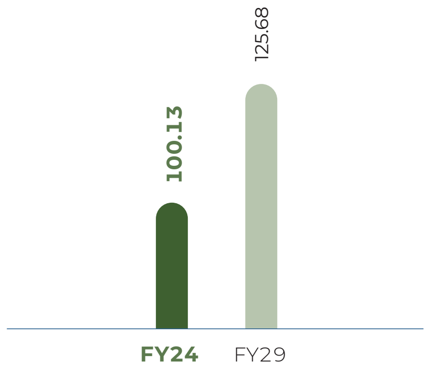
Global Crop Protection Industry

According to IMARC, the global crop protection chemicals market reached USD 92.2 Billion in 2023 and is expected to reach USD 134.7 Billion by 2032, with a growth rate (CAGR) of 4.2% during 2024-2032. Major factors driving this growth include increasing global population, expanding agricultural practices, the need for higher crop yields, changing consumer preferences, technological advancements, and climate change-induced pest pressure. In addition, the increasing demand for organic food and sustainable agriculture practices is driving the demand for bio-based crop protection solutions.

Crop Protection Chemicals Market

Market Size in USD Billion

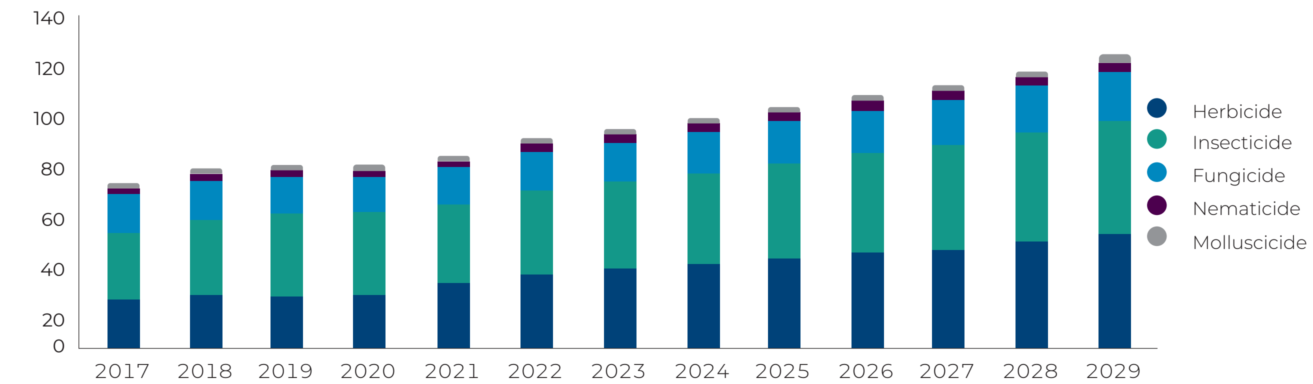
CAGR 4.65%



Source: Mordor Intelligence

Source: https://www.mordorintelligence.com/industry-reports/global-crop-protection-chemicals-pesticides-market-industry

Crop Protection Chemicals Market by function, USD, Global, 2017-2029



Source: https://www.mordorintelligence.com/industry-reports/global-crop-protection-chemicals-pesticides-market-industry

Growth by Product Type

According to Grand View Research, herbicides have the largest market share in the crop protection industry. In 2022, it accounted for a share of 44.2% whereas, fungicides had a share of 19.1%, followed by insecticides accounting for 27.2%, biopesticides at 3.4% and other crop protection chemicals at 6.1%.

Crop Protection Chemicals Industry Data Book Coverage

Markets Covered	
Crop Protection Chemicals Industry	
2,828.7 kilotons in 2022	
3.7% CAGR (2023-2030)	
Herbicides Market	**Fungicides Market**
1,249.5 kilotons in 2022	538.9 kilotons in 2021
3.7% CAGR (2023-2030)	3.5% CAGR (2022-2030)
Insecticides Market	**Biopesticides Market**
766.1 kilotons in 2022	95.7 kilotons in 2022
4.0% CAGR (2023-2030)	4.8% CAGR (2023-2030)
Other Crop Protection Chemicals Market	
178.5 kilotons in 2022	
3.1% CAGR (2023-2030)	

Source: https://www.grandviewresearch.com/sector-report/crop-protection-chemicals-industry-data-book

Growth by Region

The Asia Pacific agrochemicals market experienced robust growth, reaching USD 4.93 Billion in 2023. Projections indicate further expansion to USD 15.38 Billion by 2033, with a notable CAGR of 12.02% expected from 2024 to 2033.

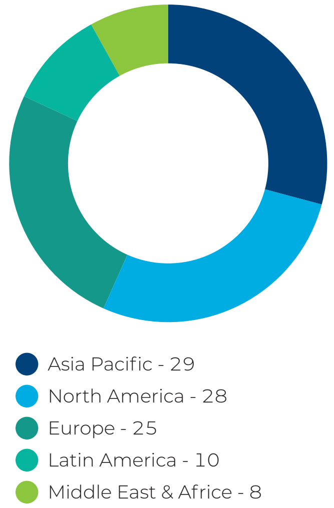
Asia-Pacific led the market in 2023, boasting a substantial revenue share of about 29.18%. This region stands out as a key market for agrochemicals globally, attributed to its status as the largest and most populous area worldwide.

In 2023, North America exhibited a noteworthy revenue share. The region's agricultural land faces a decline due to population growth, rapid urbanisation, and industrialisation. Consequently, farmers increasingly rely on agrochemicals to enhance productivity and maintain quality.

The North America agrochemicals market surpassed USD 63.14 Billion in 2023 and is poised for further growth, projected to reach USD 88.63 Billion by 2033.

Agrochemicals Market Share, by Region, 2023

(%)



Source: https://www.precedenceresearch.com/agrochemicals-market

Major Trends

Increasing Global Population

With the global population on the rise, there's a growing demand for food to sustain more people. Crop protection chemicals are crucial in maintaining agricultural productivity by shielding crops from pests, diseases, and weeds. By averting or reducing yield losses, these chemicals enable farmers to meet the escalating food requirements of a larger population.

Expanding Agricultural Practices

The expansion of agricultural practices, including commercial farming and intensive cropping systems, is driving the demand for crop protection chemicals. Larger-scale farming operations necessitate effective management of pests, diseases, and weeds to mitigate yield losses. Crop protection chemicals offer farmers reliable solutions to safeguard their crops and optimise production in these intensified agricultural setups.

Rising Need for Higher Crop Yields

Crop protection chemicals are essential for achieving higher crop yields by shielding crops from threats that can diminish productivity. Pests, diseases, and weeds pose constant challenges to farmers, and crop protection chemicals provide effective means to tackle these threats. By employing these chemicals judiciously and adhering to recommended practices, farmers can protect their crops, minimise yield losses, and enhance overall productivity, contributing to global food security.

Indian Crop Protection Industry

According to IMARC Group, the Indian crop protection chemicals market is projected to grow at a CAGR of 4.80% during 2024-2032. This growth is driven by the development of resistance among pests and diseases, necessitating continuous innovation in crop protection products. Various factors contribute to the robust growth of the market. Firstly, the escalating regional population demands enhanced food production, urging farmers to optimise crop yields through advanced agricultural technologies. Crop protection chemicals play a crucial role in safeguarding crops against pests, diseases, and weeds, ensuring a stable food supply.

Additionally, unpredictable weather patterns and climate change accentuate the need for resilient agricultural practices, with crop protection chemicals providing a proactive defense mechanism against climate-related risks.

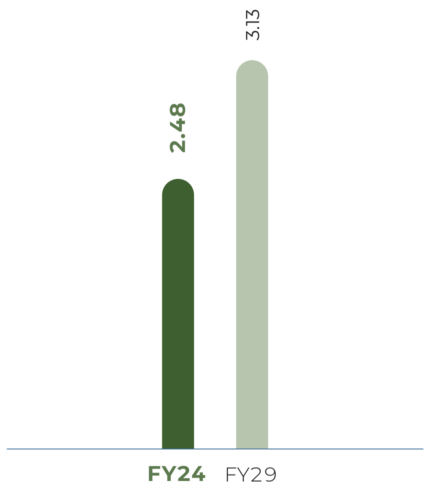
Furthermore, the trend of precision agriculture, characterised by precise input application, aligns well with the targeted nature of crop protection chemicals, enhancing cost-efficiency and minimising environmental impact.

Overall, the market thrives on interconnected drivers, including the imperative to meet food demand, adapt to climate uncertainties, and embrace precision agriculture for a sustainable farming future.

India Crop Protection Chemicals Market

Market Size in USD Billion

CAGR 4.72%



Source: Mordor Intelligence

Hikal – Business Review of the Crop Protection Division

Our Crop Protection division has experienced a significant volume drop due to both selling price impacts from intense competition and reduced volumes compared to last year. This year, the division witnessed higher purchase from CDMO customers. Our focus on research and development has enabled the development of innovative solutions that meet the evolving needs of farmers and comply with regulatory requirements globally. The CDMO business continues to receive new inquiries from repeat customers, with new inquiries in the pipeline.

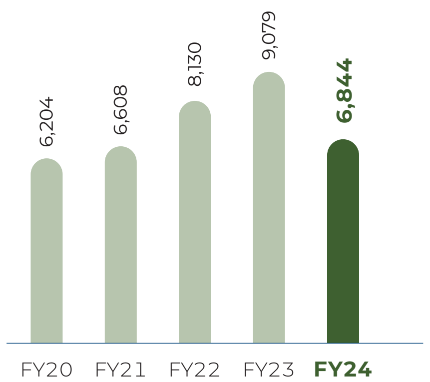
Despite proactive cost improvement initiatives, Hikal's Crop Protection division continues to face significant headwinds. Reflecting these challenges, the Crop Protection division revenue and EBIT have declined, compared to last year. However, we expect market stabilisation and recovery to begin after the end of this financial year.

Crop Protection sales was significantly affected by channel inventory and over-capacity, leading to reduced sales. Despite this, we are in advanced discussions with various global innovators for new opportunities, expanding our product portfolio, particularly in the herbicides segment, to tap into new market segments and broaden our customer base. Additionally, the commissioning activity is ongoing at the new multipurpose facility in Panoli, Gujarat. Although we have faced near-term industry-wide challenges, we anticipate the market trajectory to improve towards the end of this financial year, positioning us well for long-term profitable and sustainable growth across both our Pharma and Crop Protection businesses.

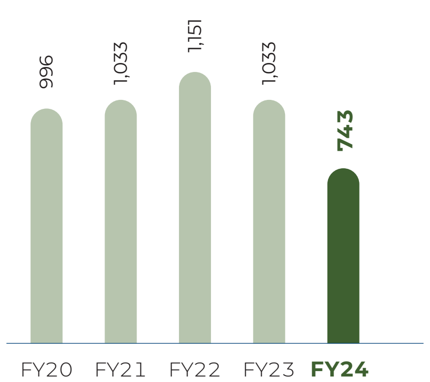
Looking ahead, we are well-positioned for long-term profitable and sustainable growth. We are investing in new R&D capabilities to develop products addressing unmet needs in the crop protection market. Maintaining a strong focus on quality, compliance, and customer satisfaction is central to our growth strategy. As we begin operating at higher capacity utilisation, a significant business ramp-up is anticipated, which will improve margins. While the near-term industry-wide challenges persist, our commitment to innovation, customer relationships, and compliance will drive our growth in the crop protection industry, ensuring we remain resilient and competitive in a dynamic market environment.

Crop Protection Performance Trajectory

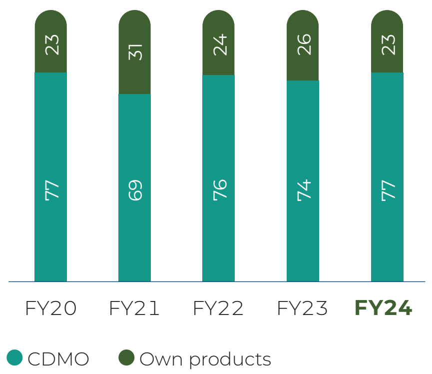
Revenue
(INR in Million)



EBIT
(INR in Million)



Revenue Break-up
(%)



Hikal – Research and Technology Review

Elevating Capabilities

We honed in enhancing commercial capabilities, meeting diverse customer needs, and showcasing efficient scalability from lab to pilot stages. Hikal is a technology-driven supplier in pharmaceuticals and crop protection, investing 4.52% of annual sales in Research and Technology (R&T) for eco-friendly processes.

Expanding capacities and cutting-edge facilities allow us to surpass industry standards and offer reliable partnerships. Pursuing operational efficiency, we invest in captive production and state-of-the-art labs to deliver innovative products that meet market demands.

Process Improvement

During process development, we emphasise reducing process time cycle and solvent consumption by recycling recovered solvents, aiming to minimise waste generation and its long-term impact on environment.

Filings

Our R&T team has filed two US Drug Master Files (DMFs) and completed one Certificate of Suitability to the Monographs of the European Pharmacopoeia (CEP) filings, six CEP amendments, and six US DMF amendments for the pharmaceutical segment.

Pharmaceuticals

Hikal has embarked on the development of two NCE molecules:

» Development is ongoing for the first NCE API, with the process being developed at R&T and subsequent validation planned at the Jigani facility

» R&T is also working on another NCE molecule with initial supply to the customer being facilitated by the R&T Kilo lab facility. This will be followed by comprehensive process optimisation and validation

Animal Health API

Amidst our ongoing efforts to advance our portfolio, we are taking strides to develop Animal Health APIs:

» Hikal R&T successfully developed four Animal Health APIs, which underwent successful validation at our new Animal Health cGMP Manufacturing facility in Panoli

» Process validation for several Animal Health APIs is currently underway

» Patent applications have been submitted for three of the Animal Health APIs, covering the innovative processes developed by R&T. Corresponding manuscripts have been submitted to various journal houses

Green Chemistry Principles in Animal Health API Development

We integrate Green Chemistry principles into our Animal Health APIs development, upholding sustainability standards. Concurrently developing multiple APIs, we achieved successful plant-scale validation. Additionally, the completion of various other API developments highlights our proficiency. This dedication ensures our products provide effective solutions while being environmentally responsible, positively impacting our surroundings.

CDMO

During 2023-24, our CDMO team completed over 50 batches in a cryo reactor for a customer project, safely handling highly pyrophoric butyllithium solution. The CDMO team has also secured a repeat order for a hazardous Click Chemistry project and are preparing for larger-scale batches at Unit 2.

Innovation, Safety and Sustainability in Process Development

Scaling Click Chemistry with Safety

We achieved a milestone by scaling Click Chemistry with robust safety measures for hazardous chemicals, a first in India, showcasing our commitment to innovation and safety.

Process Development for a Food Ingredient

Our team developed a synthesis route and robust process for a flavouring agent, paving the way for future scale-up, reflecting our dedication to high-quality, customer-centric products.

Greener Processes for Advanced Intermediates

We created an environmentally friendly process for an advanced intermediate, eliminating hazardous reagents and improving Process Mass Intensity (PMI) and throughput, underscoring our commitment to sustainability and efficiency.

Enhanced Process Safety Lab Capabilities

We established a Process Safety Lab at R&T, equipped with Reaction Calorimetry, Gas Evolution kit, HF-Cal, and DSC. A dedicated team of scientists works in this lab to ensure safety and innovation.

Zero Liquid Discharge (ZLD)

A Zero Liquid Discharge (ZLD) system has been set up at R&T, furthering our commitment to sustainable practices.

Crop Protection

Our dedication to innovation and process optimisation has led to remarkable achievements this year.

Milestones Achieved during 2023-24

- A crop project involving azidation chemistry (Stossel's classification -4) was successfully commercialised
- Another project in Crop Protection optimised the existing process, reducing raw material costs by 50%, and the optimised process has been successfully implemented on a commercial scale
- HIE (Hydrogen Isotope Exchange) chemistry was optimised to prepare OLED intermediates, enabling Hikal to enter the OLED (Organic Light-emitting Diodes) market

Outlook

We will continue to prioritise customer-recommended products and in-house developments, aiming for effective commercialisation. Our goal is to convert contract development projects into long-term manufacturing opportunities in the pharmaceutical and crop protection divisions.

To boost product competitiveness, we are implementing process improvements, productivity measures, and cost-reduction strategies. We are investing in new technologies and forming partnerships to support these efforts.

Our commitment to newer, greener technologies will help reduce our carbon footprint, optimise resource use, and enhance process efficiency.

Financial Review

Consolidated Abridged Profit & Loss Statement

(INR in Million)

Particulars	2023-24	2022-23
Total Revenue	17,870	20,284
EBITDA	2,694	2,625
PBT	954	1,054
PAT	695	784

Revenue from Operations

Our total revenue registered a decline of 12% y-o-y, reaching INR 17,870 Million compared to the previous years' figure of INR 20,284 Million.

Commentary: This performance reflects the challenging market conditions we faced over the past year. Despite this setback, we remain focused on strategic initiatives to drive growth and improve operational efficiency to return to a positive trajectory in the coming quarters.

EBITDA

Our EBITDA for the current financial year stood at INR 2,694 Million with margins at 15.1%, marking a growth of 3% y-o-y, compared to the previous year's figure of INR 2,625 Million.

Commentary: This performance demonstrates our ability to improve operational efficiency and maintain profitability despite challenging market conditions. The growth in EBITDA highlights our effective cost management strategies and our commitment to enhancing shareholder value.

PAT

In 2023-24 our PAT amounted to INR 695 Million, compared to the previous year's figure of INR 784 Million.

Commentary: This performance reflects the impact of the challenging economic environment and increased operational costs. Despite the reduction in PAT, our focus remains on long-term growth and profitability through strategic investments and enhanced operational efficiencies. We are confident that these efforts will position us for stronger financial performance in the future.

Working Capital Position

As of 31 March 2024, working capital position is strained on account of market dynamics predominantly driven by increased account receivables by 22 days. The Company generated INR 1,866 Million from operating activities, a decrease from the previous year's figure of INR 3,153 Million. The Company's investing activities resulted in a cash outflow of INR 1,737 Million, which was utilised to expand capacity as part of Hikal's ongoing capex programme aimed at realising future business opportunities. Meanwhile, financing activities led to a smaller outflow of INR 270 Million, indicating an improvement from the previous year's figures. As of 2023-24, the Company's closing balance of cash and cash equivalents stood at INR 126 Million.

Debt Position

In 2023-24, the net-debt equity ratio increased to 0.67 compared to 0.61 in previous year. The interest cost incurred during the current fiscal year was INR 564 Million, indicating an increase/ decrease from the previous year's interest cost of INR 481 Million.

Return on Equity (RoE) and Return on Capital Employed (RoCE)

The financial year 2023-2024 saw a decrease in the Return on Equity (RoE) to reach 6.0% compared to the previous year's figure of 7.1%. On the other hand, the Return on Capital Employed (RoCE) declined by 78 basis points from 8.5% in 2022-23 to 7.7% in 2023-24.

Capex

For 2023-24, we have invested a total of INR 2,042 Million towards a Capex programme aimed at increasing capacities. This capex is towards creating multi-product plants that will benefit both the Pharmaceutical and Crop Protection divisions, as well as upgrade the infrastructure of existing production facilities. We anticipate that these new plants will reach full capacity utilisation within the next 2-3 years.

Consolidated Cash Flow Statement

(INR in Million)

Particulars	As on 31 March 2024	As on 31 March 2023
Opening Cash and Cash Equivalents	267	114
Cash flows from:		
(a) Operating Activities	1,866	3,153
(b) Investing Activities	(1,737)	(2,923)
(c) Financing Activities	(270)	(77)
Closing Cash and Cash Equivalents	126	267

Key Financial Ratios

Ratios	As on 31 March 2024	As on 31 March 2023	Variance (%/bps)
Debtor Turnover	3.59	4.57	21%
Inventory Turnover	2.66	3.43	23%
Interest Coverage Ratio	4.78	5.46	12%
Current Ratio	1.28	1.42	10%
Net Debt Equity Ratio	0.67	0.61	10%
Net Profit Margin (%)	3.90	3.91	0%
Net worth	11,876	11,335	5%

Strategic Review

Project Pinnacle

The 'Project Pinnacle' is a business transformation initiative, enabling us to navigate through the next stage of our business plan and capitalise on the opportunities to build a healthy pipeline for our operations.

On its second phase, the initiative is beginning to yield results propelling us closer to our goals of fostering sustainable growth across all our businesses with momentum in the supply chain, derisking strategy, developing differentiated competencies, the acquisition of new customers globally, and building a technology platform.

Our Strategic Ambitions

» Leadership in ESG
» Manufacturing Excellence
» Research and Technology
» Customer Centricity
» Supply Chain Management

Leadership in ESG

Aligned with our purpose of improving lives and serving the community, we are committed to integrating sustainability into all our operations. We engage with international rating agencies to gain global recognition for our ESG efforts, establishing it as a distinctive characteristic that sets us apart. We identified areas of advancement to enhance our sustainability practices in our defined ESG framework.

Our commitment has earned us the prestigious bronze medal from EcoVadis validating our dedication to sustainability. In the future ahead, ESG will be a key driver of our business, with a defined strategy and roadmap to make a positive environmental impact.

Manufacturing Excellence

We are strategically investing in our operations to optimise resources and achieve greater operational efficiency. Additionally, we are expanding our capacities and investing in new equipment.

Competitive Advantage

Our advanced GMP/non-GMP multipurpose manufacturing facilities enable us to meet customer requirements across all business segments

We Use it

» To ensure on-time delivery of our products to valued customers
» To maintain profitability without compromising our quality and ESG commitments

HIBEX Productivity Challenge

HIBEX is Hikal's business excellence Initiative. We launched the 'HIBEX Productivity Challenge,' a company-wide Capital Efficiency Programme aimed at holistic sustainable outcomes. This innovative micro-battle competition keeps every Hikalite engaged while delivering tangible results in

» Increased asset throughput
» Sustained higher profitability
» Improved asset returns through sustainable operations

Initiatives Undertaken

Capacity

Commissioned

» New animal health multi-purpose cGMP plant at Panoli

Addition of

» Invested in debottlenecking CAPEX for capacity enhancement

INR **2,042** Million
CAPEX FOR NEW ASSETS

145 m^3
REACTOR CAPACITY

Capability

HIBEX

» Inaugurated an enhanced process safety lab
» Implementation of self-managed teams (SMTs) across businesses
» 20% production increment for one pharmaceutical product facilitated by automation and efficient material handling
» Achieved 20% cost improvement across 3 generic APIs

Compliance

Planned Approvals

» API facility in Panoli, Gujarat, underwent a US FDA audit, which concluded with 'Zero' 483 observations
» ZLD (Zero Liquid Discharge) has been setup at R&T

Research and Technology

Our commitment to leveraging science and technology enables us to deliver exceptional products and solutions, ensuring high quality and enhancing productivity and profitability. We are expanding capacities and investing in new laboratories and cutting-edge equipment.

Competitive Advantage

Our R&T capabilities rely on our Company's culture of innovation, research, and collaboration.

We Use it

» To diversify our product portfolio by creating high-value new products
» To improve the profitability of our existing product portfolio
» To create a differentiated value proposition by developing capabilities across complex chemistries

Customer Centricity

Our core strategy aims to create extraordinary experiences for our clients by offering a unique value proposition that combines custom manufacturing and bulk development services, setting us apart with our vast capabilities.

Competitive Advantage

Our customer orientation relies on our commitment to being a sustainable & reliable partner to our customers.

We Use it

» To build meaningful and value accretive partnerships with our customers
» To provide exceptional customer service and innovate basis customer feedback to build loyalty and advocacy

Initiatives Undertaken

Key Account Management (KAM) Systems

We adopted a KAM approach across multiple accounts to build deeper strategic relationships. As part of our KAMs, we have:

» Defined priority accounts basis current size and full potential
» Define key roles and responsibilities to manage priority accounts and ensure delivery excellence
» Developed a mechanism to consistently ensure customer delight

Customer Roadshow

» Roadshow through strategic locations across the globe, including Japan, South Korea, Europe, the US, and Latin America
» It is an opportunity to engage with senior leadership from our existing esteemed clientele while forging new connections with potential customers
» It will help in paving the way for future partnerships that will be instrumental in realising our vision

Supply Chain Management

Amid geopolitical tensions and geo-concentration risks, we are de-risking our supply chain through backward integration, alternative sourcing, partnerships, localisation, and digitisation.

Competitive Advantage

A resilient, de-risked supply chain enables us to navigate global uncertainties while ensuring continuous supply to our customers.

We Use it

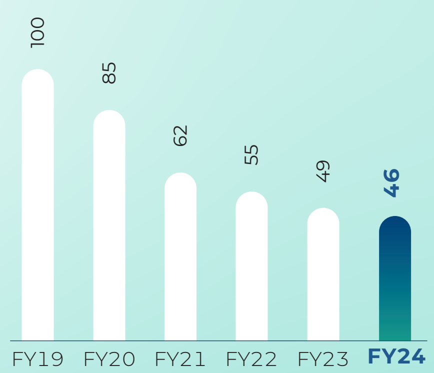
» To de-risk our production process, while keeping our supply chain reliable
» To maintain market competitiveness during times of global business shocks

Reducing our Dependence on a Single Geography

A substantial portion of our supply chain risk arises because of the concentration of our supply chain towards a single geography. Considering the global pharmaceutical industry, China supplies a substantial portion of KSMs, APIs, and AIs to the rest of the world. As part of our supply chain initiatives, we have been able to reduce dependence on China for one of our key products by developing local vendors. This is how we aim to benchmark the management of supply chain risk for the rest of our products.

Share of Procurement from China for Select Products

(%)



Initiatives Undertaken

Backward Integration

» We have initiated backward integration for KSMs and started multi-sourcing from diverse geographies to mitigate disruption

Localisation

» We have started to develop connections with local vendors to initiate and expand supply chains within India

Alternate Sources and Partnerships

» We have started partnerships with suppliers in India, Europe, Japan, and Korea for supply chain security
» New partners developed for domestic strategic sourcing

Digitised and Integrated Supply Chain

» We have started identification of weak links in our supply chain for improvement
» We have started building up inventory and building real-time network visibility

Regulatory Compliance

We are committed to green chemistry and engineering, investing in processes and systems that ensure safe, responsible operations and meet global regulatory standards.

Competitive Advantage

Our production plants are compliant with international agencies like the US FDA, PMDA, EDQM, ANVISA, and other global agencies

We Use it

» To create shared value and maintain business sustainability
» To align our interests with collective well-being

Pharmaceuticals - Unit I (Bangalore)

» Aug 2019 - EIR Received
» Previous inspection in Nov 2016, Apr 2014, Aug 2011, Mar 2008 & Mar 2004

Pharmaceuticals - Panoli

» May 2023 - Zero 483s (EIR Received) - API Manufacturing
» Previous inspection in Sep 2019 for intermediates and KSM

Risk Management

At Hikal, we consider risk management a crucial aspect of managing the Company effectively and efficiently. Our Risk Management Policy, developed in compliance with applicable Indian regulations and tailored to our organisational context, is not just a document, but a roadmap to our success. It outlines our risk management framework, explaining Hikal's approach to risk management and documenting the roles and responsibilities of the Risk Management Committee, Chief Risk Officer, and Risk Owners.

We acknowledge operating in an environment filled with known and unknown risks, uncertainties, and variable assumptions. These include factors such as the financial health of global and domestic economies, industry performance, external competition, regulatory risks, future growth and expansion prospects, technological implementations, potential adverse changes in revenue, income, or cash flows, and exposure to market risks.

Recognising the significance of risk management in achieving our strategic objectives, we adopt a proactive, formal, and systematic approach to identify and manage potential risks. We view risk management not as a burden, but as a critical element in effectively and efficiently managing the organisation, ensuring continued success in the face of challenges.

Risk Management Objectives

» Ensure that all current and future material risk exposures are identified, assessed, quantified, appropriately mitigated, and managed

» Ensure compliance with appropriate regulations, including ESG standards, through best practices

» Ensure business continuity and sustainable growth with financial stability

Risk Management Process

Risk Assessment

This involves identifying risks and probable causes that could impact the Company's objectives. Risk evaluation compares the level of risk found during the analysis against predefined risk weightage to assess their potential severity of impact and probability of occurrence.

Monitoring, Review, and Reporting

» Monitoring involves tracking identified risks and the effectiveness of existing risk management measures.

» Reporting includes documenting risks and risk management measures to the Risk Management Committee.

» This process uses a risk matrix of probability and impact, Key Risk Indicators (KRI), and Key Performance Indicators (KPI), depending on applicability and criticality.

Communication and Consultation

The Chief Risk Officer, along with Risk Owners and Champions, conducts regular and mandatory risk management training programmes. This ensures that all employees proactively contribute to managing risk effectively.

Risk Treatment

This includes drafting and executing mitigation plans based on the Company's risk appetite.

Risk and Response

Delay and Failure to Comply with Laws and Regulations

1. Verifying compliance with regulatory requirements before finalising any significant investment decision
2. Securing prompt approval for new CDMO products, licensed materials, process modifications, etc.

Non-complying with PCB Consent and Hazardous Waste Guidelines

1. Capital investment has been made at all our sites to revamp the ETP facilities.
2. Digital tools are used for monitoring compliance.

Project Costs and Schedule Overruns

1. Enhanced measures to prevent duplication of efforts
2. Supervision at different organisational levels at specified intervals and use of digital tools for project assessment

Monopoly/ Limited Suppliers for Raw Materials

Developed vendors in accordance with the Alternate Vendor Development (AVD) Charter.

Crisis & Risk Management

Ensured that our Crisis and Risk Management processes are well-defined, and our teams have received training to effectively manage crises both within our organisation and with external stakeholders.

Frequent Updates in USFDA Requirements

Focused on being prepared for USFDA at all times.

Dependence on China for Raw Materials Supplies

Expanded supplier base to introduce new geographic regions for key raw materials

Key Customers/ Products Dependence

1. Established the Key Account Management Process
2. Ensured continued growth with current customers and products

Adverse Impact of Natural Calamities on Plant Operation

1. Strengthened the on-site emergency plan for all sites.
2. Implemented a tool named SIREN for sending emails and SMS alerts to locations potentially impacted by a natural catastrophe event.

Cyber Attack

Enhanced measures for safeguarding information security and preserving data integrity

Increasing Competition

1. Hibex initiatives for optimising costs
2. Improved customer interaction

High Employee Attrition Rates

1. Thorough employee engagement initiatives are implemented across all locations.
2. Exceptional achievements are promptly acknowledged and rewarded.
3. The SMT programme has been successfully introduced.

Lack of IT Disaster Recovery Plan

1. Implemented IT system DRP and continuity plan.
2. Created SharePoint site for PLC and Scada Backup upload.

Decrease in Risk Profile · Increase in Risk Profile · Same as last year

Human Resources

We value our people as our most precious asset and aim to cultivate a culture of excellence across operations. Our focus is on building top-tier teams led by exceptional professionals. We have fostered a culture of meritocracy, empowerment, and care, promoting excellence and innovation. Talent development is paramount, with ample opportunities presented for skill enhancement and leadership preparation. Our HR strategy reinforces our market advantage by implementing effective HR Policies, Standards, and Roles and Responsibilities and aligning with our overall business strategy. This integration ensures seamless coordination and enables us to effectively meet business objectives.

Internal Controls and their Adequacy

Our internal control systems are appropriate for the nature and size of our business. They include Entity-level controls, Information Technology General Controls, and Financial and Operating controls.

The Company's management is responsible for establishing and maintaining adequate internal controls. The Company's management and the internal audit team continuously assess the effectiveness of its internal controls across all locations and functions.

In addition, the Audit Committee frequently holds independent sessions with the statutory auditor and the management to discuss the adequacy and effectiveness of internal controls.

Our Company implemented proper Internal Financial Controls, and these financial controls were adequate and effectively operated during 2023-24.

Capital Efficiency for Long-term Growth

We optimise the deployment of our six capitals to maximise stakeholder value and ensure sustainable growth.

Financial Capital

At Hikal, we focus on optimal capital allocation to deliver long-term sustainable returns for our stakeholders.

INR **11,876** Million
NET WORTH

INR **17,870** Million
REVENUE

Manufactured Capital

We invest in our facilities to increase capacity, enhance efficiency, ensure reliability, and maintain safety and sustainability through innovative processes and technologies.

5
MANUFACTURING FACILITIES

4,100 m^3
MANUFACTURING CAPACITY

Intellectual Capital

We invest in developing cutting-edge products and processes, leveraging digital transformation and strategic collaborations to drive sustainability and innovation.

4.5%
ANNUAL SALES ARE DEDICATED TO R&T EXPENDITURE

342
R&T PERSONNEL COUNT

Human Capital

We strive to build an inclusive, equitable, and high-performance work culture, maintaining a strict zero-harm policy for our employees and the broader community.

INR **86.2** Million
INVESTMENT IN L&D

26,575 hours
OHS TRAINING PROVIDED TO EMPLOYEES

Social and Relationship Capital

We engage continuously with stakeholders to foster business growth. Our long-term relationships with customers, suppliers, and communities are vital to our sustainability.

INR **34.8** Million
CSR EXPENDITURE

2,45,600
LIVES IMPACTED THROUGH CSR ACTIVITIES

Natural Capital

We embrace cutting-edge technology to utilise clean energy, reduce our carbon footprint, and minimise waste generation across all sites.

61.7%
RENEWABLE ENERGY USED

42.77%
REDUCTION IN WATER CONSUMPTION

Blueprint of our Future

Inputs

Financial Capital

INR 11,876 Million
TOTAL EQUITY

INR 8,147 Million
NET DEBT

Manufactured Capital

4,100 M³
CAPACITY

Intellectual Capital

INR 806 Million
R&T EXPENDITURE

Human Capital

INR 86.2 Million
INVESTMENT IN L&D

26,575 Hours
OHS TRAINING PROVIDED TO EMPLOYEES

Social and Relationship Capital

INR 34.8 Million
CSR EXPENDITURE

Natural Capital

1,420,655.49 GJ
TOTAL ENERGY CONSUMPTION

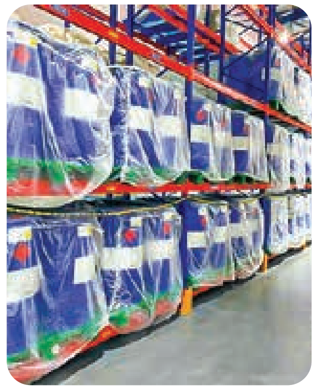
6,09,607.50 kilo litres
WATER CONSUMPTION

88,697.72 $MTCO_2e$
GHG EMISSIONS PRODUCED

Value-Creation Process

Vision

To be the leading global fine chemical company to the Pharmaceutical, Crop Protection and Specialty Chemical Industries.


Distribution


Customers


Research and development


Manufacturing

Motto

Just the right chemistry

Output

Financial Capital

INR 17,870 Million
REVENUE

INR 2,694 Million
EBITDA

Manufactured Capital

7,200 MT
ADVANCED INTERMEDIATES AND API SOLD

Intellectual Capital

13
PATENT APPLICATIONS FILED

Human Capital

Zero
LTIFR

80%
EMPLOYEE RETENTION RATE

Social and Relationship Capital

100%
SUPPLIERS ASSESSED ON ESG ISSUES FOR CRITICAL INPUT MATERIALS

2,45,600
LIVES IMPACTED THROUGH CSR ACTIVITIES

Natural Capital

42.77%
REDUCTION IN WATER CONSUMPTION

Outcome

Investors

Delivering consistent shareholder value through our ability to innovate and grow.

Customers

Providing life sciences solutions for customers around the world.

Employees

Caring and nurturing our employees through an enhanced focus on safety, diversity, and well-being.

Value Chain Partners

Partnering with building strong relationships with our partners.

Communities

Driven by empathy to create shared value and empower communities through our CSR activities.

Government and regulators

Contributing to societal well-being through integrating sustainability in our operation.

Building Sustainable Relationships

Our stakeholders are integral to all our operations, and their diverse perspectives are crucial in shaping our sustainability strategy. By continuously engaging with our stakeholders, we are able to identify, address, and re-evaluate key focus areas that hold the potential for long-term value creation. This ongoing dialogue ensures that our approach remains relevant and effective, allowing us to create sustainable benefits for everyone involved.

Stakeholder Engagement

We regularly engage with our stakeholders to understand their perspectives, receive feedback, and identify important issues. We address a variety of economic, environmental, and social concerns that are raised by our stakeholders.

Investors

Provides us with capital in exchange for ownership or debt instruments

How We Engage Them

- Analyst meets
- Quarterly calls, financial reports, and presentations
- Annual general meetings
- Annual Reports
- Official communication channels: advertisements, publications, website, and social media

Need and Expectation of Stakeholders

- Company's capital should grow and expand its operations
- Effective governance
- Transparency / visibility of the business operation
- Effective risk management

Key Outcomes

- Sustainable growth and returns
- High standards of corporate governance and risk management

Customers

Ultimate users of our products and services

How We Engage Them

- Customer meetings
- Official communication channels: advertisements, publications, website, and social media
- Conferences and events
- Customer feedback and satisfaction survey

Need and Expectation of Stakeholders

- Quality
- Compliance & Consistency
- Timely delivery
- Technical Support
- Competitive pricing
- Increased focus on sustainability

Key Outcomes

- Timely delivery
- Wide range of high-quality products that meet customer requirements
- Competitive pricing
- Easy availability through large distribution network
- Post-sales support

Employees

Everyone employed by us, directly or indirectly, to conduct our operations

How We Engage Them

- Timely internal communications
- Capability development programmes
- Performance appraisal
- Grievance redressal mechanisms
- Wellness programmes

Need and Expectation of Stakeholders

- Satisfaction and motivation
- Fair wages and rewards, improved work-life balance
- Regular training and skill development
- Career growth
- Safe and secure work environment
- Healthy workplace

Key Outcomes

- Satisfaction and motivation
- Fair wages and rewards
- Improved work-life balance
- Regular training and skill development
- Career growth
- Safe and secure work environment
- Healthy workplace

Value Chain Partners

Those with a direct working or contractual relationship with us.

How We Engage Them

- Supplier development initiatives
- Vendor assessment and review
- Training workshops and seminars
- Supplier audits
- Official communication channels: advertisements, publications, website, and social media

Need and Expectation of Stakeholders

- Mutually beneficial relationship with us, where there is trust, reliability, and shared success.
- Ethical business practices

Key Outcomes

- Timely payment
- Continuity of orders
- Capacity building
- Transparency

Community

Residents of areas where we have assets

How We Engage Them

- CSR partnerships
- Community welfare programmes
- Meetings and briefings
- Training and workshops
- Impact assessment surveys
- Official communication channels: advertisements, publications, websites and social media
- Complaints and grievance mechanism

Need and Expectation of Stakeholders

- Infrastructure development
- Funding for community programmes and livelihood programmes
- Contribution to the local economy

Key Outcomes

- Infrastructure development
- Funding for community development
- Training and livelihood programmes
- Contribution to the local economy

Government and Regulators

Local, regional, and national bodies regulate our actions.

How We Engage Them

- Statutory compliances filings and meetings
- Official communication channels:
- Advertisements, publications, websites, and social media
- Phone calls, emails, and meetings
- Regulatory audits/inspections

Need and Expectation of Stakeholders

- Compliance with laws and regulations Transparency and ethical conduct
- Collaboration on policy development
- Contribution to economic development Commitment to environmental and social responsibility

Key Outcomes

- Aligning with the government to support economic development
- Continued contribution to the exchequer

Media and Analysts

Who keeps our stakeholders informed of business developments, new products and services as well as the impact of our business operations.

How We Engage Them

- Press releases, media interviews, email advisories
- Website management
- Social media posts and updates

Need and Expectation of Stakeholders

- Accurate and timely information
- Transparency and openness
- Access to key executives and experts
- Regular updates on company performance and strategic initiatives
- Insight into industry trends and company positioning

Key Outcomes

- Positive media coverage and analyst reports
- Enhanced corporate reputation and public image
- Improved investor confidence and market perception

Prioritising Issues that Impact Value Creation

As part of our strategic action plan, we conducted a materiality assessment exercise last year to identify issues with significant potential to impact our long-term value creation. This assessment considered our ability to create value (inward-focused) and our impact on society, communities, and the environment (outward-focused).

Materiality Assessment Methodology

01

Identifying material issues in Chemical, Biotechnology, and Pharmaceuticals sectors in alignment with national and international frameworks and standards like SASB and GRI.

02

Peer Benchmarking Review of peers' material topics by going through their Sustainability/ Integrated Report

03

Identification of internal and external stakeholders based on the impact stakeholders have on a business and the impact it has on them

04

Prioritising material topics based on the strategic importance to the business and stakeholders and the ESG impact of each topic

05

Developing materiality assessment questionnaire for finalised topics and float to stakeholders

06

Analysis of response and identification of high priority material topics

Stakeholders Considered for the Assessment

External Stakeholder Groups

- Investors
- Government and Regulatory Bodies
- Customers
- Communities
- Value Chain Partners

Internal Stakeholder Groups

- Employees
- Contractual Employees
- Senior Management
- Board of Directors

Material Issues Identified

Environment

- Energy Efficiency and Carbon Emissions
- Waste Management
- Water and Effluent Management
- Air Pollution
- Biodiversity Protection
- Green Chemistry

Social

- Diversity, Inclusion and Equal Opportunities
- Employee Well-Being, Benefits and Retention
- Occupational Health and Safety
- Human Rights and Community Relations
- Community Development

Governance

- Product Quality, Safety and Labelling
- Regulatory Compliance
- Risk Management and Business Continuity
- Sustainable Financial Performance
- Customer Satisfaction
- Data Integrity and Security
- Research And Innovation
- Sustainable Supply Chain
- Ethical Business Practices

Analysis of our Material Issues

Environment

Energy Efficiency and Carbon Emissions

Capitals Impacted

- Manufactured
- Social and Relationship
- Natural

Stakeholders Impacted

- Customers
- Communities
- Government and Regulators

Risks and Opportunities

Energy efficiency and carbon emissions present both risks and opportunities.

Neglecting these issues can lead to regulatory pressures, fines, and reputational damage. Conversely, enhancing efficiency and reducing emissions increases our reputation, attract eco-conscious customers, increase competitiveness, reduce costs, and improve overall efficiency.

Waste Management

Capitals Impacted

- Manufactured
- Social and Relationship
- Natural

Stakeholders Impacted

- Communities
- Government and Regulators

Risks and Opportunities

Inadequate waste management can cause environmental damage, health hazards, and regulatory non-compliance, leading to penalties and reputational harm. Effective management offers financial and environmental benefits, enhancing our industry position.

Water and Effluent Management

Capitals Impacted

- Manufactured
- Social and Relationship
- Natural

Stakeholders Impacted

- Communities
- Government and Regulators

Risks and Opportunities

Insufficient water availability can disrupt our operations, increase costs. Addressing these risks is essential to avoid penalties, reputational damage, and strained relationships. Effective water management offers financial and environmental benefits, strengthening our position.

Air Pollution

Capitals Impacted

- Manufactured
- Social and Relationship
- Natural

Stakeholders Impacted

- Communities
- Government and Regulators

Risks and Opportunities

Neglecting air pollution invites regulatory pressures, fines, and reputational damage. Conversely, reducing emissions boosts our reputation, attracts eco-conscious customers, and increases competitiveness and aligns with our environmental goals.

Biodiversity Protection

Capitals Impacted

- Manufactured
- Social and Relationship
- Natural

Stakeholders Impacted

- Communities
- Government and Regulators

Risks and Opportunities

The pollution and contamination stemming from our operations can impact species diversity and ecological balance. Addressing these risks is imperative to protect biodiversity and advocate for responsible practices within our industry.

Green Chemistry

Capitals Impacted

- Financial
- Intellectual
- Natural

Stakeholders Impacted

- Customers
- Communities
- Government and Regulators

Risks and Opportunities

Embracing green chemistry opens doors to new markets, reduces risks associated with hazardous substances, strengthens supply chain resilience.

Social

Diversity, Inclusion and Equal Opportunities

Capital Impacted

» Human

Stakeholder Impacted

Employees

Risks and Opportunities

Embracing diversity and inclusion cultivates a culture of success, competitiveness, and long-term sustainability. By prioritising these principles, we stimulate innovation, broaden our talent base, enhance decision-making, elevate employee engagement and retention, fortify our reputation, ensure regulatory compliance

Employee Well-Being, Benefits and Retention

Capital Impacted

» Human

Stakeholder Impacted

Employees

Risks and Opportunities

Prioritising employee well-being, their benefits, and skill development is crucial for us. It enhances job satisfaction, employee retention, and engagement while attracting top talent. This fosters a culture of growth, boosting productivity, competitiveness, and long-term success.

Occupational Health and Safety

Capital Impacted

» Human

Stakeholder Impacted

Employees

Risks and Opportunities

Occupational health and safety is vital for our organisation. Neglecting it leads to accidents, injuries, and illnesses, affecting employee well-being and productivity. Non-compliance results in legal liabilities and reputational damage. Investing in occupational health and safety ensures workforce well-being and organisational success.

Human Rights and Community Development

Capitals Impacted

» Human

» Social and Relationship

Stakeholders Impacted

Employees

Communities

Value Chain Partners

Risks and Opportunities

Violating human rights risks reputational damage, legal consequences, and loss of trust. Respecting human rights, complying with laws, and transparently addressing grievances are crucial. Conversely, community development initiatives, such as education and skills training, enhance reputation, foster community support, and ensure long-term sustainability.

Governance

Risk Management and Business Continuity

Capital Impacted

» Financial

Stakeholder Impacted

Investors

Risks and Opportunities

Poor management may result in accidents, disruptions, non-compliance, and harm to reputation. Emphasising risk assessment, safety protocols, emergency plans, and supply chain resilience reduces incidents, safeguards stakeholders, and builds trust. Efficient business continuity planning guarantees prompt response, essential operations, and swift recovery, ensuring long-term sustainability and success.

Sustainable Financial Performance

Capital Impacted

» Financial

Stakeholder Impacted

Investors

Risks and Opportunities

Integrating sustainability into financial strategies offers reputation enhancement, and investor attraction. It ensures long-term viability, anticipates market trends, and builds trust and competitiveness while creating value for stakeholders and society.

Customer Engagement

Capital Impacted

» Social and Relationship

Stakeholder Impacted

Customers

Risks and Opportunities

Adhering to regulations and ethical business practices enhances reputation, attracts responsible investors and customers, and mitigates legal risks. It fosters trust, accountability, and governance, promoting sustainability and resilience.

Data Integrity and Security

Capitals Impacted

» Financial
» Social and Relationship

Stakeholders Impacted

Investors

Customers

Risks and Opportunities

Protecting data integrity and security is critical to safeguarding assets and trust. Breaches can lead to financial losses, reputation damage, and legal issues. Robust security measures and employee awareness help mitigate risks and maintain data integrity, reputation, and competitiveness.

Product Quality, Safety and Labelling

Capital Impacted

» Social and Relationship

Stakeholder Impacted

Customers

Risks and Opportunities

In the chemical industry, ensuring product quality, safety, and accurate labelling is crucial. Without proper control measures, there are risks of defects, hazards, legal liabilities, and reputational damage. Implementing rigorous quality control and safety protocols ensures compliance and consumer trust.

Research and Innovation

Capitals Impacted

» Financial
» Intellectual

Stakeholders Impacted

Investors

Customers

Risks and Opportunities

Investing in research and innovation drives, operational efficiency, and business opportunities gives technological edge and helps to meet market demands effectively.

Sustainable Supply Chain

Capitals Impacted

» Financial
» Social and Relationship
» Natural

Stakeholders Impacted

Investors

Customers

Value Chain Partners

Risks and Opportunities

Focusing on supply chain sustainability improves competitiveness, meets consumer preferences, minimise environmental impact, conserve resources, and ensures regulatory compliance. It fosters strong supplier relationships, innovation, and long-term success

Our Sustainability Journey

We believe that sustainability is the cornerstone of our long-term success and a vital component in creating value for our stakeholders. By integrating Environmental, Social, and Governance (ESG) principles into our operations, we are committed to making a positive impact on the environment, our employees, and the communities we serve, contributing meaningfully to a more sustainable and equitable future.

E

60%
WASTE RECYCLED

42.77%
REDUCTION IN FRESHWATER CONSUMPTION IN 2023-24

61.7%
OF THE TOTAL ENERGY REQUIREMENT MET FROM RENEWABLE SOURCES

25,268
TONNES CO_2e EMISSIONS REDUCTION DUE TO RENEWABLE ENERGY PROJECTS AT MAHAD, TALOJA AND PANOLI

S

84%
WORKERS TRAINED IN HEALTH AND SAFETY

6%
OF WOMEN IN TOTAL WORKFORCE

Zero
FATALITIES

26,575 hrs
OHS TRAINING PROVIDED

G

Zero
CASES OF CORRUPTION REPORTED

Zero
SEXUAL HARASSMENT COMPLAINTS REGISTERED IN 2023-24

27.3%
WOMEN DIRECTORS

Priorities of our ESG Strategy

- Decarbonisation
- Material Circularity
- Water Management
- Health and Safety Employee: Customers
- Community Relations
- Diversity and Inclusion
- Fair Sourcing
- Governance and Corruption
- Transparency and Risk Management

Targets and Roadmap

Climate Protection

Scope 1&2 emissions: 30% by 2027-28 (vs 2022-23); in line with SBTi

Scope 3 emissions: Under development

Share of RE: **80%** by 2027-28 (vs 2022-23: 56.4%)

Material Circularity

Total waste disposal: **30%** by 2027-28 (vs 2022-23)

Water Usage

Water consumption rate: **15%** by 2027-28 (vs 2022-23)

Diversity & Inclusion

At present we have 22% women in corporate and we plan to increase this percentage significantly over next 5 years

Pioneering a Greener Tomorrow

Aligned with our Vision, we are dedicated to minimising our carbon footprint by adopting sustainable operating processes. We focus on providing green chemistry products, reducing resource dependence, conserving energy and water, controlling emissions, and minimising waste.

Material Topics

- Energy Efficiency and Carbon Emissions
- Waste Management
- Water and Effluent Management
- Air Pollution
- Biodiversity Protection

Highlights 2023-24

8,77,228.6 GJ
TOTAL ENERGY CONSUMED FROM RENEWABLE SOURCES (GJ)

INR 27.8 Million
YEARLY SAVINGS DUE TO INVESTMENTS IN ENERGY EFFICIENCY

4,55,634 Kilo litre
REDUCTION IN WATER CONSUMPTION COMPARED TO 2022-23

9.96%
INCREASE IN RENEWABLE ENERGY CONSUMPTION COMPARED TO 2022-23

Energy Efficiency and Carbon Emissions

Energy consumption is a major source of emissions and directly impacts our operational costs. To minimise our carbon footprint, we have implemented an emissions management strategy aimed at decarbonising our processes and mitigating climate change risks. We have developed an energy management strategy to optimise energy use, to reduce the wastage, and increase the share of renewables in our energy mix. Our energy management strategy focuses on enhancing energy efficiency through process optimisation, the adoption of energy-efficient technologies, and conservation activities such as waste heat recovery. In line with this strategy, we are actively working to increase the use of renewable energy in our operations through solar and wind projects and to reduce the fossil fuel consumption.

Decarbonisation Strategy

At Hikal, reducing GHG emissions is not just a business imperative but also a crucial aspect of our environmental stewardship. We have developed a decarbonisation strategy based on a three-step approach.

Define
Our unique approach to mitigating the impact of our operations.

Setting Baseline
Set a baseline for Scope 1 and Scope 2 emissions.

Deliver on our Climate Commitments
Establish a clear decarbonisation roadmap with defined Scope 1 and Scope 2 targets.

Funding from IFC World Bank
Implemented sustainable clean energy projects with special funding from IFC World Bank

Tracking our Progress

Our GHG Emissions

(in $MTCO_2e$)

Emissions	2022-23	2023-24
Scope 1 emissions	26,793.24	21,410.71
Scope 2 emissions	67,737.30	67,287.01

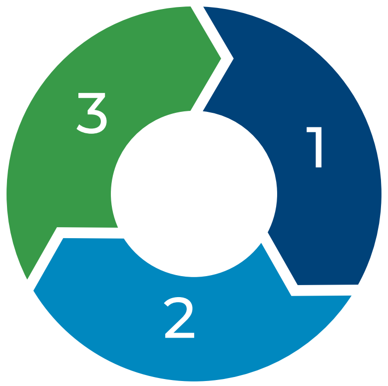
Emissions per rupee of turnover	2022-23	2023-24
Total Scope 1 and Scope 2 emissions per rupee of turnover	4.67	4.97

We are in the process of calculating scope 3 emissions for all the applicable categories.

Decarbonising Roadmap

Phase 3: Actions & Impact (Commence)

- Submission SBTi Targets
- Deployment of Energy saving Project
- Public Goals (Carbon neutrality, SBTi, RE100, other)
- Verified Emissions Reductions
- Renewable Energy & Cleantech(PPA / VPPA)



Phase 1: Initiation Programme (Completed)

- Baselining for Scope 1& 2 emissions
- Material Topics Identification
- GHG Reduction Targets (SBTIs)
- Deployment of ESG Platform
- Evaluation of ESG readiness and performance vs peers

Phase 2: Programme Governance (Ongoing)

- Baselining for GHG Scope 3
- Signatory to SBTi
- Setting Scope 1 and Scope 2 emissions target based on phase 1 findings
- Design of Decarbonisation Pathway
- Energy Efficiency Audit
- Renewable Energy Integration
- Accounting of scope 3 emissions

Energy Efficiency

Our corporate-level Energy Conservation Committee (EnCon) spearheads various initiatives across our facilities to achieve energy efficiency. We are implementing energy efficiency measures throughout our facilities and operations. These measures include optimising production processes, upgrading equipment and machinery, and utilising energy management systems to monitor and reduce energy consumption.

Tracking our Progress

Our Energy Consumption

(GJ)

Total Energy Consumption	2022-23	2023-24
Total energy consumption (RE+Non RE) (GJ)	14,14,586.09	14,20,655.49
Total energy consumed from renewable sources (GJ)	797,758.73	8,77,228.606

Energy Efficiency Measures

Crop Protection Division

- Replacement of FO boiler burners to improve efficiency
- Installation of Dry Vacuum pumps
- The layout of utilities was revised to optimise energy consumption for circulation pumps in the cooling tower and chilling plant
- Installation of economisers to recover waste heat from flue gas
- Initiatives for heat recovery through condensate recovery and hot water generation
- Preventing heat loss in steam pipes through proper selection of pipe sizes
- Improvement in capacity and efficiency of briquette boilers
- Reviewed energy-intensive pumps to optimise their head and flow
- Revamped HCl Scrubber System Engineered for 32% Concentration Output
- Optimising airflow to reduce air compressor downtime
- Using a centrifugal compressor instead of a screw compressor for the chilling plant
- Initiatives to save energy in the chiller unit aimed at enhancing its performance
- Enhancing chiller performance through the installation of online condenser cleaning systems
- Initiatives to save water in cooling tower blowdown processes

INR **22.4** Million
INVESTMENTS MADE

INR **14.4** Million
YEARLY SAVINGS

Pharmaceutical Division

- Optimising pumping power through various methods
- Installation of waste heat recovery system
- Optimising cooling tower usage
- Installing Variable Frequency Drives (VFDs) in cooling tower pump

INR **0.50** Million
INVESTMENTS MADE

INR **13.4** Million
YEARLY SAVINGS

Renewable Energy

We have been consistently procuring green energy for our facilities. In 2022-23, we initiated long-term Power Purchase Agreements (PPAs) with two solar power developers this helped us to secured 8 MW and 3 MW for our Taloja and Mahad units, respectively in 2023-24. We signed an agreement to obtain renewable energy from a hybrid (wind and solar) project in 2022-23, securing 2.8 MW for our Panoli unit in 2023-24. We have begun the process of identifying a renewable energy project partner for our Jigani unit.

8,77,228.60 GJ
RENEWABLE ENERGY USED

INR **104.70** Million
TOTAL COST SAVING IN MAHAD, TALOJA AND PANOLI PLANT DUE TO USE OF RENEWABLE ENERGY

80%
TARGETED RENEWABLE ENERGY CONSUMPTION BY 2027-28

9.96%
INCREASE IN RENEWABLE ENERGY CONSUMPTION COMPARED TO 2022-23

Waste Management

We adhere to the principles of the 3R concept: Reduce, Reuse, and Recycle. We have established standard operating procedures for managing hazardous, non-hazardous, e-waste, and biomedical waste. Throughout the year, we have initiated the use of recovered solvents in our processes to minimise fresh solvent consumption. We have a dedicated laboratory focused on waste treatability studies. Conducting regular inspections allows us to implement necessary improvements for enhanced efficiency and environmental sustainability. Our 'Wealth from Waste' programme aims to identify waste materials that can be reduced, reused, or recycled.

60%
WASTE RECYCLED

6%
WASTE REUSED

90%
SOLVENT RECOVERED AND REUSED

Tracking our Progress

Waste Generated by Type

(Metric tonnes)

Waste	2022-23	2023-24
E-waste	8.84	3.23
Plastic waste	142.31	208.74
Bio-medical waste	0.06	0.06
Other non-hazardous waste	3,043.32	5,137.67
Other hazardous waste	57,693.74	57,438.13

The hazardous waste produced by our operations is responsibly disposed off through authorised recyclers and Common Hazardous Waste Collection, Treatment, Storage & Disposal Facility (CHW-TSDF). E-waste generated is sold to authorised vendors. Plastic waste is recycled through approved recyclers.

Waste Recycled/ Reused/ Recovered

(Metric tonnes)

Process	2022-23	2023-24
Re-used	2,399.20	3,984.00
Recycled	32,255.08	37,865.45
Other recovery option	64.64	1,839.00
Total waste recycled/ reused/ recovered	34,718.92	43,688.45

Water and Effluent Management

Water plays a crucial role in our business operations. We acquire surface water from either rivers or lakes managed by the Government Industrial Development Authority. In our recent initiatives, we have focused on reducing our freshwater consumption by implementing recycling methods such as Zero Liquid Discharge (ZLD), installation of Mechanical Vapor Recompression system enhancing steam recovery processes and upgrading the effluent handling infrastructure at all our sites. The lastest Mechanical Vapor Recompression system installed in our units uses energy recovered from the condensate to create a pure liquid distillate and a concentrated product/waste, reducing evaporation energy use by 90% or more.

ZLD has been installed and commissioned in our R&T facility in Pune with capacity of 30 KLD. At all other manufacturing facilities, we have installed ETPs and STPs. The treated water is reused as much as possible, and rest is discharged in compliance with regulatory requirement. We have set ambitious targets to reduce our water footprint by 2%, through these strategic initiatives.

Tracking our Progress

Water Consumption (Kilolitres)

Water Consumption	2022-23	2023-24
Total water consumption	10,65,241.50	6,09,607.50

Water Intensity (kL/INR Million)

Water Intensity	2022-23	2023-24
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	52.66	34.16

Water Conservation Initiatives

Water Recycling Initiatives

» Multi-Effect Evaporators and Reverse Osmosis units are installed at pharma sites
» Process water is recycled for washing at Crop Protection sites
» Zero Liquid Discharge facility
» Reverse osmosis system at ETP outlet water

Water Conservation Initiatives

» Optimising processes to minimise water consumption per batch
» Rainwater harvesting
» Reducing the amount of boiler and cooling tower blowdown through the implementation of an effective water treatment regimen
» Providing training sessions to raise awareness about water conservation

INR **3.5 to 4.0** Million per annum
OPERATIONAL SAVINGS DUE TO PEDAL DRYER FOR ETP SLUDGE DRYING

USD **6** Million
INVESTMENTS MADE TO ENHANCE EFFLUENT TREATMENT IN 2023-24

42.77%
REDUCTION IN FRESHWATER CONSUMPTION IN 2023-24 COMPARED TO PREVIOUS YEAR

6,09,607.50 Kilo litres
WATER FOOTPRINT IN 2023-24

Air Pollution

We have implemented effective systems to regulate emissions from boilers, diesel generators, and scrubbers across our operations. These measures include a bag house for boiler stack emissions control. Continuous air monitoring systems are installed at pharmaceutical units in Bengaluru.

The Online Continuous Emission Monitoring Systems (OCEMS) at boiler stack track PM, SOx, and NOx levels. In Crop Protection units, monthly ambient air quality monitoring is conducted by an MOEF-approved agency, assessing parameters like PM, SO_2, NO_2, NH_3, and CO. Continuous real time air monitoring is also conducted around the clock at various points within factory premises. We use express feeder system at all industrial area factories to ensure uninterrupted power supply, thus reducing reliance on diesel generators.

Tracking our Progress

Our Emissions (MT)

Emissions	2023-24
SOx	39.90
NOx	85.9
PM	96.3
CO	0
NH_3	0

Biodiversity Protection

We acknowledge the potential impact our operations may have on local biodiversity and are committed to proactively minimising any adverse effects. Regular biodiversity assessments are conducted to gauge our operational impact. Through these assessments, we discovered that our Jigani unit is situated near the ecologically sensitive Bannerghatta National Park.

To offset our ecological footprint, we are actively implementing measures to neutralise our ecological impact. We engage with our stakeholders as they help us in the process of identifying and pursuing opportunities to conserve ecosystems surrounding our operational areas.

As part of our biodiversity conservation initiatives, we have established a green belt near our chemical manufacturing facility. This area serves as a refuge for diverse species, conserving biodiversity while acting as a buffer zone that reduces pollution impacts and improves air and water quality.

#PledgeForGreenChange

This year, we celebrated Environment Week with great enthusiasm and vigour by launching #PledgeForGreenChange campaign.

#PledgeForGreenChange campaign, a powerful initiative was launched with an aim to promote sustainable living and environmental responsibility. This campaign, was launched as an online and offline initiative, centered around the theme ‘Living Sustainably in Harmony with Nature’ to foster a sense of ownership and responsibility among Hikal’s employees and stakeholders. The campaign saw huge participation on social media particularly on LinkedIn.

The leadership team set the tone of the campaign by sharing their green pledges on LinkedIn, sparking a chain reaction among our employees. Many came forward to post their pledges on LinkedIn to bring a small green change in their daily lives, creating a ripple effect that inspired others to follow suit. This public commitment not only demonstrated our collective dedication to sustainability but also formed a chain of responsibility, significantly expanding the campaign’s reach and impact.

Across all Hikal sites, the week was marked by various eco-friendly activities. At Pune R&T, employees took an Environment Oath, with senior management providing valuable insights on conservation. The Mahad plant hosted a tree plantation drive, where around 500 saplings were planted, while Jigani Unit 1 & 2 organised tree plantations, essay competitions, and poster-making events. At Panoli, the team engaged in quizzes, challenges, and training on environmental compliance. The #PledgeForGreenChange campaign successfully united the Hikal community in a shared commitment to sustainability, making a tangible impact on both our organisation and the environment.

100K+
CUMULATIVE ORGANIC IMPRESSIONS GARNERED IN A WEEK

2,617+
CUMULATIVE ORGANIC ENGAGEMENT RECEIVED IN A WEEK

400+
NEW LINKEDIN FOLLOWERS ADDED WITHOUT ANY PAID MEDIA OR PROMOTIONS

2,500+
NEW VISITORS DRIVEN TO HIKAL’S LINKEDIN PAGE

Nurturing Our Talent Pool

We deeply appreciate the strives of our employees, who have played a vital role in driving Hikal's future. We nurture a culture of excellence by actively investing in enhancing the skills and capabilities of our workforce to facilitate their personal and professional development.

Material Topics

- Diversity, Inclusion, and Equal Opportunities
- Employee Well-being, Benefits and Retention
- Employee Training and Development
- Occupational Health and Safety
- Human Rights
- Community Development

Highlights 2023-24

Zero
FATALITIES

80%
EMPLOYEE RETENTION RATE

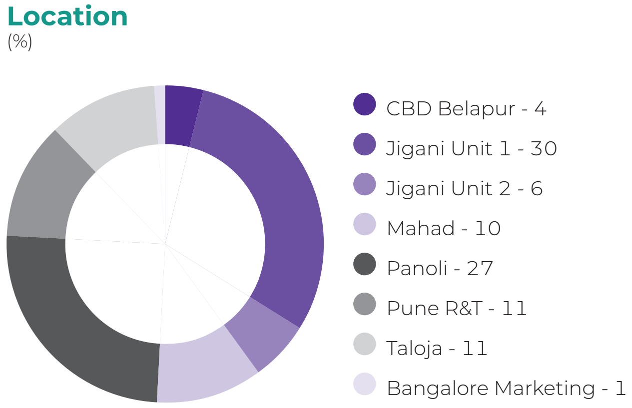
Zero
LTI FREQUENCY

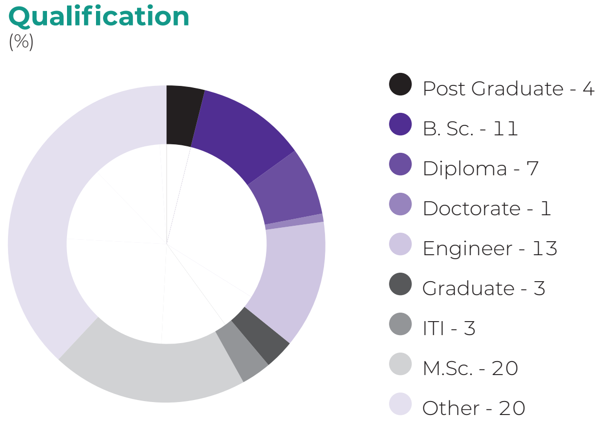
6%
FEMALE EMPLOYEES

97%
PERMANENT EMPLOYEES PROVIDED TRAINING ON HUMAN RIGHTS

26,575 hrs
OHS TRAINING PROVIDED

Total Workforce





Diversity, Inclusion, and Equal Opportunities

We consider diversity and inclusion essential for reinforcing our culture of excellence. We foster a diverse workplace, regardless of social identifiers, ensuring equal opportunities for everyone. We actively promote women in our workforce, providing them with a nurturing environment conducive to their growth. To further support our female employees, we have established a women's forum, serving as a platform for them to come together, unite, and empower each other to achieve greater heights.

6%
WOMEN EMPLOYEES IN TOTAL WORKFORCE

27.3%
WOMEN DIRECTORS

Zero
SEXUAL HARASSMENT COMPLAINTS REGISTERED IN 2023-24

All units
UNITS/ OFFICES ACCESSIBLE TO SPECIALLY-ABLED PERSONS

HIKAL Women's Forum

Hikal Women's Forum

The Hikal Women's Forum acts as a platform for female employees to come together, support each other in reaching new heights, and actively contribute to advancing the organisation as a whole.

Initiatives during 2023-24

Jigani Unit 1 Host's its Monthly Meeting in Women's Forum Meeting

At Jigani Unit 1, Women's Forum hosts monthly meetings. In November 2023 meeting, Dr. Sapna Raina, a senior gynaecologist, delivered an informative health talk on various health issues affecting women, including their causes and available treatments, well-received by attendees. The HR team also celebrated female employee's birthdays with greeting cards afterward.

Women's Day Celebration at Hikal

On 11 March 2024, Hikal celebrated International Women's Day by organising webinars and workshops focused on promoting gender diversity and inclusion. The event, themed 'Invest in Women: Accelerate Progress,' featured a variety of activities designed to empower women in the workplace. It began with an online seminar that connected all sites, where our President of HR, Ratish Jha, set the context by speaking on the theme. The event concluded with a featured video titled 'Women @Hikal,' showcasing women employees discussing what Hikal means to them. This video aimed to inspire and motivate female employees while reinforcing Hikal's commitment to gender diversity and inclusion. A special workshop was arranged to celebrate the achievements of female employees both in the workplace and in their personal lives.

Women Empowerment Training at Panoli Site

On 3 October 2023, a Women Empowerment training session was held at the Panoli site. The session aimed to equip female employees with knowledge and practical skills through interactive activities like role play, the knot game and experience sharing. The role play activity recreated real-life scenarios to build confidence and practical skills, while the knot game promoted teamwork and problem-solving, symbolising units strength. The experience sharing session allowed women to exchange insights, discuss challenges in their work and personal lives and share strategies for overcoming them.

Training on Prevention of Sexual Harassment (POSH)

To foster a safe and inclusive workplace environment, we organised a Compliance Training Programme on Prevention of Sexual Harassment (POSH) conducted in multiple batches to ensure comprehensive coverage for all employees. The training highlighted the necessity of having a dedicated committee to address any sexual harassment concerns promptly and effectively. Employees are encouraged to report any incidents of sexual harassment or discrimination to the designated committee for immediate and appropriate action.

Panoli Women's Forum – Trip to Atapi Wonderland

After a successful USFDA audit, the women employees were taken for a day trip to Atapi Wonderland on 21 July 2023. The trip featured thrilling experiences, from the exhilarating roller coaster ride to various other attractions that lifted their spirits. This outing not only brought the team closer together but also created lasting memories.

Embracing Gender Diversity at Hikal Pune R&T

Female employees at Pune R&T, Ms. Pranoti Wadkar and Ms. Rutuja Gundal, recently demonstrated exceptional dedication by successfully completing projects at manufacturing plants in Karnataka and Gujarat. Defying traditional barriers that often limit extended hours and varied shifts, they worked there until project completion. Their commitment and dedication set a powerful example for others, inspiring confidence, and encouraging greater ambitions. The Company takes pride in their achievements and remains committed to fostering diversity and inclusivity.

International Mens Day' celebration

R&T Pune celebrated International Men's Day in a unique and special way. Female colleagues surprised and honoured their male counterparts with gift hampers and personalised greeting cards. This heartfelt gesture highlighted the camaraderie that sets the R&T team apart. The celebration was a testament to the strong bond of respect and appreciation shared between male and female colleagues at R&T Pune.

Sexual Harassment Policy

We have a strict sexual harassment policy to ensure a safe, inclusive, and bias-free work environment. Our Internal Complaint Committee (ICC) investigates complaints, maintains confidentiality, and recommends actions. We follow POSH guidelines to eliminate gender-based discrimination and uphold workplace dignity and provide training on POSH for all our employees.

Employee Engagement, Well-being, Benefits, and Retention

Our dedication lies in nurturing a strong sense of belonging and empowering our employees to enhance their overall well-being. Through a range of well-being programmes and focused training initiatives, we prioritise their growth and development.

Benefits

- Paid time off
- Flexible working hours
- Paid Parental leaves
- Health insurance

Employee Engagement Programmes

How We Engage our Employees

Company-wide Events

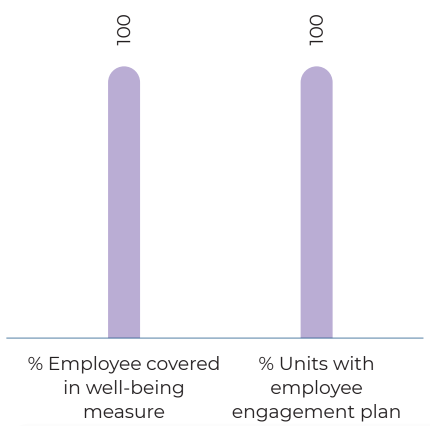
Values Week | Hi-Q Quality Week | Safety Week

Our Initiatives

Parichay | NeeV | Uday | Parigyaan | HIKAL

Coverage of our Well-being Measures

(%)



Employee Benefit Scheme

Scheme	% Coverage of employee
Health insurance	100%
Accident insurance	100%
Maternity benefits	100% (all females)
Paternity Benefits	100% (all male)

Ojas – Employee Wellness Programme

Ojas is our employee wellness programme committed to prioritising the health and well-being of our employees. Through a focused array of activities such as Yoga, Zumba, and other wellness programmes, Ojas strives to cultivate an environment that fosters healthy habits and assists our employees in attaining peak health.

Initiatives under Ojas

Pune R&T organised onsite Animal Health check	Celebration of National Road Safety Week	Mahad conducts health check-up camp for its employees	One minute safety programme at Pune R&T

Employee Retention Initiatives

- The Business Excellence and HR teams conducted a comprehensive talent evaluation using a technical questionnaire to refresh and enhance employee knowledge
- At Jigani Unit 1, the Operations Head and Head of HR held talent evaluation and succession planning meetings in October 2023 to assess and advance employee skills
- Pune R&T introduced an HR Helpdesk, offering employees a platform for one-on-one discussions with site HR every Friday to address their queries and concerns
- The Employee Hour programme at the Mahad site successfully gathered employee feedback and insights to enhance the work environment, encouraging open sharing of opinions and suggestions
- The HR department at Jigani Unit 1, held a PEP talk to reinforce the Employee Referral Scheme, educating employees on the referral process and how to claim benefits for successful referrals
- Parigyaan, our rewards and recognition programme, acknowledged the collective accomplishments, efforts, and achievements of our on-roll employees. Numerous Parigyan Awards were given out across locations to employees for their hard work and commitment
- A revised compensation structure has been implemented to enhance take-home pay for employees

Awards under Parigyaan

Spot Award	Employee of the Month Award
Innovation Award	Department of the Month Award
Team of the Month Award	Lab of the Year Award
Safety Champion of the Month Award	Rising Star of the Month Award

Employee Engagement Initiatives

- Town Hall meetings at Panoli were held throughout October, November, and December 2023 to encourage open communication. Employees were recognised under the Parigyaan programme for Employee of the Month, Rising Star, and Team Excellence
- Pune R&T's quarterly Town Hall meeting reviewed the previous quarter's performance, discussed upcoming milestones, introduced a suggestion box for employee input, and recognised Parigyaan award winners
- Hikal Academy's Team Collaboration workshop, in Mahad, focused on leadership, communication, active listening, and teamwork, emphasising the slogan 'One Team, One Voice'
- Diwali celebrations was held at various Hikal sites and included dabba party and rangoli competition, fostering joy and camaraderie among employees
- Dussehra celebrations at Hikal sites featured rangoli competition. Awards for best dressed person, best dancer were distributed. These activities promoted unity and belonging among employees
- Hikal Happify was launched to ease the leave and attendance process of employees

Hikal Premier League (HPL)

We conducted the Hikal Premier League (HPL), uniting teams from our CBD Belapur, Mahad, Panoli, Pune, Taloja, and Jigani sites. The league, featured gripping matches that allowed our employees to showcase their sporting skills. It served as an excellent platform for fostering healthy competition and reinforcing team spirit, reflecting the vibrancy of our work culture. The event highlighted how effective teamwork could lead to remarkable results, both on and off the field, demonstrating our commitment to nurturing a dynamic and collaborative work environment.

Employee Training and Development

At Hikal, we prioritise investing in our employee's growth and skill development to maximise productivity, capabilities, and value for stakeholders. Through diverse learning tools and interventions, we foster a culture of continuous learning and professional growth within our organisation.

Initiatives during 2023-24

Training and Development Programmes

- A session focused on the 7 Cs of communication was held, emphasising principles like clarity, conciseness, and courtesy. Participants gained practical strategies, with a focus on active listening for improved interaction.
- A virtual masterclass in partnership with Bain & Co was conducted, which equipped senior leaders and marketing/SCM employees with techniques for clear message delivery and efficient presentation preparation. The session provided insights on effective presentation creation, especially for executives dealing with stakeholders.
- In collaboration with insurance partner Prudent, a comprehensive training programme was held, which provided a thorough understanding of our insurance policy, covering both its inclusions and exclusions and how employees can maximise its benefits
- Senior leaders received insights into management principles inspired by practices from renowned singers in the industry,on how these principles can foster teamwork to work towards a common goal of achieving customer satisfaction
- A session in Bengaluru enhanced the senior leader's ability to manage team finances, emphasising the Power of Money's impact on organisational success
- Pune R&T organised a two-day workshop for First-Time Managers, focusing on leadership, conflict resolution, goal setting, and team management, led by experienced trainer Prafull Thakkar
- Vani coaching was completed
- The ICC KPI workshop and web tool were launched, featuring essential training on chemical transfer from the laboratory to pilot plant

Learning Platforms

- Hi-Fi Learning, a digital platform offering over 2,000 courses, was launched at plant sites, symbolising Hikal's commitment to continuous employee development

Employee Engagement and Skill Enhancement Programmes

- A transformative 15-day programme at the Panoli site facilitated cross-functional knowledge exchange among 24 employees, enriching individual skill sets and understanding of operations

39,155
TOTAL VIDEO VIEWS

71%
REPEAT LEARNERS

65%
ENROLLED FOR CONSTRUCTION SAFETY COURSE

4.7%
AVERAGE COURSE RATING

Learning and Development - LinkedIn Learning

At Hikal, we recognise the crucial role of Learning and Development in enhancing our employees' skills. To address this, we have proactively partnered with LinkedIn to develop a suite of courses tailored to our operational needs. This collaboration has led to a variety of learning initiatives, from Construction Safety to Public Speaking, aimed at closing skill gaps and boosting expertise. Delivered through LinkedIn's platform, these specialised training programmes and professional development workshops engage learners, address their specific skill needs, and provide up-to-date content that ensures they remain at the forefront of industry standards.

Objective

Build Critical Skills
To upskill our workforce and address skill gaps through hands-on practice, advanced tech content, professional certificates, and skill evaluations.

Learner Engagement
To engage learners through their daily tools including a mobile-first learning experience and seamless LMS and SCIM integrations.

Support Leadership Development
To cultivate leadership within our organisation using AI-powered coaching, career goal setting, and modern management content.

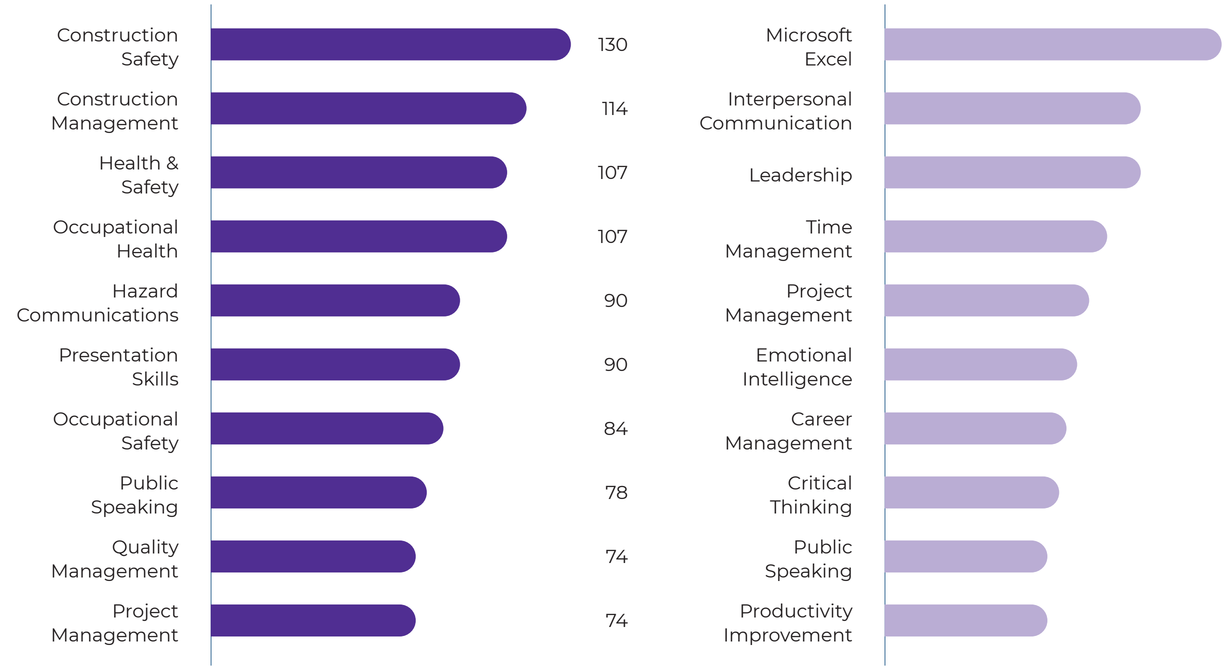
Promote Career Development and Retention
To support employee careers and reduce attrition with role guides, customisation, and career insights reporting, while actively engaging interested internal candidates.

In collaboration with LinkedIn, we developed a diverse range of courses aimed at enhancing both technical and interpersonal skills. Among these, one of the most prominent courses was Construction Safety, which saw the highest engagement with 65% of employees enrolling and receiving a rating of 4.7 out of 5. This course was instrumental in deepening participants understanding of safety protocols, significantly contributing to improved workplace safety and compliance with industry standards. Another notable course was Construction Management: Safety and Health, which attracted 57% of employees and achieved the highest rating of 4.8 out of 5. This course provided advanced safety management skills, which have been highly beneficial for participants' career development and effectiveness in managing safety practices. The Occupational Safety and Health course had 53% enrolment, offering essential insights that have led to enhanced safety practices within the organisation.

In addition to our technical courses, we offered programmes such as Public Speaking, Quality Management, and Project Management to develop essential soft skills among employees. Although these courses aimed to enhance valuable interpersonal abilities, our recent analysis revealed a preference for technical courses over soft skills. This trend underscores employees' focus on advancing their technical expertise, aligning with the organisation's commitment to fostering both essential technical skills and comprehensive professional development.

Skills Hikal is Developing Compared to Peers

Top Skills Hikal Learners are Developing | **Top Skills Peer Learners are Developing**



Digital and Social Media Growth

Our social media strategy has driven impressive engagement, and we are planning to enhance our presence with more business updates, CSR initiatives presented in innovative formats to establish our brand presence.

Our LinkedIn presence has demonstrated significant growth, with an engagement rate of 9.46% from April 2023 to date, surpassing the LinkedIn benchmark of 3.85%. This success is attributed to a diverse content mix of business updates, CSR activities, and team highlights, with posts featuring leaders achieving the highest engagement. However, since September, engagement has declined due to fewer posts. To address this, we plans to expand our content strategy by including more business news, team-centric updates, and CSR initiatives. We aim to experiment with video series featuring leaders, boost employee visibility through LinkedIn, and creatively showcase our CSR activities. This strategic expansion is crucial for maintaining high engagement levels and reinforcing our brand presence on social media.

+14.6k
FOLLOWER GROWTH
+45.8% Y-O-Y

75k
ENGAGEMENT
(A TOTAL OF 78 POSTS)

9.46%
ENGAGEMENT RATE
(+145% better than avg. benchmark for the platform)

Occupational Health and Safety

Ensuring the health and safety of our workforce is essential for maintaining a productive work environment. We understand our responsibility in implementing thorough safety protocols and offering suitable training to address workplace hazards effectively. Through a range of training programmes and campaigns, we actively promote the health and safety of our employees.

Health and Safety Performance

Health and Safety Performance	2022-23	2023-24
LTIFR	0.3	0
Total recordable work-related injuries	1	0
Number of fatalities	0	0
High consequence work-related injury	0	0

Fostering Safety Culture: Hikal's Month-Long Safety Campaign

Hikal conducted a month-long safety campaign with the goal of cultivating a safety-centric culture among employees. The campaign aimed to increase awareness of safety protocols and procedures, encourage proactive safety practices, foster open communication, and prioritise safety in daily operations. It consisted of various activities geared towards boosting safety awareness and preparedness among employees.

Workshops on Safety Protocols

Internal and external experts led sessions on the importance of adhering to safety protocols, covering topics like hazardous materials handling, equipment safety, emergency response, and proper PPE usage were held.

Hands-on Training

Employees received practical training on handling safety equipment along emergency response procedures, enhancing their understanding and preparedness for real-life scenarios.

Safety Demonstrations

Live demonstrations on handling techniques and safety precautions, allowing employees to witness best practices first-hand were organised.

Safety Awareness Campaigns: Safety Through Excellence

Posters, banners, and digital displays with safety messages were placed across Hikal sites to remind employees of safety principles.

Safety Competitions

Interactive competitions, such as safety quizzes, scenario-based challenges, and slogan contests, were held during National Safety Week to promote participation and reinforce learning.

Employee Engagement

Employee engagement was fostered through photo booth contests, safety commitment activities. A Safety Marathon was also held to educate a broader audience about safety importance.

Recognition and Rewards

Employees who demonstrated outstanding safety practices were acknowledged and rewarded to reinforce positive behaviours and inspire others to uphold safety standards.

Media Coverages

Hikal's Safety Campaign was covered by various media outlets, helping to spread the Company's safety message to a wider audience.

Safety Marathon

The Bharuch Running Club organised the Safety Marathon to raise awareness about the importance of safety. Participants from diverse backgrounds united to run for this vital cause.

Safety Initiatives during 2023-24

Boosting Concentration: Eye for Detail Training

The IT and HR teams participated in the "Eye for Detail" training, focusing on maximising concentration and managing distractions. The session included activities to assess attention span and provided strategies for improving focus by recognising and redirecting distractions.

Safety Department Conducts Safety Training

The Safety Department provided mandatory training on fire prevention and safety measures, including emergency plan operations, risk assessments, chemical safety, and electrostatic hazard controls.

One Minute Safety Programme at Pune R&T

Pune R&T conducts a one-minute safety review every fourth Saturday, addressing major unsafe acts, conditions, near misses, accidents, and incidents from the previous month. This forum also allows employees to share personal safety experiences.

Celebration of National Road Safety Week

During National Road Safety Week, Pune R&T Centre hosted events to promote road safety. A 'Defensive Driving' training programme, led by former RTO inspector Mr. Anil Pantoji, covered the latest Motor Vehicle Act amendments, driving do's and don'ts, and traffic signs. Additionally, a quiz competition was held to further raise road safety awareness.

#Driving Excellence: Hikal's 11th Quality Week Celebration

Hikal celebrated its 11th Quality Week from 20 November to 24 November 2023,, themed 'Quality Means Excellence,' with active participation from all sites. Activities included an 'Excellence Quiz,' 'Slogan Submission,' and the 'Chaka-Chak' contest for site maintenance. Over 300 employees joined the Hazard Hunt, and more than 350 pledged commitments to quality on the commitment walls. Face-to-face forums featured excellence stories from over 30 employees, highlighting the importance of quality in achieving overall success.

Human Rights

In our organisation, we strongly uphold human rights as a fundamental value. Our 'No Child or Forced Labour Policy' guarantees that individuals under the age of 18 are not engaged in employment. We perform annual audits, overseen by our internal audit and EHS departments, to ensure compliance with this policy.

97%
PERMANENT EMPLOYEES PROVIDED TRAINING ON HUMAN RIGHTS

100%
PERMANENT WORKERS ASSOCIATED WITH A UNION

Respecting Human Rights

We are currently undertaking human rights due diligence with the assistance of an independent agency to uncover potential human rights risks within our operations and take appropriate actions to prevent or mitigate these risks. We acknowledge the significance of employee unions in protecting workers interests. Our organisation wholeheartedly endorses the freedom of association and the right to establish and join unions, in accordance with international labour standards.

Community Development

We are dedicated to generating shared value for communities surrounding our operational sites. Our CSR programme, 'Srijan,' is a vital component for our sustainable progress and advancement. We collaborate with non-governmental organisations (NGOs) in various areas such as secondary education, skill enhancement, employability, infrastructure development, healthcare, sanitation, environmental sustainability, and the preservation of national heritage, art, and culture.

Intervention Areas

1. **Anahat** Environment and ecology protection
2. **Medha** Education and skill development
3. **Kaushalya** Healthcare and sanitation
4. **Rachna** Protection of national heritage, art, and culture
5. **Sampark** Employee contribution

Anahat

Supporting the Twin Glacier Foundation

We are supporting the Twin Glacier Foundation in its efforts towards infrastructure development and lake rejuvenation. Our aim is to provide potable water to nearby village residents, ensuring a reliable and clean water supply while also promoting ecological sustainability in the region.

Rejuvenation of Waterbodies

We have sponsored the rejuvenation of 25 water bodies across 25 villages in Bharuch as part of the Gujarat Government's 'Amrit Sarovar' scheme. This initiative aims to enhance water resources and ensure sustainable water availability for these communities.

Water Distribution Pipeline Work

We are sponsoring the water distribution pipeline work in Sutarkond-Mahad village. This project aims to improve water accessibility and ensure a consistent and clean water supply for the local residents.

Continuation of Partnership for the Tetvali Afforestation Project at Rabale

We have initiated an Afforestation project at Tetvali, Rabale, Navi Mumbai in collaboration with the International Association of Human Values (IAHV). The forest site, spanning 33 acres, includes a biodiversity park and butterfly park and is designed using a scientific approach. We have planted ~14,200 trees of 50 varieties and employs advanced technologies like drip irrigation to maintain it. This is now one of the largest urban afforestation projects in India.

Support to World Wide Fund (WWF)

We have provided support to the World Wide Fund (WWF) Nature Guardian Programme, contributing to the conservation and protection of wildlife and ecosystems.

Medha

Jigani Plant Conducts CSR Activity at Mathrubhoomi Foundation

The Jigani plant organised a Corporate Social Responsibility (CSR) initiative at the Mathrubhoomi Foundation in Singasandra, Bangalore. This foundation is dedicated to making a lasting impact on the lives of children and destitute individuals by offering love, free education, food, and clothing.

As part of this CSR activity, Hikal provided groceries, essential clothing items, and lunch for the children at the foundation. This initiative will be continued annually to further support the foundation's mission of improving the lives of underprivileged children.

Sponsoring Children with Special Needs

The Taloja site hosted an exhibition and sale featuring handmade earthen lamps, lanterns, floating candles, and various handicrafts crafted by differently abled children. This event, organised by Aai Day Care Sanstha on Thursday, 7 November 2023, garnered an enthusiastic response from attendees and was highly appreciated by the employees. We have even supported Aai Day Care Sanstha by sponsoring 15 children with special needs, providing them with essential care and resources

Financial Aid to Disabled and Marginalised Children

We are supporting Adarne Charitable Trust in providing financial assistance for the education of disabled and marginalised children. This initiative aims to ensure that these children have access to the educational opportunities they deserve.

Distribution of School Bags, Notebooks and Groceries at Jigani

For the past decade, we have been actively involved in enhancing education and skill development in Government Schools near Jigani, Bangalore. We supported faculty development programmes at these schools. We distributed school bags and notebooks to the children studying there.

Infrastructure Development at Schools

We renovated a 110-year-old Government school in Anekal, Bengaluru. We played a crucial role in demolishing the old building, constructing a new one, painting, compound wall, playground, auditorium, and drainage repairs.

Enriching the Lives of Underprivileged Children

We have extended support to the Raginiben Bipinchandra Seva Karya Trust, enriching the lives of underprivileged children and families through diverse initiatives focused on healthcare, education, nutrition, livelihoods, women's empowerment, and youth development.

Kaushalya

Menstrual Awareness Session

In collaboration with IHAV, Pune R&T held two sessions on menstrual awareness for adolescent girls from the Zilla Parishad School of Maan Village. The aim was to provide education on menstruation. The Site HR, alongside the IAHV team, distributed hygiene kits to the girls, essential for maintaining good hygiene during menstruation, thus reducing the risk of reproductive tract infections. Approximately 80 schoolgirls attended the sessions, which also incorporated yoga, meditation, and exercises to promote physical fitness and vitality during menstruation.

80
SCHOOL GIRLS BENEFITTED

Medical and Healthcare Assistance

We are sponsoring Seva Yagna Samiti to provide medical and healthcare assistance to the marginalised sections of society. This support aims to improve health outcomes and ensure that essential medical services are accessible to those in need.

Providing Access to Medical Facilities

We have extended our partnership with Bharuch-based NGO Seva Yagna Samiti at our Panoli unit. Together, we provided ICU/ ICCU facilities, timely diagnosis, medications, and hospitalisation for underprivileged individuals. This initiative has supported over 150,000 patients in six years.

150,000
PATIENTS BENEFITTED IN LAST 6 YEARS

Rachna

Promoting and Conserving Indian Performing Arts

We have provided support to the NCPA in promoting and conserving Indian performing arts and literature. This initiative aims to preserve our rich cultural heritage and encourage artistic expression among diverse communities.

Support to the Museum of Art & Photography

We have provided support to the Museum of Art & Photography (MAP) in Bangalore with an aim to enrich cultural experiences and foster appreciation for art and history in the community.

Support to Tata Literature Live Lit Fest

We have provided support to Tata Literature Live Lit Fest in its efforts to preserve cultural art and heritage, fostering a platform for literary discourse and celebrating diverse narratives.

Support to Mehli Mehta Music Foundation

We have provided support to the Mehli Mehta Music Foundation in its mission to offer accessible music education to children from all backgrounds, nurturing a love for music and fostering cultural enrichment.

Supporting the Theoretical Art Education

We have extended support to JNANAPRAVAHA Foundation, which provides theoretical art education courses accessible to children from all backgrounds, nurturing creativity and cultural appreciation across diverse communities.

Support to Chhatrapati Shivaji Maharaj Vastu Sangrahalaya

We have provided support to Chhatrapati Shivaji Maharaj Vastu Sangrahalaya in its efforts to conserve and promote our rich cultural art and heritage, ensuring its preservation for future generations to appreciate and learn from.

Sampark

Visiting Old Age Home

As part of our community outreach commitment, the Pune R&T team undertook a touching visit to Prerna Bhawan, an old-age home and orphanage. This initiative deeply impacted our employees and left a lasting impression on the lives of Prerna Bhawan's 162 residents. Dedicated members of the R&T team participated in the visit, sharing a valuable experience as they treated the residents to lunch and engaged with them meaningfully.

162
OLD AGE RESIDENTS VISITED

Bicycle Library for New English School

Hikal launched a Bicycle Library project for New English School in Mahad. This initiative aimed to tackle transportation hurdles encountered by students, especially those from tribal backgrounds, by gifting 59 bicycles to the school. The primary goal was to offer a sustainable solution to transportation challenges, facilitating easier commuting for students to and from school.

59
BICYCLES DONATED TO SCHOOL

Employees Visit Aai Day Care

Hikal employees paid a visit to Aai Day Care, where they were given a tour of the facilities by NGO co-partner, Premlata. The visit offered an opportunity to witness the remarkable work being carried out by specially trained teachers, who were providing instruction to students across various age groups. The school not only focuses on academic education and arts/craft activities but also provides physical training and opportunities for participation in sports, music, and dance, all under the guidance of dedicated teachers. During the visit, the EHS head of Hikal presented a donation cheque to Aai Day Care on behalf of Hikal, underscoring the Company's commitment to supporting the invaluable efforts of the NGO.

Blood Donation Camp

Panoli team organised a Blood Donation Camp partnering with Red Cross Hospital. Approximately 60 employees participated, demonstrating compassion and solidarity. About 60 units of blood were collected, contributing significantly to healthcare emergencies.

60
UNITS OF BLOOD COLLECTED

Voluntary Donation Drive

Pune R&T team organised a Voluntary Donation drive with Goodwill India during 'Values Week'. The drive aimed to support underprivileged communities with essential supplies. Employees showed commendable response and participation, with some purchasing new items for donation.

Integrated Watershed Development Project

We announced the inauguration of the Watershed Management Programme on World Earth Day to address the severe water scarcity affecting the Pimpalkond watershed in Maharashtra, India. Throughout this project, ~750 hectares of land was treated with soil and water conservation measures. The project aimed at implementing a comprehensive, integrated watershed development programme to enhance water availability, fostering sustainable and equitable development within the community.

42,458
BENEFICIARIES

The Way We Lead

At Hikal, we recognise the need and significance of good governance in maintaining sustainable and mutually beneficial relationships with all stakeholders. We strictly adhere to the principles of ethics, fairness, and transparency. Our corporate governance structure ensures effective engagement with diverse stakeholders, enabling us to adapt to evolving circumstances.

Material Topics

- Risk Management and Business Continuity
- Regulatory Compliance
- Product Quality, Safety, and Labelling
- Research and Innovation
- Sustainable Supply Chain
- Sustainable Financial Performance
- Data Integrity and Security
- Customer Engagement

Highlights 2023-24

Zero
CORRUPTION INCIDENTS REPORTED

27.3%
WOMEN DIRECTORS

55%
INDEPENDENT BOARD OF DIRECTORS

Governance Structure

Our Board of Directors maintains transparency, integrity, and accountability across all organisational tiers. Meanwhile, our Management Committee is dedicated to executing our value creation strategy while prioritising the generation of shared value for all stakeholders.

Our governance framework is built on three pillars to accomplish our mission.

Board of Directors
↓
Board Committees
↓
Management

Board Committees

Board Committees support in fulfilling responsibilities by offering valuable perspectives, improving governance protocols, and delivering regular reports to the Board of Directors. Currently, the Board has five committees.

Board of Directors
Chaired by Non-Independent Director

11
MEMBERS

55%
INDEPENDENT

Nomination and Remuneration Committee
Chaired by Independent Director

6
MEMBERS

5
MEETINGS

83%
INDEPENDENT

Audit Committee
Chaired by Independent Director

4
MEMBERS

7
MEETINGS

75%
INDEPENDENT

Corporate Social Responsibility Committee
Chaired by Non-Independent Director

4
MEMBERS

2
MEETINGS

25%
INDEPENDENT

Stakeholders' Relationship Committee
Chaired by Independent Director

3
MEMBERS

1
MEETING

66%
INDEPENDENT

Risk Management Committee
Chaired by Non-Independent Director

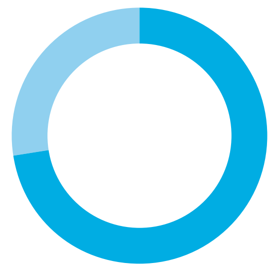
5
MEMBERS

2
MEETINGS

40%
INDEPENDENT

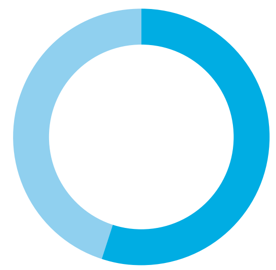
Board Composition

Board Diversity
(%)



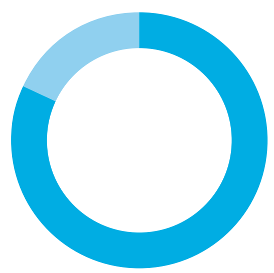
- Male - 72.7
- Female - 27.3

Board Independence
(%)



- Independent - 55
- Non-Independent - 45

Board Age Profile
(%)



- >50 years - 82
- 30-50 years - 18

Board Policies

- Risk Management Policy
- Dividend Distribution Policy
- Whistle-Blower Policy
- Policy for Determination of Materiality of any Events or Information
- Policy for Determining Material Subsidiary
- Policy on the Preservation of Documents
- Related Party Transactions Policy
- CSR Policy
- Remuneration Policy
- Archival Policy

Code of Conduct

Our Code of Conduct extends to all Directors, senior management, employees, and broader business partners. It is rooted in our core values and principles and outlines expectations for various scenarios. We maintain a zero-tolerance policy towards corruption and unethical behaviour. During the reporting year, there were zero cases of corruption.

100%
WORKFORCE TRAINED ON CODE OF CONDUCT

Risk Management and Business Continuity

We employ a comprehensive risk management process to promptly identify risks, analyse mitigation strategies, and pinpoint areas for improvement to address any unforeseen adverse events in our business. Our performance is influenced by a myriad of known and unknown risks, uncertainties, and varying assumptions. These encompass global and domestic economic conditions, industry performance both domestically and globally, external competition, regulatory factors, future growth and expansion prospects, technological advancements, potential changes in revenue, income, or cash flows, market risks, and others.

Acknowledging these risks, we maintain a formal and systematic approach to risk identification and management, which is pivotal in realising our strategic objectives.

Risk Management Governance Structure

Risk Management Committee
It establishes a Risk Management Framework to ensure that we appropriately balance risk and reward by taking necessary measures.

Risk Co-ordinator
It evaluates and oversees risk, facilitating coordination between the Executive Committee and Risk Management Committee.

Executive Risk Committee
It recognises risks, formulate mitigation plans, and execute strategies to mitigate risks.

Risk Management Process

At Hikal, all Senior Executives, under the direction of the Managing Director, oversee the risk management process. The sequence of Risk Management processes is as follows:

- Identify, evaluate, and escalate risk affecting the Company's objectives
- Establish strategies to address risks appropriately
- Track any changes in identified risks
- Monitor the effectiveness of existing risk management measures
- Report risks and risk management measures to the Risk Management Committee

Risk Profiles

Impact \ Likelihood	Low	High
High	Crisis and Risk Management Frequent updates in USFDA requirements Dependence on China for raw materials supplies Key customers/ products dependence Adverse impact of natural calamities on plant operation Cyber attack Increasing competition	Delay and failure to comply with laws and regulations Non-complying with PCB consent and hazardous waste guidelines Project costs and schedule overruns Monopoly/limited suppliers for raw materials
Low	Lack of IT disaster recovery plan	High employee attrition rates

Risk Categories and Mitigation

Supply Chain

What Does It Mean for Us?

The industry has long been concerned by its reliance on China for crucial raw materials. We also rely on certain raw material sources from China, where monopolies or limited suppliers exist. Occasionally, obtaining customer approval for alternative vendors is necessary, and any modifications to our current operations can prolong our efforts to develop alternative vendor solutions.

Mitigation

We routinely track our advancements in Alternate Vendor Development (AVD) and allocate additional resources for exploring alternative options.

We are partnering with suppliers in India, Europe, Japan, Korea to ensure supply security

We are enhancing real-time network visibility, ensuring safety stocks are maintained, and employing analytics to pinpoint vulnerabilities in the supply chain, fostering efficient and resilient operations.

We are focusing on localisation by developing local vendors and offering support in compliance and process efficiency.

Business Development

What Does It Mean for Us?

Crucial for our exponential growth, which can only be achieved with increasing customers and products.

Mitigation

We are developing new products and expanding into new markets/customers, diversifying our business, and anticipating significant growth in future.

Business Continuity

What Does It Mean for Us?

Disruption to business operations caused by unforeseeable catastrophes.

Mitigation

We maintain a robust onsite emergency plans and maintain adequate insurance coverage to address unforeseen calamities effectively.

Our IT disaster recovery plan (IT DRP), along with our business continuity plan, is designed to swiftly restore hardware, applications, and data to meet business recovery requirements.

We are in the process of launching a comprehensive crisis management plan to address internal and external crises effectively.

Cyber Security

What Does It Mean for Us?

The increasing complexity and range of cyberattacks pose a significant threat to our reputation, often leading to severe financial consequences.

Mitigation

We have allocated substantial resources to fortify our cybersecurity and safeguard data. Our cybersecurity protocols evolve in tandem with the Company's expansion. We regularly assess and enhance our resilience against cyber threats and provide ongoing awareness training for all employees.

Human Resource

What Does It Mean for Us?

The efficiency of our intricate manufacturing processes relies heavily on the skill and experience of our operating staff.

Mitigation

We strive to recruit, incentivise, and retain key operational personnel. We closely monitor turnover rates, particularly among junior and mid-level managers. Our competitive compensation packages are regularly reviewed. We implement various engagement initiatives and engage with employees periodically to address any imminent concerns.

Project

What Does It Mean for Us?

We have initiated several business expansion projects valued at approximately INR 400 Million. Timely and budget-compliant project completion is vital for our business's success.

Mitigation

With expert teams, efficient project monitoring tool, enhanced project, and procurement procedures, and the concerted we ensure timely project completion.

Strategy

What Does It Mean for Us?

In some product lines, evolving competition from established and emerging players may affect our market share and customer retention.

Mitigation

We proactively assess competitors and markets while investing in technology to optimise operations and deliver high-quality products to customers.

Compliance

What Does It Mean for Us?

We are exposed to hazard risk due to handling hazardous chemicals.

Mitigation

We strive to ensure a safe workplace, complying with safety laws and standards. Our effluent plants receive regular upgrades to meet compliance requirements.

We have implemented a digital compliance management system with clear responsibility assignments updated regularly. Oversight by the Directors' Audit Committee ensures compliance through established monitoring mechanisms.

Regulatory

What Does It Mean for Us?

In our dynamic environment, regulatory factors constantly impact our operations and expansion. New laws, interpretations, and regulatory scrutiny may affect our plans.

Mitigation

We are implementing the concept of perpetual inspection readiness by maintaining stringent controls, including regular plant audits, a dedicated compliance team, and ongoing training.

Sustainable Supply Chain

At Hikal, the selection of suitable partners is vital for meeting our business goals, upholding our social and environmental responsibilities, and securing the longevity of our Company. We manage our value chain partners by ensuring they adhere to the principles outlined in our Code of Conduct. As we move forward, we are dedicated to harmonising our partners' values with ours and integrating technology into our supply chain operations.

Our supplier evaluation criterion is based on EHS, quality, and statutory requirements for our critical value chain partners that are based in India via onsite and offsite audits. We have started conducting regular awareness sessions for our value chain partners.

100%

VALUE CHAIN PARTNERS ASSESSED FOR HEALTH AND SAFETY PRACTICES AND SAFE WORKING CONDITIONS

Assessment of Value Chain Partners

	% of Value Chain Partners Assessed in 2022-23	% of Value Chain Partners Assessed in 2023-24
Child labour	100	100
Forced labour/involuntary labour	100	100
Sexual harassment	100	100
Discrimination at workplace	100	100
Wages	100	100

Data Integrity and Security

We have deployed multi-layered security solutions in our IT systems to safeguard against direct exposure or vulnerabilities to cyber-attacks.

- Email gateway, antivirus, and anti-phishing measures to enhance email security
- Real-time monitoring and defence against known and zero-day attacks with Endpoint Detection and Response (EDR) solution featuring Advanced Threat Protection (ATP) engines
- Protection against zero-day attacks for all end-user devices and servers with antivirus solutions
- Added security layer for server access with multi-factor authentication utilising OTP
- Ensuring safe internet access with best-in-class web-security solutions.

Board of Directors

Jai Hiremath
Executive Chairman

Founder and Executive Chairman with over 42 years of experience in the fine chemicals and pharmaceuticals industry.

Qualifications
Chartered Accountant England and Wales, Owner President Management Programme, Harvard University, USA

Sameer Hiremath
Managing Director

Qualifications
BE (Chem), MBA & MS (I.T.) – Boston (USA)

Sugandha Hiremath
Non-Executive Director

Qualifications
B. Com

Amit Kalyani
Non-Executive Director

Qualifications
Mechanical Engineering from Bucknell University, Pennsylvania, USA, Owner President Management Programme, Harvard University, USA.

Shivani Sachdeva
Independent, Non-Executive Director

Qualifications
MBA from the Wharton School, University of Pennsylvania, B.A. in Economics from Mount Holyoke College (Phi-Beta-Kappa, Magna Cum Laude, Sarah Williston Scholar)

Shrikrishna Adivarekar
Independent, Non-Executive Director

Qualifications
Chartered Accountant & Commerce Graduate

Ramachandra Kaundinya
Independent, Non-Executive Director

Qualifications
Undergraduate in agricultural sciences from Andhra Pradesh Agricultural University and PG Diploma in Management from IIMA

Berjis Desai
Independent, Non-Executive Director

Qualifications
LLB, University of Bombay & LLM Cambridge University, UK and Solicitor.

Ravi Kapoor
Independent, Non-Executive Director

Qualifications
Alumnus of the Mumbai University

Ranjana S. Salgaocar
Independent, Non-Executive Director

Qualifications
Master of Management Studies from Jamnalal Bajaj Institute of Management, Bombay University and is a Gold Medallist in Bachelor of Social Work, Bombay University

Sarangan Suresh
Whole Time Director

Qualifications
Postgraduate in Chemical Engineering from Indian Institute of Science Bangalore

Management Committee

Jai Hiremath
Executive Chairman

Founder and Executive Chairman with over 42 years of experience in the fine chemicals and pharmaceuticals industry.

Qualifications

Chartered Accountant England and Wales, Owner President Management Programme, Harvard University, USA

Sameer Hiremath
Managing Director

Qualifications

BE (Chem), MBA and MS (I.T.) – Boston (USA)

Anish Swadi
Senior President – Animal Health and Business Transformation

Qualification

Bachelor's degree in International Business and Finance from Ithaca College, New York, USA and Management Development Programme from the Wharton School

Kuldeep Jain
Chief Financial Officer

Qualification

Chartered Accountant and Member of the Institute of Chartered Accountants of India, New Delhi

Manoj Mehrotra
President – Pharmaceuticals

Qualification

B.Tech (Hons) in chemical engineering from IIT-Kharagpur and an MBA from XLRI, Jamshedpur

Vimal Kulshrestha
President – Crop Protection

Qualification

B. Tech in Chemical Engineering from H.B. Technical Institute, Kanpur and Executive Management from IIM Kolkata

Ratish Jha
President – Human Resources

Qualification

Alumnus of TISS Mumbai. Took business certifications programme from IMD Switzerland, University of Michigan, AOTS Japan, ISB, IIM-A

Directors' Report

To,

The Members,

The Directors are pleased to present the 36th Annual Report with the Audited Standalone and Consolidated Financial Statements for the financial year ended 31 March 2024.

1. Financial Results

₹ in million

	2023-24	2022-23
Total Revenue	17,870	20,284
Profit before interest & depreciation	2,694	2,625
Finance Costs	564	481
Profit before depreciation	2,130	2,144
Depreciation and amortisation	1,176	1,090
Profit before taxation	954	1,054
Provision for taxation		
- Current tax	284	305
- Deferred tax	(25)	(35)
Profit after tax	695	784
Reserves and surplus	11,629	11,088
Dividend on equity share	148	123

2. COMPANY PERFORMANCE

The Company achieved revenue of ₹17,870 million in 2023-24, against ₹20,284 million in the previous year, recording a decline of 12%. The sales of the pharmaceutical business recorded a decline of 1% to ₹11,002 million, while the sales of the Crop Protection saw a decline of 25% to ₹6,844 million. Primarily due to Significant channel inventory coupled with over-capacity has resulted in reduced sales.

The EBIDTA margins improved by 214 bps on the back of stable raw materials prices, improved product mix and ongoing business excellence initiatives & stood at around 15%, increased from ₹2,625 million in the previous year to ₹2,694 million in 2023-24. Absolute EBITDA increased by ₹69 million. The Profit before Tax (PBT) reduced by 9% from ₹1,054 million in the previous year to ₹954 million in 2023-24. Profit After Tax (PAT) witnessed a decline of 11% from ₹784 million in the previous year to ₹695 million in 2023-24 due to increase in interest cost and depreciation as new assets were capatilised. The Earning per Share (EPS) decreased from ₹6.36 in the previous year to ₹5.64 in 2023-24.

The Company is incurring substantial capital expenditure for growth in both businesses & to create capacities for new products as well as existing products.

The Company has prudently been funding the growth Capex with a mix between internal accruals and long-term loans. In doing so, the Company ensures that it maintains a healthy liquidity position and that its financial gearing and debt service coverage are at comfortable levels.

The Current Ratio of the Company is at 1.28 for 2023-24, as against 1.42 in the previous year. The net Debt to Equity Ratio slightly increased from 0.61 in the previous year to 0.67 in 2023-24, while the Debt Service Coverage Ratio (DSCR) declined from 1.77 in the previous year to 1.52 in 2023-24.

3. EXPORTS

Exports for the year 2023-24 were ₹11,082 million (63% of total sales) as compared to ₹13,684 million (68% of total sales) in the previous year. The decrease in exports were due to over capacity and high channel inventory at an industry level.

4. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis on the Company's operations is provided in a separate section and forms part of this Annual Report.

5. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Company's Business Responsibility and Sustainability Report, in terms of Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, (Listing Regulations), is provided in a separate section and forms part of this Annual Report.

6. DIVIDEND & RESERVES

The Company had in the financial year 2023-2024 declared and paid in the month of March 2024 an interim dividend of 30% i.e. 60 paise per share of face value of ₹2/- each. Further, the Board has recommended a final dividend of 30% i.e. ₹0.60 per share of ₹2/- each. The payment of final dividend is subject to the approval of shareholders at the ensuing Annual General Meeting of the Company. If the final dividend is approved by the shareholders, the total dividend for the Financial Year 2023-24 shall aggregate to 60% i.e. ₹1.20/- per share of face value of ₹2/- each.

As per the Income Tax Act, 1961, dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. The Company shall, accordingly, make the payment of the final dividend after deduction of tax at source.

During the year under review, the Company has not transferred any amount to any of the reserves maintained by the Company.

The Dividend Distribution policy of the Company which provides the Company's philosophy on Dividend is available on the website of the Company at https://www.hikal.com/uploads/documents/HIKAL-DividendDistributionPolicy.pdf

7. SHARE CAPITAL

There has been no change in the Company's paid-up share capital during the current financial year. The paid-up equity share capital as on 31 March, 2024, stood at ₹246.60 million. During the financial year, the Company did not issue shares with differential voting rights nor granted any stock options or sweat equity. As on 31 March, 2024, none of the Company's Directors held any instruments convertible into equity shares of the Company.

8. ANNUAL RETURN

The Annual Return of the Company, as required under Section 92 of the Companies Act, 2013 (the Act), read with the Rules framed thereunder, in the prescribed Form MGT-7, is available on the website of the Company at www.hikal.com/documents/agm.

9. SUBSIDIARIES

The Company has two subsidiaries viz. Acoris Research Limited and Hikal LLC, USA. A statement containing the salient features of the Financial Statements of subsidiaries in the prescribed Form AOC-1, is attached as **"Annexure A"** to this Report. The Company will provide the Financial Statements of the subsidiaries and the related information to any member of the Company who may be interested in obtaining the same. The financial statements of the subsidiaries will also be available for inspection in electronic mode. Members who wish to inspect the same are requested to write to the Company by sending an email to secretarial_agm@hikal.com. The Consolidated Financial Statements of the Company, forming part of this Annual Report, include the Financial Statements of subsidiaries. The Financial Statements of subsidiaries are also hosted on the website of the Company at www.hikal.com/documents/annual-reports.

10. DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013, and the Company's Articles of Association, Mrs. Sugandha Hiremath (DIN - 00062031), Director, retires by rotation at the forthcoming Annual General Meeting (AGM), and being eligible, offers herself for re-appointment.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has re-appointed, in its meeting held on 1 August 2024, Mr. Shrikrishna K. Adivarekar (DIN: 06928271) as an Independent Director for the second consecutive term of 5 years with effect from 22 December 2024, subject to the approval of the shareholders by way of a Special Resolution.

The members of the Company at their 35th Annual General Meeting held on September 26, 2023 approved the appointment of Mr. Berjis Minoo Desai (DIN: 00153675) and Mr. Ramachandra Kaundinya Vinnakota (DIN: 00043067) as Independent Directors for a term of 5 (Five) years with effect from 1 October 2023. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors approved the appointment of Mr. Ravi B. Kapoor (DIN: 01761752), Mrs. Ranjana S Salgaocar (DIN: 00120120) as Independent Directors of the Company, for a term of 5 (Five) years each with effect from 11 January 2024 and 23 March 2024 respectively. The appointments of Mr. Ravi B Kapoor (DIN: 01761752) and Mrs. Ranjana S Salgaocar (DIN: 00120120) as Independent Directors of the Company have also been approved by Members of the Company vide their special resolution passed through Postal Ballot on 20 March 2024 and 24 May 2024 respectively. Further based on the recommendation of the

Nomination and Remuneration Committee, the Board of Directors approved the appointment of Mr. Sarangan Suresh (DIN: 10562713) with effect from 1 April 2024 as Whole Time Director of the Company for a term of 5 (Five) years, which has been approved by the Members through Postal Ballot on 24 May 2024.

Pursuant to the provisions of Regulation 17 (1A) of the SEBI Listing Regulations, no listed entity shall continue the directorship of any person as a Non-Executive director who has attained the age of 75 years unless a special resolution was passed to that effect. The Company had therefore approached the shareholders for their approval, by way of special resolution to be passed by Postal Ballot, for the continuation of directorship of Mr. Babasaheb Neelkanth Kalyani (DIN: 00089380), after attaining the age of 75 years on 7 January 2024. As per the votes cast by the shareholders and the report of the scrutiniser dated 25 December 2023, the resolution did not receive the requisite majority from the shareholders and was therefore considered 'not passed.' Mr. Babasaheb Neelkanth Kalyani resigned from the Directorship of the Company on and with effect from 29 December 2023. The Board places on record its gratitude and appreciation for the guidance received from Mr. Kalyani, during his tenure on the Board of the Company.

Mr. Ranjit Gobindram Shahani (DIN: 00103845) Non-Executive, Independent Director of the Company, passed away on 9 March 2024, the Board expresses its sincere condolences to the Shahani family. The Board also places on record its gratitude and appreciation for the guidance received from Late Mr. Shahani, during his tenure on the Board of the Company.

Further, Mr. Prakash V Mehta (DIN: 00001366) and Dr. Kannan K. Unni (DIN: 00227858) completed their respective second tenures as Independent Directors of the Company on 31 March 2024 and retired from the Board accordingly. The Board places on the record its appreciation for the wisdom and guidance imparted by its veteran Directors, during their long stint with the Company.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013, and Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended. In the opinion of the Board, the Independent Directors appointed during the year possess the integrity, expertise and experience (including proficiency) required to contribute to the quality and better governance of the Board processes.

Details of the number of Board meetings, held during the financial year 2023-24, are mentioned in the Corporate Governance Report, which forms an integral part of this Annual Report.

11. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, and Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, like composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was carried out in accordance with the applicable provisions of Companies Act, 2013 and SEBI Listing Regulations. In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The Board of Directors expressed their satisfaction with the evaluation process.

12. WHISTLE-BLOWER POLICY

The Company has a Whistle Blower policy to report genuine concerns or grievances. The Whistle Blower Policy is posted on the Company's website www.hikal.com/uploads/documents/whistle-blower-policy.pdf.

13. REMUNERATION POLICY

The Company has a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Remuneration and Nomination Policy of the Company is attached as **"Annexure B"** to this Report. This policy also lays down criteria for selection and appointment of Board members. The details of this policy are explained in the Corporate Governance Report and uploaded on the Company's website www.hikal.com/uploads/documents/remuneration-policy.pdf.

14. RELATED PARTY TRANSACTIONS

All related party transactions entered during the financial year, were at an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the Company's interest at large. The disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is attached as **"Annexure C"**.

All related party transactions were placed before the Audit Committee for approval.

The policy on Related Party Transactions, as approved by the Board, is uploaded on the Company's website https://www.hikal.com/uploads/documents/RelatedPartyTransactionPolicy.pdf.

15. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

In connection with a newspaper report published on 7 January 2022 in a daily newspaper about an unfortunate incident of gas leak at Surat, resulting in the loss of human life and hospitalisation of few people, the Hon'ble Principal Bench of National Green Tribunal (NGT) took suo-moto cognizance of the said incident and vide its order dated 18 January 2022, constituted a nine-member Joint Committee to investigate the incident and submit its report. The Joint Committee, without providing the Company an opportunity to submit its case, submitted its reports dated 31 May 2022 and 4 June 2022. The Hon'ble Principal Bench of NGT at New Delhi had passed an order dated 24 March 2023 accepting the said reports submitted by the Joint Committee.

Hikal has filed an Appeal before the Hon'ble Supreme Court against the NGT (Principal Bench) Order dated 24 March 2023 accepting the Reports of the Joint Committee. The Hon'ble Supreme Court, vide its Order dated 9 April 2024 read with Order dated 24 April 2024, had directed the authorities not to take any coercive steps against Hikal and had further directed Hikal to deposit ₹5.00 Crore (Rupees Five Crore only). The Hon'ble Supreme Court has also further directed that fifty percent of the amount awarded to the deceased persons, by the NGT (Principal Bench), amounting to approx. ₹98.00 Lakhs, be released to the legal representatives of the deceased from the deposit of ₹5.00 Crore (Rupees Five Crore only). It is pertinent to mention here that the amount deposited by Hikal shall be without prejudice to the rights and contentions of the parties and subject to outcome of the appeal/ further orders of the Hon'ble Supreme Court. In compliance of the aforesaid direction of the Hon'ble Supreme Court, on 8 May 2024, Hikal has deposited the sum of ₹5.00 Crore with the Hon'ble Supreme Court.

Further, vide its letter dated 10 July 2024, Gujarat Pollution Control Board (GPCB) has revoked its direction dated 21 July 2023 directing the Company to close operations of its plant located at GIDC Panoli, Dist. Bharuch. In the interim period, the Company's Panoli facility continued its operations as normal in pursuance of interim revocation orders issued by GPCB from time to time.

There were no significant and material orders passed by the Regulators/Courts that could impact the going concern status of the Company and its future operations, other than what is mentioned above.

16. RISK MANAGEMENT

The Company has a robust business risk management framework in place to identify and evaluate all business risks. The Company recognises risk management as a crucial aspect of the Company's management and is aware that identification and management of risk effectively is instrumental in achieving its corporate objectives.

The Company has identified the business risks and the business heads, who are termed as risk owners, assess, monitor and manage these risks on an ongoing basis. The risk owners assess the identified risks and continually identify any new risks that can affect the business. Different risks such as technological, operational, maintenance of quality, reputational, competition, geopolitical, environmental, foreign exchange, financial, human resource and legal compliances, among others, are assessed on a continuous basis.

The risks mentioned in the risk register are reviewed by the Risk Management Committee at regular intervals to assess and mitigate the risk from time to time. The findings of the Risk Management Committee along with the actions taken to mitigate the risks are sent to the Board for its reference.

The strategies are reviewed, discussed and allocation of appropriate resources is done as and when necessary. The risk management programme, internal control systems and processes are monitored and updated on an ongoing basis. A built-up mechanism has been established to identify, measure, control, monitor and report the risks. Business heads are responsible for rolling out the risk assessment and management plan within the organisation.

17. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby, strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee.

The Audit Committee actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen them. The Company has a robust management information system, which is an integral part of the control mechanism.

18. KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Act, following were the Key Managerial Personnel of the Company as on 31 March 2024:

Mr. Jai Hiremath, Executive Chairman (WTD)

Mr. Sameer Hiremath, Managing Director

Mr. Sarangan Suresh, Whole time Director (with effect from 1 April 2024)

Mr. Kuldeep Jain, Chief Financial Officer

Mr. Rajasekhar Reddy, Company Secretary.

19. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS BY THE COMPANY

The details under Section 186 of the Companies Act, 2013, are given in Note No. **54** to the notes to the financial statements.

20. DIRECTOR'S RESPONSIBILITY STATEMENT

Your Directors state that:

(i) In the preparation of the annual accounts, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013, were followed and there are no material departures from the same;

(ii) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2023-24, and of the profits of the Company for that year;

(iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) The annual accounts have been prepared on a going concern basis;

(v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(vi) The Directors have devised a proper system to ensure compliance with the provision of all applicable laws and that such systems are adequate and are operating effectively.

21. AUDITOR

At the 31st Annual General Meeting held on 1 August 2019, S R B C & CO. LLP, Chartered Accountants, Mumbai, (FRN: 324982E/E300003), were appointed as the Statutory Auditors of the Company to hold office from the conclusion of 31st Annual General Meeting of the Company till the conclusion of the 36th Annual General Meeting to be held in the year 2024.

As per the recommendation of the Audit Committee, the Board of Directors at their meeting held on August 1, 2024, recommended to the members of the Company the re-appointment of S R B C & CO. LLP, Chartered Accountants, Mumbai, (FRN: 324982E/E300003), as the Statutory Auditors of the Company for a second term of 5 years i.e. to hold office from the conclusion of 36th Annual General Meeting of the Company till the conclusion of the 41st Annual General Meeting to be held in the year 2029.

The Auditor's report prepared by S R B C & CO. LLP, to the members on the accounts of the Company for the year ended March 31, 2024, does not contain any qualifications, adverse or disclaimer remarks. No fraud has been reported by the Auditors to the Audit Committee or the Board.

22. COST AUDITOR

The Company has re-appointed M/s. V. J. Talati & Co., (FRN: R00213) as the Cost Auditor to carry out the audit of cost accounts for the Financial Year 2024-25. The requisite resolution for ratification of remuneration payable to Cost Auditors for the year 2024-25, by the shareholders has been set out in the Notice of AGM. The cost audit report for the financial year 2022-23 was filed with the Ministry of Corporate Affairs, Government of India on August 25, 2023.

23. SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013 read with Rules made thereunder, the Board had appointed M/s Dhrumil M. Shah & Co. LLP, Practicing Company Secretaries, to conduct the Secretarial Audit of the Company.

The Secretarial Audit Report for the financial year ended 31 March 2024, is annexed to this report as **"Annexure D"** and forms an integral part of this Report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

24. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Based on the recommendation of the Corporate Social Responsibility Committee (CSR Committee) the Board has adopted a CSR Policy that provides guiding principles for selection, implementation and monitoring of CSR activities and formulation of Annual Action Plan. The CSR Policy may be accessed on the Company's website https://www.hikal.com/uploads/documents/corporate-social-responsibility-polic-srijan.pdf

The Annual Report on CSR activities is annexed herewith marked as "Annexure E" and forms an integral part of this Report.

25. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, ("POSH Act"), the Company adopted a 'Policy on Appropriate Social Conduct at Workplace'. The policy is applicable for all employees of the organisation, which includes corporate office and manufacturing units. The policy is applicable to non employees as well, i.e. business associates, vendors and trainees among others.

A Complaints Committee has also been set up to redress complaints received on sexual harassment as well as other forms of verbal, physical, written or visual harassment.

During the financial year 2023-24, the Company did not receive any complaints of sexual harassment and no cases were filed under the POSH Act.

26. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

- **Transfer of Unclaimed Dividend to IEPF**

  During the financial year, the dividend relating to the year ended 31 March 2016 and the interim dividend for the year ended 31 March 2017, amounting to ₹558,612/- that had not been claimed by the shareholders were transferred to the Account of IEPF as required under Sections 124 and 125 of the Act.

- **Unclaimed dividend as on 31 March 2024**

  The Shareholders are requested to lodge their claims with the Registrar and Share Transfer Agents of the Company i.e. Link Intime India Pvt. Ltd., for unclaimed dividend.

  Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31 March 2024, on the website of the Company https://www.hikal.com/documents/dividend-shares. The same are also available on the website of the IEPF Authority www.iepf.gov.in.

- **Transfer of Equity Shares**

  As required under Section 124 of the Act, during the financial year, 10,283 Equity Shares, in respect of which dividend has not been claimed by the members for seven consecutive years or more, were transferred by the Company to the IEPF Authority. Details of such shares transferred have been uploaded on the website of the Company https://www.hikal.com/documents/dividend-shares. The same are also available on the website of the IEPF Authority www.iepf.gov.in.

27. SAFETY AND ENVIRONMENT

The Company continued to maintain the highest standards in environment, health and safety. The Company has become the first Indian life sciences company to receive the Responsible Care certification. It is applicable to all manufacturing and research sites of the Company. Continuous training and awareness programmes for the employees are undertaken on a frequent basis.

28. DEPOSITS

The Company did not accept any deposits and as such there were no overdue deposits outstanding as on 31 March 2024.

29. EMPLOYEES

The Company considers its human capital an invaluable asset. The Company continued to have cordial relationships with all its employees. Management and employee development programmes and exercises were conducted at all sites. Employees had various team building exercises and were sponsored for various external seminars and other developmental programmes to enhance their skill sets. The total workforce of the Company stood at 3008 as on 31 March 2024, including 2061 permanent employees

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms a part of this Report. Further, the Report and the financial statements are being sent to the members, excluding the aforesaid statement. In terms of Section 136 of the Companies Act, 2013, the said statement is open for inspection. Any member interested in obtaining such particulars may write to the Company Secretary at secretarial_agm@hikal.com.

30. CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In accordance with the requirements of Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, a statement showing particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, forming a part of the Directors' Report, is given in the enclosed **"Annexure F"** which forms a part of this Report.

31. CORPORATE GOVERNANCE

A report on Corporate Governance, along with a certificate from M/s Dhrumil M. Shah & Co. LLP, Practicing Company Secretaries regarding the compliance of the requirements of Corporate Governance, as stipulated under the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, is annexed to this Annual Report.

32. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India, during the Financial Year 2023-24.

33. AWARDS & RECOGNITIONS

The details of the Awards and Recognitions earned by the Company during the financial year 2023-24 have been provided as part of this Integrated Annual Report at page no. 27.

34. ACKNOWLEDGEMENTS

The Board of Directors place on record their appreciation of the contribution and sincere support extended to the Company by our bankers, financial institutions and valued customers and suppliers.

The Board also places on record its appreciation for the impeccable service and generous efforts rendered by its employees at all levels, across the Board, towards the overall growth and success of the Company.

35. CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion and Analysis describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in Government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

For and on behalf of the Board of Director

Sd/-
Jai Hiremath
Executive Chairman
DIN: 00062203

Date: 1 August 2024
Place: Mumbai

ANNEXURE – A

FORM NO. AOC-1

Statement containing the salient features of the financial statements of subsidiaries

Form AOC-1-pursuant to the first proviso to sub section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014

Financial Highlights

(₹ in million)

Sr. No	Particular	Acoris Research Limited (1 April 2023 to 31 March 2024)	Hikal LLC, USA (1 April 2023 to 31 March 2024)
1.	Share Capital	150.50	-
2.	Reserves	(150.68)	1.08
3.	Total Assets	-	1.08
4.	Total Liabilities	0.18	-
5.	Investments	-	-
6.	Total Revenue	0.06	37.14
7.	Profit/(loss) Before Tax	0.04	0.92
8.	Provision for Tax	-	-
9.	Profit/(loss) After Tax	0.04	0.92
10.	Proposed Dividend	-	-
11.	% of Shareholding	100	100

Sd/-
Jai Hiremath
Executive Chairman
DIN:00062203

Sd/-
Sameer Hiremath
Managing Director
DIN: 00062129

Sd/-
V Ramachandra Kaundinya
Independent Director
DIN: 00043067

Date: 1 August 2024
Place: Mumbai

Sd/-
Kuldeep Jain
Chief Financial Officer

Sd/-
Rajasekhar Reddy
Company Secretary

ANNEXURE – B

Hikal Limited

Remuneration Policy

PREAMBLE

This policy shall be called the Nomination and Remuneration Policy ("Policy") of Hikal Limited ("the Company") and is framed as per the statutory requirements prescribed under the Companies Act, 2013 (the Act") read with the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), as amended from time to time.

The composition of the Nomination and Remuneration Committee (NRC) of the Company is in compliance with Section 178 of the Companies Act, 2013, read along with the applicable rules thereto and the Listing Regulations.

This Policy applies to the Company's Directors, Senior Management, including its Key Managerial Personnel (KMP) and other employees.

The Board of Directors/ Nomination and Remuneration Committee (NRC) will have the powers to make deviations from this Policy in extraordinary circumstances as and when felt necessary in the interest of the Company and on reasonable grounds within the regulatory/ legal framework.

All the words and expressions used in this Policy, unless defined hereafter, shall have the meaning respectively assigned to them under the Act and the Listing Regulations or the Rules, Notifications and Circulars made/ issued thereunder, as amended, from time to time.

OBJECTIVES

The objective of this Policy is to attract, motivate, and retain the best talent in the industry, create a congenial work environment and offer appropriate remuneration packages and retirement benefits and include:

1. Laying down criteria for and identification of persons who are qualified to become Directors and who may be appointed in senior management of the Company.
2. Specification of the manner for effective evaluation of performance of Board, its committees and individual Directors, to be carried out either by the Board, by the NRC or by an independent external agency and review the implementation and compliance of the process of evaluation of performance.
3. To lay down criteria for appointment, removal of Directors, Key Managerial Personnel and Senior Management and determination of their remuneration structure keeping in view integrity, qualifications, expertise and experience of the person.
4. To ensure Board diversity, development of a succession plan for the Board and regularly review of the plan.
5. To formulate the criteria for determining qualifications, positive attributes, and independence of a Director.

THE NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Committee in place as per the composition specified under the Listing Regulations.

The charter or the terms of reference of the NRC shall be as prescribed under the Act and the Listing Regulations and may be amended by the Board from time to time, without deviating from the statutory requirements.

NRC may consider delegating any of its powers to one or more of its members or the Secretary of the Committee. The Company Secretary of the Company shall act as Secretary of the Committee.

DIRECTORS

As per the policy followed by the Company since inception, the Non-Executive Directors shall be paid remuneration in the form of sitting fees for attending Board and Committee meetings as approved by the Board of Directors from time to time, subject to statutory provisions. The Non-Executive Directors may also be paid commission of the profits of the Company, subject to the approval of the Board of Directors and the members of the Company. The terms of appointment and tenure, will be subject to the provisions of the Act and the Listing Regulations, in force, at that time.

Remuneration of Executive Directors, including Managing Director, reflects the overall remuneration philosophy and guiding principle of the Company. When considering the appointment and remuneration of Executive Directors, the NRC shall consider pay and employment conditions in the industry, merit and seniority of the person and the paying capacity of the Company.

The NRC, while designing the remuneration package, shall consider the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully.

The term of office and remuneration of Executive Directors shall be subject to the approval of the Board of Directors, shareholders and the limits laid down under the Act and the Listing Regulations from time to time. No severance fees shall be paid to any Directors, unless otherwise specified in their terms of appointment.

EVALUATION OF PERFORMANCE

The evaluation of performance of the Board, its Committees and individual Directors shall be carried out either by the Board or an independent external agency. The NRC shall specify the manner for effective evaluation of performance of Board and review its implementation and compliance.

The Independent Directors shall, in a separate meeting carry out, the evaluation of performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company after taking into account the views of Executive Directors and Non-Executive Directors. The evaluation of performance of Independent Directors shall be carried out by the entire Board, excluding the Director being evaluated.

The evaluation shall be carried out broadly based on the following criterion:

1. Director's background, knowledge and skills are relevant to the Board and business of the Company.
2. Attendance of Directors in the meetings and whether the Director devotes sufficient time for Board matters and actively participates in the matters that are being discussed at the meetings.
3. Whether the Director is available for any discussions/inputs outside of Board/ Committee meetings.
4. Whether the Director helps in bringing an independent judgement to bear on the deliberations especially on strategy, risk management and performance of the Company.
5. Whether the Director works towards safeguarding the interest of all stakeholders in the Company.
6. Whether the Director brings quality and value in Board discussions.
7. Whether the Director is cordial towards his fellow Directors and is reasonable and objective in his views without obstructing the flow of the board process.

BOARD DIVERSITY AND SUCCESSION PLANNING

As prescribed under the Act and the Listing Regulations, the Board shall have an optimum combination of executive, Non-Executive, independent directors and woman Directors.

The Company believes that a truly diverse Board is essential to the achievement of its strategic and commercial objectives. A diverse Board will bring in a comprehensive skill-set from various fields like finance, leadership, information technology, corporate restructuring, sales & marketing, environment health social & governance matters and will bring an edge to the growth of the Company.

The NRC shall assist the Board in reviewing the composition of the Board and assessing and identifying the necessary skill set, experience and expertise required on the Board and shall make recommendation to the Board towards identification and appointment of candidates possessing the desirable competencies.

The NRC shall periodically review to assess the possible vacancies on the Board, well in advance to ensure continuity in the smooth functioning of the Board process. In case of foreseen vacancies the NRC shall assist the Board in identifying suitable candidates, well in advance, to maintain the equilibrium on the Board with regard to competencies, experience and expertise. In case of any unforeseen vacancies the NRC shall assist the Board to identify a suitable candidate to fill such vacancies as soon as possible and at all times within the statutory timeframe prescribed for the same.

For the purpose of identifying suitable candidates, the Committee may:

a. use the services of an external agencies, if required;
b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
c. consider the time commitments of the candidates.

REMUNERATION

The Company's Remuneration Policy is guided by principles and objectives as more fully and particularly envisaged under the Act and the Listing Regulations, inter alia, principles pertaining to determining qualifications, positive attributes, integrity, and independence. Remuneration packages for Executive Directors are designed subject to the limits laid down under the Companies Act, 2013 and the Listing Regulations, to remunerate them fairly and responsibly. The Executive Directors' remuneration comprises salary, perquisites and performance-based commission on profits of the Company/reward apart from retirement benefits such as PF, Superannuation, and Gratuity, among others, as per the Company Rules.

Remuneration also aims to motivate personnel to deliver Company's key business strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and long term. While designing remuneration packages, industry practices and cost of living are also taken into consideration.

The Executive Directors are entitled to customary non-monetary benefits such as company cars, furnished accommodation, healthcare benefits, leave travel, and communication facilities, among others. The severance payments are governed by the prevalent provisions of the Act.

REMOVAL

Due to reasons for any disqualification mentioned in the Act or the Listing Regulations or under any other applicable Act, rules and regulations thereunder, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Act, rules and regulations.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the Listing Regulations and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Appointment of KMP & senior management and cessation of their service are subject to the approval of the NRC and the Board of Directors. Remuneration of KMP and other Senior Management Personnel is decided by the Chairman and Managing Director, broadly based on the Remuneration Policy in respect of Executive Directors, the total remuneration comprises:

1. **A fixed base salary:** Set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
2. **Perquisites:** In the form of house rent allowance/ accommodation, business/professional development allowance, reimbursement of medical expenses, conveyance, telephone, and leave travel, among others.
3. **Retirement benefits:** Contribution to PF, other retirement benefits, and gratuity, among others as per Company Rules.
4. **Motivation/Reward:** A performance appraisal is carried out annually and promotions/ increments/ rewards/ variable pay are decided by Chairman and/or Managing Director based on the appraisal and recommendation as applicable.
5. **Severance payments:** In accordance with terms of employment, and applicable statutory requirements, if any.

OTHER EMPLOYEES

The remuneration of other employees is fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. In addition to basic salary, they are also provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable. Policy of motivation/ reward/ severance payments are applicable to this category of personnel as in the case of those in the management cadre.

DISCLOSURE OF INFORMATION

Information on the total remuneration of members of the Company's Board of Directors, Executive Directors and KMP/Senior Management Personnel may be disclosed in the Company's Annual Report and other returns and publications as per statutory requirements.

DISSEMINATION

This Policy will be published on the Company's website.

ANNEXURE – C

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1.	Details of contracts or arrangements or transactions not at arm's length basis:	
(a)	Name(s) of the related party and nature of relationship	Nil
(b)	Nature of contracts/ arrangements/ transactions	
(c)	Duration of the contracts/ arrangements/ transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	
2.	Details of material contracts or arrangement or transactions at arm's length basis:	
(a)	Name(s) of the related party and nature of relationship	Mr. Anish Swadi, relative of Directors
(b)	Nature of contracts/ arrangements/ transactions	Appointment as Senior President – Animal Health & Business Transformation (Office of Profit)
(c)	Duration of the contracts/ arrangements/ transactions	Five years commencing from 1 October 2021
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	As per the Resolution passed at Item no. 7, at the 33rd AGM held on 2 September 2021.
(e)	Date(s) of approval by the Board, if any	6 May 2021
(f)	Amount paid as advances, if any	N. A.

For and on behalf of the Board of Directors

Sd/-
Jai Hiremath
Executive Chairman
DIN: 00062203

Date: 1 August 2024
Place: Mumbai

ANNEXURE – D

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Hikal Limited
CIN: L24200MH1988PTC048028
717/718 Maker Chamber V,
Nariman Point, Mumbai - 400021

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hikal Limited** (hereinafter called **"the Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31 March, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31 March, 2024** according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not applicable as there was no reportable event during the financial year under review**

d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not applicable as there was no reportable event during the financial year under review**

e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not applicable as there was no reportable event during the financial year under review**

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not applicable as there was no reportable event during the financial year under review**

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not applicable as there was no reportable event during the financial year under review**

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not applicable as there was no reportable event during the financial year under review**

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

vi) We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with the following law applicable specifically to the Company:

- Drugs and Cosmetics Act, 1940;
- Drugs (Prices Control) Order, 2013;
- Factories Act, 1948;
- The Manufacture, Storage and import of Hazardous Chemical Rules, 1989
- Environment Protection Act, 1986;
- Air (Prevention and control of pollution) Act, 1981
- Water (Prevention and control of pollution) Act, 1974
- The Patents Act, 1970
- The Trade Marks Act, 1999;
- Legal Metrology Act, 2009;
- Information Technology Act, 2000; and
- Insecticides Act, 1968

We have also examined compliance with the applicable clauses of the followings:

i) Secretarial Standards issued by the Institute of Company Secretaries of India;

ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied, with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

During the course of Audit we observed that the Company received a show cause notice dated August 22, 2023, from SEBI under Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, regarding alleged violations of disclosure requirements for Material Events or Information under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has filed settlement applications under relevant SEBI Settlement provisions and the same is pending before SEBI.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;

All decisions at Board Meetings and Committee Meetings were carried out as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that based on the review of the compliance mechanism established by the company and on the basis of Compliance certificate(s) issued by various departments and taken on record by the Board of Directors at their meetings, we are of the opinion that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the following event has occurred during the year which has a major bearing on the company's affairs in pursuance of the Laws, Rules, Regulations, Guidelines Standards etc. referred to above:

The Company has made public disclosures about filing of an appeal before Supreme Court against an order dated 24th March 2023 passed by National Green Tribunal (NGT) Principal Bench, New Delhi accepting two reports submitted by the Jt. Committee formed by NGT. The Supreme Court vide its Order dated 9th April, 2024 and April 24, 2024 had directed the authorities not to take any coercive actions against the Company and directed the Company to deposit ₹5 Crore as per the direction. The Hon'ble Supreme Court has also further directed that fifty percent of the amount awarded by the NGT (Principal Bench), amounting to approx. ₹98 Lakh, be released to the legal representatives of the deceased from the deposit of ₹5 Crore.

We further report that the audit report is unqualified, and the observations mentioned above are included for disclosure purposes as a part of our audit process.

For **Dhrumil M. Shah & Co. LLP**
Practicing Company Secretaries
ICSI URN: L2023MH013400
PRN: 3147/2023

Sd/-
Dhrumil M. Shah
Partner
FCS 8021 | CP 8978
UDIN: F008021F000860796

Place: Mumbai
Date: 01 August 2024

This Report is to be read with our letter of even date which is annexed as Annexure - I and forms an integral part of this report.

ANNEXURE – I

(To the Secretarial Audit Report)

To,

The Members,

Hikal Limited

Auditor's responsibility

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("**CSAS**") prescribed by the Institute of Company Secretaries of India ("**ICSI**"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Our report of even date is to be read along with this letter.

Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.

1) Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and for which we relied on the report of statutory auditor.
4) Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5) The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Dhrumil M. Shah & Co. LLP**
Practicing Company Secretaries
ICSI URN: L2023MH013400
PRN: 3147/2023

Sd/-
Dhrumil M. Shah
Partner
FCS 8021 | CP 8978
UDIN: F008021F000860796

Place: Mumbai
Date: 01 August 2024

ANNEXURE – E

THE ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

Policy Statement:

As a socially responsible corporate member, we believe that the future of our business is best served by respecting the interests of society at large. Through our efforts, we shall strive to improve the living standards of the community. Our CSR activities shall aim to make a difference to the lives of the needy, underprivileged members of society, including children, women and senior citizens, and the environment.

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of scale, impact and sustainability. The Company has identified six focus areas of engagement which are as under:

- Health: Affordable solutions for healthcare through improved access, awareness and sanitation.
- Education: Access to quality education, training, skill enhancement, enhancement of vocation skills.
- Environment: Environmental sustainability, ecological balance, conservation of natural resources.
- Protection of national heritage, art and culture: Protection and promotion of traditional art, culture and heritage.
- Overall development activities in surrounding areas of Hikal's manufacturing sites for the benefit of society.
- Contribution to Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development or welfare.

Implementation of the CSR Program:

a. Project activities identified under CSR are to be implemented either by personnel of the Company or through a registered trust or a registered society.

b. The duration of each project/program shall depend on its nature and intended impact.

The Company will also undertake other need-based initiatives in compliance with Schedule VII of the Act. During the year, the Company has spent ₹34.83 million on CSR activities. Pursuant to the provisions of the Companies Act, 2013, the Company should have spent ₹35.40 million (being 2% of the average net profits of the last three financial years), during the financial year 2023-24. The Company has spent an excess amount of ₹1.38 Million during the previous financial years and the shortfall in spending of ₹0.57 Million in the current financial year is being set off against the aforesaid amount.

2. The composition of the CSR Committee:

Sr. No.	Name of the Director	Designation / Nature of directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Jai Hiremath	Executive Chairman	2	2
2	Mr. Sameer Hiremath	Managing Director	2	2
3	Mr. Prakash Mehta*	Independent Director	2	2
4	Mrs. Ranjana S Salgaocar**	Independent Director	0	0
5	Mrs. Sugandha Hiremath	Non-Executive Director	2	2

*Mr. Prakash Mehta ceased to be a member w.e.f. 31 March 2024 (End of the day).

** Mrs. Ranjana S Salgaocar was appointed as a member w.e.f. 27 March 2024

3. Web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

Composition of CSR Committee	https://www.hikal.com/uploads/documents/HikalCompositionofCommittees.pdf
CSR Policy	www.hikal.com/uploads/documents/corporate-social-responsibility-polic-srijan.pdf
CSR projects approved by the Board	www.hikal.com/uploads/documents/corporate-social-responsibility-polic-srijan.pdf

4. The executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. - Not applicable.

5. (a) Average net profit of the company as per sub-section (5) of section 135: ₹1770.00 million

(b) Two percent of average net profit of the Company as per sub-section (5) of section 135: ₹35.40 million

(c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil

(d) Amount required to be set off for the financial year, if any: ₹0.59 million

(e) Total CSR obligation for the financial year [(5b)+(5c)-(5d)]: ₹34.81 million

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹34.68 Million

(b) Amount spent in Administrative Overheads: ₹0.13 Million

(c) Amount spent on Impact Assessment, if applicable: Not Applicable

(d) Total amount spent for the Financial Year [(6a)+(6b)+(6c)]: ₹34.81 million

(e) CSR amount spent or unspent for the financial year:

Total amount spent for the financial year (in ₹ million)	Amount Unspent (in ₹ million)				
	Total amount transferred to unspent CSR account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹34.81 million	Not applicable		Not applicable		

(f) Excess amount for set off, if any

Sr. no.	Particular	Amount (in ₹ million)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	35.40
(ii)	Total amount spent for the Financial Year	34.81
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. Details of unspent CSR amount for the preceding three financial years:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub- section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a fund specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	2020-21	-	-	-	-	-	-	-
2	2021-22	-	-	-	-	-	-	-
3	2022-23	-	-	-	-	-	-	-

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

Yes ☑ No

If Yes, enter the number of Capital assets created/ acquired Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration number, if applicable	Name	Registered Address
-	-	-	-	-	-	-	-

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. **Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per sub-section (5) of section 135: Not Applicable**

For and on behalf of the Board of Directors

	Sd/- **Jai Hiremath**	Sd/- **Sameer Hiremath**
Date: 1 August 2024 Place: Mumbai	Executive Chairman and Chairman of CSR Committee DIN: 00062203	Managing Director DIN: 00062129

ANNEXURE – F

Information as per Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014, forming part of Directors' Report for the year Ended 31 March 2024

I. CONSERVATION OF ENERGY:

a) Steps taken for conservation of energy:

Hikal has been following a systematic approach towards energy conservation program. EnCon (Energy Conservation) committee has been constituted at the corporate level in the year 2021 and Energy Conservation Policy has been revised in the financial year. The EnCon Committee drives the initiatives for conservation of energy and natural resources across the Company for achieving long-term sustainability. The EnCon committee meets every month and has implemented the following initiatives for energy conservation:

Crop Protection Business:

The following energy saving initiatives have been implemented at Taloja, Mahad and Panoli site of Crop Protection Business:

- Convention lights replacement with LED lights
- Delta to Star Conversion of motors for selected big size motors
- Steam Consumption reduction by replacement of Steam Ejector with Dry Vacuum Pump in process.
- Back pressure turbine installation for electricity generation from biofuel boiler.
- Replacement of conventional air compressor drains by zero air loss drains.
- Steam Consumption reduction by Reaction temperature reduction from 50°C to 35-40°C
- Energy saving in Nitrogen plant by optimisation of change over time cycle.
- Energy Saving in Air compressor by optimisation of operating pressure.

Crop Protection Business (Total Investment and Savings):

Total Investment - ₹224 Lakh and Total Yearly Savings - ₹144 Lakh

PHARMA Business

The following energy saving initiatives have been implemented at Panoli and Jigani site of Pharma Business:

- VFD installation in Utility Cooling tower pumps.
- Energy Saving initiative in Cooling tower and Compressed air system.
- Steam Cost Reduction by outsourcing steam supply on green fuel.
- Reduction in Steam consumption by utilisation of waste heat and efficiency improvement.
- Reduction in Cooling tower make up water and effluent treatment cost up to 20% by Utilisation of RO Reject water and Reactor Jacket recovery.
- Master and slave concept for energy efficiency improvement in BRU units.
- ESP hopper heater isolation to reduce energy consumption.
- VFD was installed in dust collector of COGEN plant.
- VFD was installed in briquette crusher of COGEN plant.
- VFD was installed in SA fan of COGEN Plant
- VFD was installed in ATFD feed and OSLO stripper pump in effluent treatment plant.
- Replacement of 15-year-old UPS with new high efficiency UPS
- Debottleneck of 1500 TR cooling tower connected to SRU plant.

Pharma Business (Total Investment and Savings):

Total Investment - ₹50 Lakh and Total Yearly Savings - ₹134 Lakh

Pune R&T

- VFD was installed in Fume hood exhaust blower, and fume hood shutter opening was controlled to reduce draft flow of air which reduced energy consumption.
- A hot water system was installed to replace the indirect hot water system with steam heating.
- There is a saving of 13000 KWH per month equivalent to ₹18 lacs p.a. with an investment of ₹6 lakh.

b) Steps taken by the Company for utilising alternative sources of energy:

Hikal continued its journey to use clean fuel and energy in its operations at Mahad, Taloja and Panoli plant. CAPEX contract agreement has been made with M/s Radiance Renewables Pvt. **Ltd**. for supply to Taloja and Mahad. OPEX contract has been made with M/s Cleanmax - hybrid power green energy supply for our Panoli. These contracts were made in previous year, hence there is no CAPEX investment in current financial year, but we started using Solar and wind power at Mahad, Taloja and Panoli in current financial year.

There is significant cost saving due to use of alternative source of energy at our Mahad, Taloja and Panoli location.

Total Cost saved is as follows.

Panoli – INR 33.79 million

Taloja – INR 53.35 million

Mahad – INR 23.60 million

We have also made OPEX contract with M/s PR Eco energy for steam supply to our Panoli site. Briquette is used for steam generation which eliminated use of natural gas in our boiler.

c) Capital investment on energy conservation:

HIKAL has ENCON committee at organisation level, which review and approve technically feasible and viable projects. There are various energy conservation projects that have been identified and implemented during FY 23-24. There is a total of 41.5 million INR invested for various energy conservation initiatives during FY 2023-24.

Brief details of various projects are as below.

Location	Details	Value (INR)
Mahad	Savings in steam consumption, electricity, and generation of effluent by replacing old / damaged equipments for better sustainability.	3,56,700
Mahad	Heat recovery from lshs boiler flue gas by installing new wph unit.	16,61,433
Mahad	Energy saving proposal (to replace steam ejector and watering vacuum pumps by energy efficient vacuum pumps.)	45,69,033
Taloja	Steam Ejector Replacement with Dry Vacuum Pump	1,87,07,032
Taloja	Back pressure steam turbine	42,00,000
Panoli - Pharma	Outsourcing of steam which is produced from Briquette	39,81,597
Jigani - 1	Energy and water conservation in mp-sru and etp under business excellence	43,643
Jigani - 1	Energy conservation on utility equipments	2,02,315
Jigani - 1	Heat recovery from contaminated condensate at Jigani unit 1	69,76,939
Jigani - 2	Encon FY 2021-22-unit 2	8,27,343
	Total	4,15,26,035

II. TECHNOLOGY ABSORPTION:

a) Efforts made towards technology absorption:

1. Reaction Calorimeter (RC1mx):

Mettler Toledo Reaction Calorimeter (RC1mx) is the industry "Gold-Standard" for measuring heat profiles, chemical conversion, and heat transfer under process-like conditions. A Reaction Calorimeter is a tool to measure the amount of energy released or absorbed during the chemical reaction. As part of chemical and pharmaceutical development, this technology enables us to understand the nature of reactions, whether exothermic or endothermic. On the laboratory scale, the exothermic heat of a chemical reaction could be removed without any detectable temperature rise due to the availability of high heat transfer. Understanding the same exotherm at plant scale could be difficult unless the heat release pattern during a chemical reaction is known. Therefore, for safe and successful scale-up of a chemical reaction, understanding the thermal behaviour of the chemical process as a part of scale-up is very important.

Reaction Calorimeter (RC1mx) coupled with gas evolution kit (GEK) gives us information on heat of reaction and gas evolution during the desired reaction simultaneously. We will be using this technology for understanding the thermal behaviour of the chemical process during development and defining proper control strategies as a part of scale-up.

2. Zero Liquid Discharge Plant at R&T Pune:

Zero Liquid Discharge (ZLD) is a revolutionary water management approach designed to minimise wastewater generation and maximise resource recovery. In essence, it aims to recover 100% of water from industrial processes, leaving zero liquid effluent to be discharged. At Pune R&T, ZLD plant recently installed and commissioned with 30 KLD capacity.

In view of sustainability to conserve natural resources, we have installed latest technology i.e. MVR (Mechanical Vapor Recompression) system. MVR is a proven energy-saving evaporative concentration technology, which reduces evaporation energy use by 90% or more. MVR uses energy recovered from the condensate to create a pure liquid distillate and a concentrated product/waste. The energy normally lost in the compression is recovered, leading to a highly efficient evaporation process.

b) Benefits derived like product improvement, cost reduction, product development or import substitution:

1. Reaction Calorimeter:

Mettler Toledo Reaction Calorimeter (RC1mx) allows to optimise processes under safe conditions while determining critical process parameters and reducing the risk & cost of failure on a large scale. This technology is commonly employed to study several aspects of a desired chemical reaction like heat of reaction, heat release rate, accumulation, maximum temperature of synthesis reaction (MTSR) etc. Reaction calorimeters provide reliable data to calculate the relevant safety parameters of the main reaction with the highest degree of confidence. This data generation and information during development stage ensures the safe scale up of the processes at larger scale.

By utilising technology in-house, we will be reducing the outsourcing costs and saving development time. Reaction calorimeters are extensively used in the chemical and pharmaceutical industries to determine the thermal hazard potential of a chemical reaction. At the time of product development knowing and understanding potential risks is critical, and it is a prerequisite for the safe manufacturing of chemical and pharmaceutical products now a days.

2. Zero Liquid Discharge Plant at R&T Pune

Environmental Preservation: ZLD significantly reduces the environmental impact of industrial operations by preventing the discharge of pollutants into natural water bodies. This safeguards aquatic ecosystems and protects public health.

Water Conservation: With ZLD, every drop of water is treated, purified, and reused, minimising the strain on freshwater sources and reducing water scarcity.

Resource Recovery: ZLD does not just eliminate liquid waste; it also allows for the recovery of valuable resources from wastewater, such as salts, metals, and chemicals, creating a closed-loop system.

Compliance and Sustainability: ZLD helps industries meet stringent environmental regulations while promoting sustainability, making it a win-win for both businesses and the planet.

c) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-**

The Company has not imported or licensed any technology over the last three years.

d) **Expenditure on R&D**

₹ in million

Particulars	2023-24	2022-23
(i) Capital	71.54	104.62
(ii) Recurring	734.30	708.39
Total	**805.84**	**813.01**

(iii) Total R&D expenditure as a percentage of total turnover 4.51% in FY 23-24 and 4.01% in FY 22-23.

III. FOREIGN EXCHANGE EARNINGS & OUTGO

₹ in million

Particulars	2023-24	2022-23
Foreign exchange earned in terms of actual inflows	11,167	13,684
Foreign exchange outgo in terms of actual outflows	3,528	5,184

For and on behalf of the Board of Director

Sd/-
Jai Hiremath
Executive Chairman
DIN: 00062203

Date: 1 August 2024
Place: Mumbai

Report on Corporate Governance: 2024

I. OUR CORPORATE GOVERNANCE PHILOSOPHY

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organisation's wealth generating capacity. This is ensured by conducting business with a firm commitment to values, while at the same time, meeting stakeholders' expectations.

At Hikal, it is imperative that business is conducted in a fair and transparent manner. The corporate governance framework ensures effective engagement with various stakeholders and helps the Company evolve with changing times. It oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, lenders, vendors, investors and the society at large. The guiding principles and practices are summarised in this Corporate Governance Report. These are articulated through the Company's Code of Conduct for Board of Directors and Senior Management, Policies and Charters of various Committees of the Board and Company's Disclosure Policies. These Policies seek to focus on enhancement of long-term shareholder value without compromising on Ethical Standards and Corporate Social Responsibilities.

II. Board of Directors

The composition of Board of Directors is given below:

A. Composition and Category:

Name	Category	Relationship with other Directors
Jai Hiremath DIN: 00062203	Chairman & Executive Director, Promoter	Spouse of Sugandha Hiremath and father of Sameer Hiremath
B.N. Kalyani DIN: 00089380[1]	Non-Executive Director	Father of Amit Kalyani and brother of Sugandha Hiremath
Prakash Mehta DIN: 00001366[2]	Independent, Non-Executive Director	-
Kannan Unni DIN: 00227858[2]	Independent, Non-Executive Director	-
Ranjit Shahani DIN: 00103845[3]	Independent, Non-Executive Director	-
Sugandha Hiremath DIN: 00062031	Non-Executive Director, Promoter	Spouse of Jai Hiremath, mother of Sameer Hiremath and sister of B.N. Kalyani
Amit Kalyani DIN: 00089430	Non-Executive Director	Son of B.N. Kalyani
Shivani Bhasin Sachdeva DIN: 00590500	Independent, Non-Executive Director	-
Sameer Hiremath DIN: 00062129	Managing Director, Promoter	Son of Jai Hiremath and Sugandha Hiremath
Shrikrishna Kiran Adivarekar DIN: 06928271	Independent, Non-Executive Director	-
Berjis Minoo Desai DIN: 00153675[4]	Independent, Non-Executive Director	-
V Ramachandra Kaundinya DIN: 00043067[4]	Independent, Non-Executive Director	-
Ravi B. Kapoor DIN: 01761752[5]	Independent, Non-Executive Director	-
Ranjana S Salgaocar DIN: 00120120[6]	Independent, Non-Executive Director	-
Sarangan Suresh[7] DIN: 10562713	Whole Time Director	-

[1] Mr. B. N. Kalyani ceased to be a Director w.e.f. 29 December 2023

[2] Mr. Prakash Mehta and Dr. Kannan Unni ceased to be Directors w.e.f. 31 March 2024 (End of the day)

[3] Mr. Ranjit Shahani passed away on 9 March 2024

[4] Mr. Berjis Minoo Desai and Mr. V Ramachandra Kaundinya were appointed as Independent Directors w.e.f. 1 October 2023

[5] Mr. Ravi B Kapoor was appointed as Independent Director w.e.f. 11 January 2024

[6] Mrs. Ranjana S Salgaocar was appointed as Independent Director w.e.f. 23 March 2024

[7] Mr. Sarangan Suresh was appointed as Whole Time Director w.e.f. 1 April 2024

The attendance of each Director at the Board meetings, last Annual General Meeting and number of other Directorship and Chairmanship/ Membership of Committees of each Director in various Companies, as on 31 March 2024 is as under:

Name	Attendance		Directorships#	Committee Membership##	Committee Chairmanship##
	Board Meeting	Last AGM			
Jai Hiremath	7	Yes	1	-	-
B.N. Kalyani[1]	3	Yes	NA	NA	NA
Prakash Mehta[2]	7	Yes	5	6	3
Kannan Unni[2]	7	Yes	1	1	1
Ranjit Shahani[3]	5	No	NA	NA	NA
Sugandha Hiremath	7	Yes	-	-	-
Amit Kalyani	7	Yes	6	2	-
Shivani Bhasin Sachdeva	6	Yes	3	2	-
Shrikrishna K. Adivarekar	7	Yes	4	5	2
Berjis Minoo Desai[4]	2	NA	8	5	1
V Ramachandra Kaundinya[4]	4	NA	-	-	-
Ravi B. Kapoor[5]	2	NA	2	-	-
Ranjana S Salgaocar[6]	1	NA	-	-	-
Sameer Hiremath	7	Yes	1	-	-

[1]Mr. B. N. Kalyani ceased to be a Director w.e.f. 29 December 2023

[2]Mr. Prakash Mehta and Dr. Kannan Unni ceased to be Directors w.e.f. 31 March 2024 (End of the day)

[3]Mr. Ranjit Shahani passed away on 9 March 2024

[4]Mr. Berjis Minoo Desai and Mr. V Ramachandra Kaundinya were appointed as Independent Directors w.e.f. 1 October 2023

[5]Mr. Ravi B Kapoor was appointed as Independent Director w.e.f. 11 January 2024

[6]Mrs. Ranjana S Salgaocar was appointed as Independent Director w.e.f. 23 March 2024

#The Directorships held by Directors (other than Hikal) as mentioned above, do not include Directorships in Foreign Companies, Companies registered under Section 8 of the Companies Act, 2013, Private Limited Companies and high value debt listed entities.

##Includes membership/chairmanship other than Hikal (only Audit Committee and Stakeholders' Relationship Committee are considered and membership includes chairmanships).

Directorship in Listed Entities other than Hikal Ltd. and the category of directorship as on 31 March, 2024, is as follows:

Name of the Director	Names of Listed Entities	Category of Directorship
Jai Hiremath	Novartis India Ltd.#	Non-Executive – Independent Director
B N Kalyani[1]	Not Applicable	Not Applicable
Prakash Mehta[2]	Mukand Ltd.	Non-Executive, Independent Director
	Bharat Bijlee Ltd.	Non-Executive, Independent Director
	Advani Hotel & Resorts (India) Ltd.	Non-Executive, Independent Director
	Oriental Aromatics Ltd.	Non-Executive, Independent Director
Kannan Unni[2]	Nil	-
Ranjit Shahani[3]	Not Applicable	Not Applicable
Sugandha Hiremath	Nil	-
Amit Kalyani	Bharat Forge Ltd.	Executive Director
	Kalyani Steels Ltd.	Non-Executive, Non-Independent Director
	BF Utilities Ltd.	Non-Executive, Non-Independent Director
	BF Investment Ltd.	Non-Executive, Non-Independent Director
	Kalyani Investment Company Ltd.	Non-Executive, Non-Independent Director
	Schaeffler India Limited	Non-Executive, Independent Director

Name of the Director	Names of Listed Entities	Category of Directorship
Shivani Bhasin Sachdeva	Nil	-
Shrikrishna K. Adivarekar	Kalyani Steels Limited	Non-Executive, Independent Director
	BF Utilities Ltd.	Non-Executive, Independent Director
	Kalyani Investment Company Limited	Non-Executive, Independent Director
Berjis Minoo Desai[4]	The Great Eastern Shipping Company Limited	Non-Executive, Non-Independent Director
	Man Infra Construction Limited	Non-Executive, Non-Independent Director
	Jubilant Foodworks Limited	Non-Executive, Independent Director
	Star Health And Allied Insurance Company Limited##	Non-Executive, Independent Director
	Praj Industries Limited###	Non-Executive, Independent Director
	Chambal Fertilisers And Chemicals Limited	Non-Executive, Independent Director
	Emcure Pharmaceuticals Limited####	Non-Executive, Non Independent
V Ramachandra Kaundinya[4]	Nil	-
Ravi B. Kapoor[5]	Heubach Colorants India Limited	Non-Executive, Non-Independent Director
	Alkyl Amines Chemicals Limited	Non-Executive, Independent Director
Ranjana S Salgaocar[6]	Nil	-
Sameer Hiremath	Nil	-

Mr. Jai Hiremath ceased to be a Director on the Board of Novartis Limited w.e.f. 1 April 2024

Mr. Berjis Minoo Desai ceased to be a Director on the Board of Star Health and Allied Insurance Company Limited w.e.f 23 April, 2024

Mr. Berjis Minoo Desai ceased to be a Director on the Board of Praj Industries Limited w.e.f 31 March, 2024

Emcure Pharmaceuticals Limited was listed on NSE and BSE w.e.f 10 July 2024

[1]Mr. B. N. Kalyani ceased to be a Director w.e.f. 29 December 2023

[2]Mr. Prakash Mehta and Dr. Kannan Unni ceased to be Directors w.e.f. 31 March 2024 (End of the day)

[3]Mr. Ranjit Shahani passed away on 9 March 2024

[4]Mr. Berjis Minoo Desai and Mr. V Ramachandra Kaundinya were appointed as Independent Directors w.e.f. 1 October 2023

[5]Mr. Ravi B Kapoor was appointed as Independent Director w.e.f. 11 January 2024

[6]Mrs. Ranjana S Salgaocar was appointed as Independent Director w.e.f. 23 March 2024

The Chart/Matrix setting out the skills/expertise/competence of the Board of Directors.

The list of core skills/expertise/competencies identified by the Board of Directors as required in the context of Company's business(es) and sector(s) for it to function effectively and those actually available with the Board are as follows:

Name	Age	Qualifications	Skills, Expertise, Competencies
Jai Hiremath	76	Chartered Accountant England and Wales, Owner President Management Program, Harvard University, USA	Financial Acumen, Strategic Expertise, Knowledge of Industry especially in which Company Operates, Vision
B.N. Kalyani[1]	75	BE (Mech), MS (MIT – USA)	Strategic Planning, Business Operations, Technology, Sales and Marketing, Finance Acumen, Governance and Risk Management
Prakash Mehta[2]	82	LLB (Mumbai), Solicitor	Legal expertise, Integrity, Business Strategy
Kannan Unni[2]	83	B.A. - Agriculture, Diploma in Marketing Management (Mumbai) IMEDE - Loussanne, Switzerland	Marketing, Business Contacts, Finance
Ranjit Shahani[3]	NA	ME (IIT, Kanpur), MBA (Jamnalal Bajaj Institute of Management Studies)	Operational efficiency, Intellectual Property expert
Sugandha Hiremath	72	B. Com	Finance, Investments
Amit Kalyani	49	Mechanical Engineering from Bucknell University, Pennsylvania, USA, Owner President Management Program, Harvard University, USA.	Strategic Planning, Business Operations, Technology, Sales and Marketing, Finance Acumen, Governance and Risk Management.

Name	Age	Qualifications	Skills, Expertise, Competencies
Shivani Bhasin Sachdeva	50	MBA from the Wharton School, University of Pennsylvania, B.A. in Economics from Mount Holyoke College (Phi-Beta-Kappa, Magna Cum Laude, Sarah Williston Scholar)	Business, Finance & Investments
Shrikrishna Kiran Adivarekar	42	Chartered Accountant & Commerce Graduate	Industry knowledge & experience, strategy and planning, financial skills, legal and regulatory knowledge, corporate governance and risk management
Berjis Minoo Desai[4]	68	LLB, University of Bombay & LLM Cambridge University, UK and Solicitor.	Litigation Management, Strategic Planning, Risk management policy shaping and industry advocacy, Sustainability and Environment Social & Governance (ESG), Human Resource development, Finance expertise
V Ramachandra Kaundinya[4]	68	Undergraduate in agricultural sciences from Andhra Pradesh Agricultural University and PG Diploma in Management from IIMA	Strategic expertise, Planning, Industry Knowledge, Business Operations, Technology, Sales and Marketing, Finance Acumen, Corporate Governance & Risk Management, Business Strategy, Operational Efficiency, Intellectual Property Expertise, Investments, Innovation & Vision
Ravi B. Kapoor[5]	63	Alumnus of the Mumbai University	Strategic expertise, Planning, Industry knowledge, Business Operations, Technology, Sales, Marketing, Finance acumen, Corporate Governance & Risk Management, Legal expertise, Integrity, Business Strategy, Operational efficiency, Intellectual Property expertise, Investments, Innovation & Vision.
Ranjana S Salgaocar[6]	70	Master of Management Studies from Jamnalal Bajaj Institute of Management, Bombay University and is a Gold Medallist in Bachelor of Social Work, Bombay University	Mining, trading, financial services, mining consultancy, mining and metals accelerator, strategic investment portfolios, real estate, health, agricultural, sports, community welfare and pharmaceuticals
Sameer Hiremath	50	BE (Chem), MBA & MS (I.T.) – Boston (USA)	Building High Performance Teams, IT – Digital Acumen, Projects Implementation, Strategic Planning
Sarangan Suresh[7]	60	Graduate in Chemical technology from ICT Mumbai (UDCT), Postgraduate in Chemical Engineering from Indian Institute of Science Bangalore	Project management, Strategic and domain expertise, Planning, Operational efficiency, Industry knowledge and Risk Management

[1]Mr. B. N. Kalyani ceased to be a Director w.e.f. 29 December 2023

[2]Mr. Prakash Mehta and Dr. Kannan Unni ceased to be Directors w.e.f. 31 March 2024 (End of the day)

[3]Mr. Ranjit Shahani passed away on 9 March 2024

[4]Mr. Berjis Minoo Desai and Mr. V Ramachandra Kaundinya were appointed as Independent Directors w.e.f. 1 October 2023

[5]Mr. Ravi B Kapoor was appointed as Independent Director w.e.f. 11 January 2024

[6]Mrs. Ranjana S Salgaocar was appointed as Independent Director w.e.f. 23 March 2024

[7] Mr. Sarangan Suresh was appointed as Whole Time Director w.e.f. April 1, 2024

The Board of Directors hereby confirms that in its opinion, the Independent Directors of the Company fulfil the conditions as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management. The remuneration of Non-Executive Directors is determined by the Board based on the time dedicated by them and contributions made by them.

There were no resignations of Independent Directors during the financial year.

B. Succession Plan:

The Nomination and Remuneration Committee works with the Board on the leadership succession plan and prepares contingency plans for succession in case of any exigencies.

C. Details of Board of Directors Meetings Held During the Year:

The Board met 7 (Seven) times during the financial year, details of which are as follows:

(1) 29 May 2023 (2) 8 August 2023 (3) 16 August 2023 (4) 02 November 2023 (5) 11 January 2024

(6) 08 February 2024 (7) 27 March 2024

The maximum interval between any two meetings held during the financial year did not exceed 120 days, as prescribed under the Companies Act, 2013.

D. Remuneration of Directors:

Remuneration to Directors for the year ended 31 March 2024.

i) Remuneration to Non-Executive Directors:

The Non-Executive Directors are paid sitting fees for each meeting of the Board and Committees thereof attended by them. They also receive commission on net profits of the Company as determined by the Board of Directors on an annual basis within the overall limit approved by shareholders of the Company.

Director	Sitting Fees (Amt in Million)	Commission on net profits (Amt in Million)	Total (Amt in Million)
B.N. Kalyani[1]	0.40	0.44	0.84
Prakash Mehta[2]	2.40	0.59	2.99
Kannan Unni[2]	2.40	0.59	2.99
Ranjit Shahani[3]	1.20	0.56	1.76
Sugandha Hiremath	1.40	0.59	1.99
Amit Kalyani	0.70	0.59	1.29
Shivani Bhasin Sachdeva	1.30	0.59	1.89
Shrikrishna Kiran Adivarekar	0.90	0.59	1.49
Berjis Minoo Desai[4]	0.20	0.30	0.50
V Ramachandra Kaundinya[4]	0.50	0.30	0.80
Ravi B. Kapoor[5]	0.30	0.13	0.43
Ranjana S Salgaocar[6]	0.10	0.01	0.11
Total	11.80	5.30	17.10

[1]Mr. B. N. Kalyani ceased to be a Director w.e.f. 29 December 2023

[2]Mr. Prakash Mehta and Dr. Kannan Unni ceased to be Directors w.e.f. 31 March 2024 (End of the day)

[3]Mr. Ranjit Shahani passed away on 9 March 2024

[4]Mr. Berjis Minoo Desai and Mr. V Ramachandra Kaundinya were appointed as Independent Directors w.e.f. 1 October 2023

[5]Mr. Ravi B Kapoor was appointed as Independent Director w.e.f. 11 January 2024

[6]Mrs. Ranjana S Salgaocar was appointed as Independent Director w.e.f. 23 March 2024.

The remuneration to Non-Executive Director is based on time dedicated and contributions made by them.

ii) Remuneration to Executive Directors:

(₹ in Million)

Name of the Director	Salary and Perquisites	Commission	Total
Jai Hiremath	52.83*	-	52.83
Sameer Hiremath	44.90	3.00	47.90
Total	97.73	3.00	100.73

* Kindly refer Note no. 57 of Standalone Financial Statements for details.

Shareholding of Non-Executive Directors in the Company as on 31 March 2024:

Director	Number of shares held
B. N. Kalyani[1]	22,500
Prakash Mehta[2]	15,275
Kannan Unni[2]	24,900
Sugandha Hiremath	9,667,500
Amit Kalyani	Nil
Ranjit Shahani[3]	Nil
Shivani Bhasin Sachdeva	Nil
Shrikrishna Kiran Adivarekar	Nil
Berjis Minoo Desai[4]	Nil
V Ramachandra Kaundinya[4]	Nil
Ravi B. Kapoor[5]	17000
Ranjana S Salgaocar[6]	Nil

[1]Mr. B. N. Kalyani ceased to be a Director w.e.f. 29 December 2023

[2]Mr. Prakash Mehta and Dr. Kannan Unni ceased to be Directors w.e.f. 31 March 2024 (End of the day)

[3]Mr. Ranjit Shahani passed away on 9 March 2024

[4]Mr. Berjis Minoo Desai and Mr. V Ramachandra Kaundinya were appointed as Independent Directors w.e.f. 1 October 2023

[5]Mr. Ravi B Kapoor was appointed as Independent Director w.e.f. 11 January 2024

[6]Mrs. Ranjana S Salgaocar was appointed as Independent Director w.e.f. 23 March 2024

The details of familiarisation programs of Independent Directors are uploaded on the Company's website at https://www.hikal.com/uploads/documents/FamiliarizationProgrammeForIndependentDirectors.pdf

III. COMMITTEES OF THE BOARD

Currently, the Board has five committees, Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee.

A. Audit Committee

Composition

At the beginning of the financial year the Committee consisted of Dr. Kannan Unni, Independent Director, Mr. Prakash Mehta, Independent Director, Mr. Ranjit Shahani, Independent Director and Mrs. Sugandha Hiremath, Non-Executive, Non-Independent Director. Dr. Kannan Unni was the Chairman of the Audit Committee. In view of the demise of Mr. Ranjit Shahani and the completion of tenures of Mr. Prakash Mehta and Dr. Kannan Unni, the committee was reconstituted on 27 March 2024. After the reconstitution the Committee consists of Mr. V Ramachandra Kaundinya, Independent Director, Mr. Ravi B Kapoor, Independent Director and Mr. Berjis M Desai, Independent Director and Mrs. Sugandha Hiremath, Non-Executive, Non-Independent Director. Mr. V Ramachandra Kaundinya is the Chairman of the Audit Committee.

The terms of reference of the Committee are as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013,
   b) Changes, if any, in accounting policies and practices and reasons for the same,
   c) Major accounting entries involving estimates based on the exercise of judgement by management,
   d) Significant adjustments made in the financial statements arising out of audit findings,
   e) Compliance with listing and other legal requirements relating to financial statements,
   f) Disclosure of any related party transactions,
   g) Modified opinion(s) in the draft audit report,
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutional placement and making appropriate recommendations to the board to take up steps in this matter.
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the whistle blower mechanism.
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
22. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

Meetings and Attendance

The Audit Committee met 7 (seven) times during the financial year, the details of which are as under:

(1) 05 April 2023 (2) 24 April 2023 (3) 26 May 2023 (4) 29 May 2023 (5) 08 August 2023 (6) 02 November 2023 (7) 08 February 2024

The attendance of the Committee meetings is as under:

Name of the Director	Number of meetings attended
Kannan Unni	7
Prakash Mehta	7
Sugandha Hiremath	4
Ranjit Shahani	4

B. Stakeholders' Relationship Committee

Composition

At the beginning of the financial year the Committee consisted of Dr. Kannan Unni, Independent Director, Mr. Prakash Mehta, Independent Director and Mrs. Sugandha Hiremath, Non-Executive, Non-Independent Director. Dr. Kannan Unni was the Chairman of the Stakeholders' Relationship Committee. In view of the completion of tenures of Mr. Prakash Mehta and Dr. Kannan Unni, the committee was reconstituted on 27 March 2024. After the reconstitution the Committee consists of Mr. Ravi B Kapoor, Independent Director, Mrs. Ranjana S Salgaocar, Independent Director and Mrs. Sugandha Hiremath, Non-Executive Director. Mr. Ravi B Kapoor is the Chairman of the Stakeholders' Relationship Committee.

The terms of reference of the Committee are as follows:

1. Resolving the grievances of the security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company.

The Committee looks into redressing of shareholders/investors' complaints. No complaint was outstanding as on April 1, 2023. No complaints were filed during the financial year. Thus, no complaints were outstanding as on March 31, 2024.

Meetings and Attendance

The meeting of Stakeholders' Relationship Committee during the financial year 2023-24 was held on 08 February 2024. All the members of the committee were present at the meeting.

Compliance Officer

The Board has designated Mr. Rajasekhar Reddy, Company Secretary & Compliance Officer of the Company as the Compliance Officer.

C. Nomination and Remuneration Committee

Composition

At the beginning of the financial year the Committee consisted of Dr. Kannan Unni, Independent Director, Mr. B. N. Kalyani, Non-Executive, Non-Independent Director, Mr. Prakash Mehta, Independent Director, Mr. Ranjit Shahani, Independent Director, Mrs. Shivani Bhasin Sachdeva, Independent Director and Mr. Jai Hiremath, Executive Chairman. Dr. Kannan Unni was the Chairman of the Nomination & Remuneration Committee. In view of the demise of Mr. Ranjit Shahani, the cessation of Mr. B. N. Kalyani and the completion of tenures of Mr. Prakash Mehta and Dr. Kannan Unni, the committee was reconstituted on 27 March 2024. After the reconstitution the Committee consists of Mr. V Ramachandra Kaundinya, Independent Director, Mr. Ravi B Kapoor, Independent Director, Mr. Berjis M Desai, Independent Director, Mr. Jai Hiremath, Executive Chairman, Mrs. Shivani Bhasin Sachdeva, Independent Director and Mr. S. K. Adivarekar, Independent Director. Mr. V Ramachandra Kaundinya is the Chairman of the Nomination & Remuneration Committee.

The terms of reference of the Committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees.
2. For every appointment of an Independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
   a. use the services of an external agencies, if required;
   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
   c. consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
4. Devising a policy on diversity of Board of Directors.
5. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
6. Whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors.
7. Recommend to the board, all remuneration, in whatever form, payable to senior management.

Meetings and Attendance

The Nomination & Remuneration Committee met 5 (five) times during the financial year, the details of which are as under:

(1) 16 August 2023 (2) 02 November 2023 (3) 11 January 2024 (4) 08 February 2024 (5) 27 March 2024

The attendance of the Committee meetings is as under:

Name of the Director	Number of meetings attended
Kannan Unni	5
Prakash Mehta	5
B. N. Kalyani	1
Jai Hiremath	5
Ranjit Shahani	1
Shivani Bhasin Sachdeva	5

Nomination and Remuneration Policy and performance evaluation criteria for Independent Directors:

The Nomination and Remuneration Policy of the Company is uploaded on the website of the Company

https://www.hikal.com/uploads/documents/RemunerationPolicy.pdf

The Board of Directors has approved the following criterion for performance evaluation of Independent Directors:

1. Director's background, knowledge and skills are relevant to the Board and business of the Company.
2. Whether the Director devotes sufficient time for Board matters and actively participates in the matters that are being discussed at the meetings.
3. Whether the Director is available for any discussions/inputs outside of Board/ Committee meetings.
4. Whether the Director helps in bringing an independent judgement to bear on the deliberations especially on strategy, risk management and performance of the Company.
5. Whether the Director works towards safeguarding the interest of all stakeholders in the Company.
6. Whether the Director brings quality and value in Board discussions.

D. Corporate Social Responsibility (CSR) Committee

Composition

At the beginning of the financial year the Committee consisted of Mr. Jai Hiremath, Executive Chairman, Mrs. Sugandha Hiremath, Non-Executive, Non-Independent Director, Mr. Sameer Hiremath, Managing Director and Mr. Prakash Mehta, Independent Director. In view of the completion of tenure of Mr. Prakash Mehta, the committee was reconstituted on 27 March 2024. After the reconstitution, the Committee consists of Mr. Jai Hiremath, Executive Chairman, Mrs. Ranjana S Salgaocar, Independent Director, Mr. Sameer Hiremath, Managing Director and Mrs. Sugandha Hiremath, Non-Executive Director. Mr. Jai Hiremath is the Chairman of the Corporate Social Responsibility Committee.

Meetings and Attendance

The Corporate Social Responsibility (CSR) Committee met twice during the financial year, the details of which are as under:

(1) 29 May 2023 (2) 08 February 2024

The attendance of the Committee meetings is as under:

Name of the Director	Number of meetings attended
Jai Hiremath	2
Prakash Mehta	2
Sugandha Hiremath	2
Sameer Hiremath	2

E. Risk Management Committee

Composition

At the beginning of the financial year the Committee consisted of Mr. Jai Hiremath, Executive Chairman, Mr. Prakash Mehta, Independent Director, Dr. Kannan Unni, Independent Director, Mr. Ranjit Shahani, Independent Director, Mr. Sameer Hiremath, Managing Director and Mr. Anish Swadi, Sr. President Animal Health & Business Transformation. In view of the demise of Mr. Ranjit Shahani and the completion of tenures of Mr. Prakash Mehta and Dr. Kannan Unni, the committee was reconstituted on 27 March 2024. After the reconstitution, the Committee consists of Mr. Jai Hiremath, Executive Chairman, Mr. V Ramachandra Kaundinya, Independent Director, Mr. Ravi B Kapoor, Independent Director, Mr. Sameer Hiremath, Managing Director and Mr. Anish Swadi, Sr. President Animal Health & Business Transformation. Mr. Jai Hiremath is the Chairman of the Risk Management Committee.

Meetings and Attendance

The Risk Management Committee met twice during the financial year, the details of which are as under:

(1) 29 August 2023 (2) 23 February 2024

The attendance of the Committee meetings is as under:

Name of the Director	Number of meetings attended
Jai Hiremath	2
Sameer Hiremath	2
Prakash Mehta	0
Kannan Unni	2
Ranjit Shahani	1
Anish Swadi	2

The terms of reference of the Committee are as follows:

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

F. Senior Management

S. No.	Name	Designation	Change since close of previous financial year
1	Anish Swadi	Senior President – Animal Health & Business Transformation	-
2	Kuldeep Jain	Chief Financial Officer	-
3	Rajasekhar Reddy	Company Secretary and Vice President Legal	-
4	Manoj Mehrotra	President- Pharmaceuticals	-
5	Vimaldeep Kulshrestha	President- Crop Protection	-
6	Ratish Jha	President- Human Resources	-
7	Anil Ajmera	Vice President - Internal Audit	-
8	T Devanathan	Vice President - Quality - Pharma	Ceased on 15 April 2024
9	Rakesh Ganorkar	Vice President - R&T - Pharma - CDMO	-
10	Ravi Khadabadi	Head - Supply Chain Management - Crop Protection	-
11	Ketan Karkhanis	Assistant Vice President - Information Technology	-
12	Mansukh Gokalbhai Patel	Head - Sustainability & Corporate EHS	-
13	Dharmesh Panchal	Chief Technology Officer	Appointed on 19 February 2024
14	K Suresh Babu	Head - Quality	Appointed on 15 April 2024

IV. GENERAL BODY MEETING

Financial Year	Location	Day, Date & Time	Special Resolutions Passed
2020-2021	Held through video conferencing and was deemed to have been held at the Registered Office.	Thursday, 2 September 2021 11.30 A.M.	1. Appointment of Mr. Jai Hiremath (DIN: 00062203) as Executive Chairman of the Company for a period of 5(Five) years and to fix his remuneration in accordance with provisions of Section 196, 197, 198 & 203 read with Schedule V to the Companies Act, 2013 and Regulation 17(6) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. 2. Appointment of Mr. Sameer Hiremath (DIN: 00062129) as Managing Director of the Company for a period of 5(Five) years and to fix his remuneration in accordance with provisions of Section 196, 197, 198 & 203 read with Schedule V to the Companies Act, 2013 and Regulation 17(6) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015. 3. Appointment of Mr. Ravindra Kumar Goyal (DIN: 03050193) as an Independent Director of the Company for a period of 3 (Three) years in accordance with provisions of Section 149, 150, 152 and 160 of Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and Schedule IV to the Companies Act, 2013 and relevant applicable provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015.
2021-2022	Held through video conferencing and was deemed to have been held at the Registered Office.	Thursday, 22 September 2022 11.30 A.M.	1. Appointment of Mr. Shrikrishna K. Adivarekar (DIN: 06928271) as an Independent Director of the Company for a period of 3 (Three) years in accordance with provisions of Section 149, 150, 152 and 160 of Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and Schedule IV to the Companies Act, 2013 and relevant applicable provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015. 2. Re-appointment of Mrs. Shivani Bhasin Sachdeva (DIN: 00590500) as an Independent Director of the Company for a period of 5 (Five) years in accordance with provisions of Section 149, 150 and 152 of Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and Schedule IV to the Companies Act, 2013 and relevant applicable provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015.

Financial Year	Location	Day, Date & Time	Special Resolutions Passed
			3. To increase the borrowing power of the Board in accordance with provisions of Section 180(1)(c) of Companies Act, 2013 read with rules framed thereunder, allowing the Board to borrow in excess of its aggregate paid up share capital, free reserves and securities premium account, provided that the total amount, outstanding at any time (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business), shall not exceed the aggregate of paid up share capital of the Company, its free reserves and securities premium account by more than ₹7,500 Million. 4. To authorise the Board of Directors to create mortgage and charge on the assets of the Company in accordance with provisions of Section 180(1)(a) of Companies Act, 2013 read with rules framed thereunder, not exceeding the aggregate of paid up share capital of the Company, its free reserves and securities premium account by more than ₹7,500 Million.
2022-2023	Held through video conferencing and was deemed to have been held at the Registered Office.	Tuesday, 26 September 2023 11.30 A.M.	1. Appointment of Mr. Berjis M Desai (DIN: 00153675) as an Independent Director of the Company for a period of 5 (Five) years in accordance with provisions of Section 149, 150, 152 and 160 of Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and Schedule IV to the Companies Act, 2013 and relevant applicable provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015. 2. Appointment of Mr. V. Ramachandra Kaundinya (DIN: 00043067) as an Independent Director of the Company for a period of 5 (Five) years in accordance with provisions of Section 149, 150, 152 and 160 of Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and Schedule IV to the Companies Act, 2013 and relevant applicable provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015.

Postal Ballot

During the Financial Year 2023-24 the Company conducted postal ballot for the following matters:

Sr. No	Particulars	Type and date of Resolution	Voting pattern				
			No of Votes polled	No of votes cast in favour	% of votes in favour	No of votes cast against	% of votes cast against
1	Continuation of appointment of Mr. B. N. Kalyani (DIN: 00089380) as a non-executive, non-independent Director of the Company	Special resolution dated 24 December 2023	97678231	50789201	52%	46889030	48%
2	Appointment of Mr. Ravi Brijmohan Kapoor (DIN: 01761752) as an Independent Director of the Company	Special resolution dated 20 March 2024	96296701	96281666	99.98%	15035	0.02%

Details of Postal Ballot conducted subsequent to the closure of financial year ended 31 March 2024, whose results were declared before the date of this report.

Sr. No	Particulars	Type and date of Resolution	Voting pattern				
			No of Votes polled	No of votes cast in favour	% of votes in favour	No of votes cast against	% of votes cast against
1	Appointment of Mrs. Ranjana S Salgaocar (DIN: 00120120) as an Independent Director of the Company	Special resolution dated 24 May 2024	54191017	54178390	99.98%	12627	0.02%
2	Appointment of Mr. Sarangan Suresh (DIN: 10562713) as a Whole Time Director of the Company	Ordinary resolution dated 24 May 2024	54191217	54127289	99.88%	63928	0.12%

The Company had appointed M/s Dhrumil M Shah & Co., LLP as the scrutinisers to conduct all the above mentioned Postal Ballot process in a fair and transparent manner. The Scrutinisers after the completion of scrutiny submitted their report to Mr. Rajasekhar Reddy, Company Secretary of the Company being authorised by the Chairman, to accept, acknowledge and countersign the scrutinisers report as well as to declare the voting results in accordance with the provision of the Companies Act, 2013 and Rules made thereunder.

V. DISCLOSURES

(i) The Company has entered into related party transactions as set out in the Notes to Accounts, which are not likely to have a conflict with the interest of the Company. The details of all significant transactions with the related parties are periodically placed before the Audit Committee.

(ii) Details of penalties or strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets during the last three years. – Nil

(iii) The Company has a code of conduct for Board members and senior management of the Company, which is posted on the Company's website. The employees covered by code of conduct, affirm on annual basis the compliance with the said code. The Company has a whistle blower policy which is also available on the website of the Company. No personnel of the Company have been denied access to the grievance redressal mechanism and Audit Committee of the Board of the Company.

(iv) The Company has duly complied with all the mandatory Corporate Governance requirements including those specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46. The Company has also complied with non-mandatory requirements as specified in Part E of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and continues to follow the regime of financial statements with unmodified opinion and the Internal auditors reporting directly to the Audit Committee.

(v) Material Subsidiaries:

The Company does not have any material subsidiaries as defined under Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy for determining material subsidiaries is posted on the website of the Company at https://www.hikal.com/uploads/documents/PolicyfordeterminingMaterialSubsidiary.pdf

(vi) The Company has in place a Policy on dealing with Related Party Transactions and on Materiality of Related Party Transactions, which has been posted on the website of the Company https://www.hikal.com/uploads/documents/RelatedPartyTransactionPolicy.pdf.

(vii) The Company's operational activities involve purchase and sale of active ingredients, whose prices are exposed to the risk of fluctuations over short periods of time. Commodity price risk exposure is evaluated and managed through procurement and other related operating policies. The international trade is primarily in USD and Euro which are major convertible currencies and to that extent the exposure to forex exchange risk exists. However, the Company exports and imports in same currencies and there is a natural hedge for these currencies and the Company enters into forward contracts for open positions wherever deemed necessary.

(viii) There was no Preferential Allotment or Qualified Institutions Placement during the financial year as specified under Regulation 32 (7A) of Listing Regulations.

(ix) A Certificate from Dhrumil M. Shah & Co. LLP, Practicing Company Secretaries, certifying that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by SEBI / Ministry of Corporate Affairs or any such Statutory Authority, is enclosed to this Report.

(x) There were no instances of non-acceptance of recommendations of any committee by the Board of Directors during the financial year 2023-24.

(xi) Details of fees for all services paid by the Company, to the Statutory Auditor and all entities in the network firm/ network entity of which the Statutory Auditor is a part, are mentioned in Note 53 on Payments to Auditors in the standalone financial statements.

(xii) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. Number of complaints filed during the financial year 2023-24: Nil

b. Number of complaints disposed of during the financial year 2023-24: Nil

c. Number of complaints pending as on end of the financial year 2023-24: Nil

(xiii) There were no instances of Non-compliance with any requirement of corporate governance report.

(xiv) The Company has in place a Dividend Distribution Policy, which has been posted on the website of the Company at https://www.hikal.com/uploads/documents/HIKAL-DividendDistributionPolicy.pdf.

(xv) Credit Rating:

Particulars	Rating Agency	Rating
Long term borrowing	ICRA	A +
Short term borrowing	ICRA	A 1

(xvi) Loans and advances, by Company and Subsidiary, in the nature of loans to firms/ companies in which directors are interested

S. No.	Name of the Entity	Amount in Mn.
1	Acoris Research Limited	0.17

(xvii) Details of agreements specified in clause 5A to para A of part A of schedule III

a. Number of agreements subsisting on the date of notification: 1(One)

b. Salient features of the agreements: Family arrangement regarding transfer of shares

c. Link to the webpage where the complete details of the agreements are available: https://www.hikal.com/uploads/documents/DisclosureUnderRegulation30AofSEBILODRRegulations2015.pdf

VI. MEANS OF COMMUNICATION

The quarterly, half yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. These are published in leading Financial/Non-financial newspapers viz: in, Business Standard, Financial Express and Mumbai Lakshadeep. The results are simultaneously posted on the website of the Company www.hikal.com.

The press releases and the presentations made to the institutional investors or the analysts are also posted on the website of the Company www.hikal.com.

VII. GENERAL SHAREHOLDERS INFORMATION

(A) Annual General Meeting

Day and Date	:	Tuesday, 17 September 2024
Time	:	11.30 AM
Venue	:	Through VC/OAVM

(B) Financial Year

01 April 2023 to 31 March 2024

(C) Tentative Financial Calendar 2024-25:

1st Quarter results	on or before August 14, 2024
2nd Quarter results	on or before November 14, 2024
3rd Quarter results	on or before February 14, 2025
4th Quarter results	before end of May, 2025

(D) Book Closure

11 September 2024 to 17 September 2024 (both days inclusive)

(E) Dividend Payment Date

Dividend will be paid within 30 days from the date of declaration.

(F) Listing of Shares

The Equity Shares are listed on the Stock Exchanges at BSE Limited, Mumbai, and National Stock Exchange of India Limited, Mumbai. The Company has paid the listing fees for FY 2024-25 to both the Stock Exchanges.

(G) Stock Code:

Stock Exchange	Scrip Code
BSE Ltd. (BSE)	524735
P J Towers, Dalal Street,	
Fort, Mumbai 400001	
National Stock Exchange of India Ltd. (NSE)	HIKAL
Exchange Plaza, Bandra	
Kurla Complex Bandra	
(East), Mumbai 400051	

Demat ISIN Number in NSDL & CDSL – INE475B01022

CIN No. - L24200MH1988PTC048028

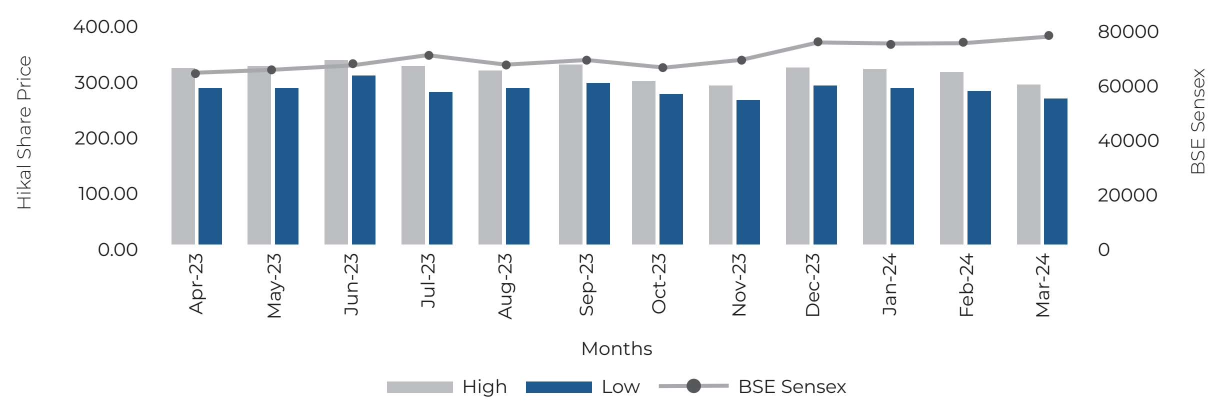
(H) Market Price Data

The details of high/low market price of the shares at BSE and NSE are as under:

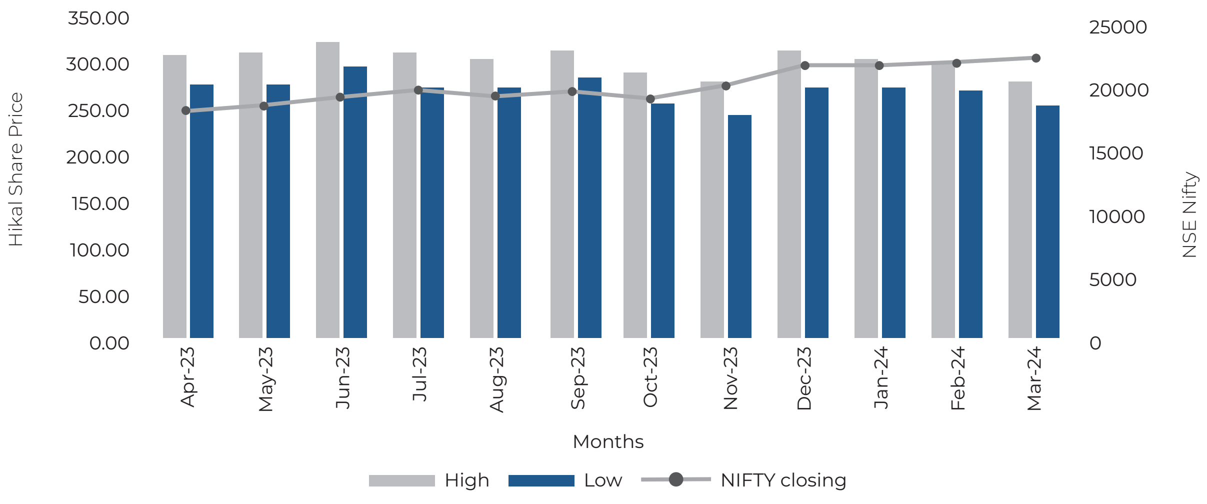
Month	BSE			NSE			SENSEX Closing	NIFTY Closing
	High	Low	Close	High	Low	Close		
April 2023	315.95	282.50	295.55	316.00	282.35	295.50	61112	18065
May 2023	319.50	282.10	305.20	319.00	282.00	305.25	62622	18534
June 2023	328.60	303.30	313.40	329.00	304.40	313.45	64719	19189
July 2023	318.55	273.00	283.75	318.45	273.00	283.90	66528	19754
August 2023	311.15	280.20	296.10	311.00	281.20	296.00	64831	19254
September 2023	320.05	290.05	295.95	320.00	291.00	295.40	65828	19638
October 2023	296.60	263.00	274.60	296.85	263.00	274.35	63875	19080
November 2023	285.90	258.60	283.50	285.75	250.10	283.50	66988	20133
December 2023	318.00	281.75	303.50	318.35	280.80	303.95	72240	21731
January 2024	312.80	280.00	299.85	313.00	279.95	299.85	71752	21726
February 2024	307.70	276.20	280.35	307.70	276.05	280.70	72500	21983
March 2024	286.05	260.65	264.80	286.80	260.30	265.05	73651	22327

(I) Performance Comparison: Hikal Ltd. v/s BSE SENSEX and Hikal Ltd. v/s NSE NIFTY:

Hikal Share Price V/s Sensex



Hikal Share Price V/S Nifty



(J) Share Transfer Agents

Link Intime India Private Limited
C 101, Embassy 247, L.B.S. Marg, Vikhroli (West), Mumbai - 400083
Tel: +91 810 811 6767; Toll-free number: 1800 1020 878; Fax: 022-4918 6060;
Email: rnt.helpdesk@linkintime.co.in; Website: www.linkintime.co.in

(K) Share Transfer/ Transmission System

Trading in equity shares of the Company is permitted only in dematerialised form. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialised form. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialised to be able to freely transfer them and participate in various corporate actions.

Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialised form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc.

After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerialising those shares.

If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

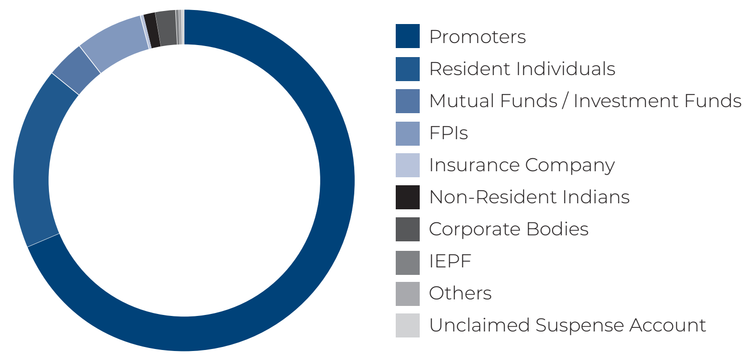
(L) Distribution of Shareholding (Equity) as on 31 March 2024

Share Holding Nominal Value of		Share Holders		Share Holdings		Share Amount	
₹	₹	Number	% To Total	Holdings	% To Total	₹	% To Total
UP TO	5,000	75,500	98.28	1,10,85,626	8.99	2,21,71,252	8.99
5,001	10,000	654	0.85	23,75,864	1.93	47,51,728	1.93
10,001	20,000	322	0.42	23,44,379	1.90	46,88,758	1.90
20,001	30,000	117	0.15	14,96,079	1.21	29,92,158	1.21
30,001	40,000	49	0.06	8,74,321	0.71	17,48,642	0.71
40,001	50,000	27	0.04	6,18,986	0.50	12,37,972	0.50
50,001	100,000	63	0.08	22,23,799	1.81	44,47,598	1.81
100,001	And Above	94	0.12	10,22,81,696	82.95	20,45,63,392	82.95
TOTAL		**76,826**	**100.00**	**12,33,00,750**	**100.00**	**24,66,01,500**	**100.00**

(M) Shareholding pattern as on 31 March 2024 is as under:

Category of Shareholders	Number of Equity Shares	% To Total
Promoters	84,892,764	68.85
Resident Individuals	20283718	16.45
Mutual Funds / Investment Funds	4,200,168	3.41
FPIs	8,079,758	6.55
Insurance Company	150,750	0.12
Non- Resident Indians	1534377	1.24
Corporate Bodies	2,341,137	1.90
IEPF	277,600	0.23
Others	1510467	1.23
Unclaimed Suspense Account	30,011	0.02
Total	**123,300,750**	**100**

Shareholding pattern as on 31 March 2024



(N) Dematerialisation of Shares

As on 31 March 2024, 99.88% (123,158,258 shares) of the total equity capital is held in dematerialised form, out of which 92.09% (113,552,898 shares) is held with NSDL and 7.79% (9,605,360 shares) is held with CDSL.

(O) Outstanding global depository receipts, etc.

The Company has not issued any global depository receipts or American depository receipts or warrants or any other convertible instruments and therefore no such instruments are outstanding as on 31 March 2024.

(P) Plant Locations:

a) MIDC, Taloja, Dist. Raigad, Maharashtra
b) MIDC, Mahad, Dist. Raigad, Maharashtra
c) GIDC, Panoli, Dist. Bharuch, Gujarat
d) KIADB, Jigani, Bengaluru, Karnataka
e) R & D Division at Hinjewadi, Pune, Maharashtra

(Q) Investor Correspondence

i. Link Intime India Private Limited

C 101, Embassy 247, L.B.S. Marg, Vikhroli (West), Mumbai - 400083
Tel: +91 810 811 6767; Toll-free number: 1800 1020 878; Fax: 022-4918 6060;
Email: rnt.helpdesk@linkintime.co.in;
Website: www.linkintime.co.in

ii. Investors Relation Centre

Mr. Rajasekhar Reddy – Company Secretary & Compliance Officer
603-A, Great Eastern Chambers, 6th Floor, Sector 11, CBD Belapur, Navi Mumbai - 400 614
Tel: 91 22 6277 0299; Email: secretarial@hikal.com; Website: www.hikal.com.

(R) Disclosures with respect to demat suspense account/unclaimed suspense account

a	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	33011
b	Number of shareholders who approached Company for transfer of shares from suspense account during the year;	Nil
c	Number of shareholders to whom shares were transferred from suspense account during the year;	Nil
d	Number of shares transferred from suspense account to Investor Education and Protection Fund, during the year;	3000
e	Aggregate number of shareholders whose shares are lying in the suspense account at the end of the year;	34
f	Aggregate number of outstanding shares in the suspense account lying at the end of the year;	30011

The Company confirms that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

For and on behalf of the Board of Directors

Sd/-
Jai Hiremath
Executive Chairman
DIN: 00062203

Date: 1 August 2024
Place: Mumbai

CEO/CFO CERTIFICATION ISSUED PURSUANT TO THE PROVISIONS OF REGULATION 17(8) READ WITH PART B OF SCHEDULE II OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Board of Directors,

Sub: CEO/CFO Certificate

(a) We have reviewed financial statements, read with the cash flow statements of Hikal Ltd. for the year ended 31 March 2024, and to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee of the Company, wherever applicable:

(i) significant changes in internal control over financial reporting during the year;

(ii) significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Hikal Ltd.

Sd/-	Sd/-
Sameer Hiremath	**Kuldeep Jain**
Managing Director	Chief Financial Officer
DIN: 00062129	

Place: Mumbai
Date: 9 May 2024

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

To the Members,

Hikal Ltd.

Subject: Declaration under Regulation 26(3) read with Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As required under Regulation 26(3) read with Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2024.

For Hikal Ltd.

Sd/-
Sameer Hiremath
Managing Director
DIN: 00062129

Place: Mumbai
Date: 1 August 2024

CERTIFICATE ON CORPORATE GOVERNANCE

[Pursuant to Regulation 34(3) and Schedule V Para E of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Hikal Limited

We have examined all the relevant records of **Hikal Limited ("the Company")** for the purpose of certifying compliance with the conditions of Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**) for the year ended **March 31, 2024.**

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation process adopted by the Company for ensuring compliance with the conditions of Corporate Governance. This certificate is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the said Listing regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company

For **Dhrumil M. Shah & Co. LLP**
Practising Company Secretaries
ICSI URN: L2023MH013400
PRN: 3147/2023

Sd/-
Dhrumil M. Shah
Partner
FCS 8021 | CP 8978
UDIN: F008021F000860785

Place: Mumbai
Date: 1 August 2024

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Hikal Limited
CIN: L24200MH1988PTC048028
717/718, Maker Chamber V,
Nariman Point, Mumbai - 400021

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Hikal Limited** having **CIN:** L24200MH1988PTC048028 and having registered office at 717/718, Maker Chamber V, Nariman Point, Mumbai – 400021 (hereinafter referred to as '**the Company'**), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authorities.

Sr. No.	Names of Director	DIN	Date of Appointment in Company
1.	Mr. Jai Vishwanath Hiremath	00062203	22-02-1991
2.	Mr. Sameer Jai Hiremath	00062129	26-05-1999
3.	Mrs. Shivani Bhasin Sachdeva	00590500	01-08-2019
4.	Mrs. Sugandha Jaidev Hiremath	00062031	05-02-1992
5.	Mr. Amit Babasaheb Kalyani	00089430	09-02-2012
6.	Mr. Shrikrishna Kiran Adivarekar	06928271	22-12-2021
7.	Mr. Babasaheb Neelkanth Kalyani[1]	00089380	05-02-1992
8.	Mr. Prakash Vasantlal Mehta[2]	00001366	01-06-1994
9.	Mr. Unni Kadankote Kannan[2]	00227858	12-05-2000
10.	Mr. Ranjit Gobindram Shahani[2]	00103845	08-02-2018
11.	Mr. Vinnakota Ramachandra Kaundinya[3]	00043067	01-10-2023
12.	Mr. Berjis Minoo Desai[3]	00153675	01-10-2023
13.	Mr. Ravi Brijmohan Kapoor[4]	01761752	11-01-2024
14.	Mrs. Ranjana Shivanand Salgaocar[4]	00120120	23-03-2024

1. Mr. Babasaheb Neelkanth Kalyani ceased to be the Non-Executive Non-Independent Director with effect from December 29, 2023.
2. Mr. Prakash Vasantlal Mehta, Mr. Unni Kadankote Kannan ceased to be Non-Executive Independent Director with effect from March 31, 2024 and and Mr. Ranjit Gobindram Shahani ceased to be a Non Executive Independent Director March 09, 2024.
3. Mr. Berjis Minoo Desai and Mr. Vinnakota Ramachandra Kaundinya were appointed as Non-Executive Independent Director with effect from October 01, 2023 through special resolution passed at an Annual General Meeting of the Company held on September 26, 2023.
4. Mr. Ravi Brijmohan Kapoor & Mrs. Ranjana Shivanand Salgaocar were appointed as Additional Directors in Independent Director category with effect from January 11, 2024 & March 23, 2024 respectively and were regularised as a Directors in Independent Director category through special resolution passed vide Postal Ballot dated March 20, 2024 & May 24, 2024 respectively.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Dhrumil M. Shah & Co. LLP**
Practising Company Secretaries
ICSI URN: L2023MH013400
PRN: 3147/2023

Sd/-
Dhrumil M. Shah
Partner
FCS 8021 | CP 8978
UDIN: F008021F000860763

Place: Mumbai
Date: 1 August, 2024

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed Entity

1. Corporate Identity Number (CIN) of the Listed Entity	L24200MH1988PTC048028
2. Name of the Listed Entity	Hikal Limited
3. Year of incorporation	1988
4. Registered office address	717/718, Marker Chambers V, Nariman Point, Mumbai, 400021
5. Corporate address	Great Eastern Chambers, Sector-11, 6th Floor, CBD Belapur, Navi Mumbai - 400614
6. E-mail	secretarial@hikal.com
7. Telephone	+91 22 6277 0299
8. Website	www.hikal.com
9. Financial year for which reporting is being done	1 April 2023 to 31 March 2024
10. Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) National Stock Exchange of India Limited (NSE)
11. Paid-up Capital	INR 246,601,500
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Jai Hiremath Designation: Executive Chairman DIN number: 00062203 Telephone number: 022 6277 0299 E-mail ID: secretarial@hikal.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its	Disclosures made in this report are on a consolidated basis
14. Name of assurance provider	Not applicable
15. Type of assurance obtained	Not applicable

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	Percentage of Turnover of the entity
1	Manufacturing	Manufacturing of pharmaceuticals, animal health, crop protection and specialty chemicals	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacture of Basic Chemical Elements	20116	38%
2	Manufacture of Pharmaceutical Products	21001	62%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	5	3	8
International	0	3	3

Note: Hikal Limited has five manufacturing facilities and one Research and Technology (R&T) centre in India.

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Pan-India
International (No. of Countries)	Overseas office in Japan Overseas office in USA Representation in Europe

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Total contribution of exports as a percentage of the turnover is 62%.

c. A brief on types of customers

The company is working with leading agrochemicals and pharmaceuticals multinational companies.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1939	1829	94%	110	6%
2.	Other than Permanent (E)	15	10	67%	05	33%
3.	**Total employees (D + E)**	**1954**	**1839**	**94%**	**115**	**6%**
WORKERS						
4.	Permanent (F)	122	122	100%	-	-
5.	Other than Permanent (G)	1392	1323	95%	69	5%
6.	**Total workers (F + G)**	**1514**	**1445**	**95.4%**	**69**	**4.6%**

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	3	3	100%	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	**Total differently abled employees (D + E)**	**3**	**3**		**-**	**-**
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	**Total differently abled workers (F + G)**	**-**	**-**	**-**	**-**	**-**

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	11	3	27.3%
Key Management Personnel	7	0	0%

22. Turnover rate for permanent employees and workers

	Turnover rate in FY 2023-24			Turnover rate in FY 2022-23			Turnover rate in FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	24%	2%	26%	23%	23%	23%	23%	15%	22%
Permanent Workers	4%	0%	4%	3%	0%	3%	3%	0%	3%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / Subsidiary / associate companies / Joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Acoris Research Limited	Subsidiary	100%	No
2	Hikal LLC	Subsidiary	100%	No

VI. CSR Details

24. **(i) Whether CSR is applicable as per section 135 of Companies Act, 2013:** Yes

(ii) Turnover (in INR): 17,846.00 million

(iii) Net worth (in INR): 11,875.89 million

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	Not applicable	Nil	Nil	Not applicable
Investors (other than shareholders)	Yes	Nil	Nil	Not applicable	Nil	Nil	Not applicable
Shareholders	Yes	Nil	Nil	Not applicable	Nil	Nil	Not applicable
Employees and workers	Yes	Nil	Nil	Not applicable	Nil	Nil	Not applicable
Customers	Yes	Nil	Nil	Not applicable	Nil	Nil	Not applicable
Value Chain Partners	Yes	Nil	Nil	Not applicable	Nil	Nil	Not applicable
Others	NA	NA	NA	NA	NA	NA	NA

Weblink to Grievance Redressal Policy: https://www.hikal.com/documents/corporate-governance

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Energy efficiency & carbon emissions/ Air pollution	R/O	Energy efficiency, carbon emissions, and air pollution pose risks and opportunities for our organisation. Neglecting these issues leads to regulatory pressures, fines, and reputational damage. However, embracing efficiency and reducing emissions enhances our organisation brand, attracts eco-conscious customers, and improves competitiveness. Sustainable practices save costs and improve efficiency. Prioritising energy efficiency and emissions aligns with environmental goals, driving growth and sustainability.	Our organisation has implemented effective measures to address energy efficiency and carbon emissions/air pollution risks. These include dust collectors, bed scrubbers, and flue gas monitoring. We recycle organic vapors and have a green belt and environmental management cell for ongoing monitoring. These efforts demonstrate our commitment to environmental sustainability and regulatory compliance.	Positive/ Negative
2.	Water and effluent management/ Waste management	Risk	Water scarcity, pollution, and inadequate waste management pose risks to our organisation and the environment. Insufficient water availability disrupts operations, raises costs, and jeopardises well-being. Improper waste handling risks environmental harm, health hazards, and non-compliance. Addressing these risks is crucial to avoid penalties, reputation damage, and strained relationships. Effective management brings financial and environmental benefits, enhancing our position in the sector.	Our organisation prioritises waste and water/effluent management. We securely store and responsibly dispose of discarded containers, hand them over to authorised recyclers, and ensure proper recycling practices. Specific wastes are securely stored and safely disposed of in authorised incinerators. We reprocess spent solvents using environmentally sound technology and government-approved recyclers. These measures showcase our commitment to responsible waste management, reducing environmental impact, and complying with regulatory requirements.	Negative
3.	Biodiversity protection	Risk	We understand that business operations have an impact on biodiversity. Pollution and contamination worsen the situation, impacting species diversity and ecological balance. Addressing these risks is crucial to safeguard biodiversity and promote responsible practices in our industry.	The green belt near our chemical manufacturing factory acts as a refuge for diverse species, conserving biodiversity. It serves as a buffer zone, reducing pollution impacts and improving air and water quality. The green belt acts as an environmental asset, fostering ecological resilience and mitigating risks associated with our operations.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Green Chemistry	Opportunity	Embracing green chemistry offers our organisation numerous opportunities. It showcases our commitment to sustainability, ensures compliance with regulations, brings cost savings through efficient processes, fosters innovation, and differentiates us in the market with sustainable products. It opens doors to new markets and customers seeking eco-friendly options, reduces risks associated with hazardous substances, strengthens supply chain resilience, and contributes to long-term sustainability by conserving resources and minimising environmental impact. Adopting green chemistry establishes us as leaders in sustainable chemistry, benefiting the environment and our long-term success.		Positive
5.	Diversity, inclusion, and equal opportunities	Opportunity	Embracing diversity, inclusion, and equal opportunities brings significant advantages to our company. Prioritising these principles fosters innovation, expands our talent pool, improves decision-making, boosts employee engagement and retention, enhances our reputation, ensures regulatory compliance, and drives research and development innovation. By embracing diversity and inclusion, we cultivate a culture of success, competitiveness, and long-term sustainability while contributing to a more equitable and inclusive society.		Positive
6.	Employee wellbeing, benefits & retention/ Skill development	Opportunity	Prioritising employee wellbeing, benefits, and skill development offers significant opportunities for our organisation. By creating a positive work environment that supports physical and mental health, providing benefits and flexible arrangements, and offering skill development opportunities, we enhance job satisfaction, retention, engagement, and attract top talent. This fosters a culture of continuous learning and growth, boosting productivity, performance, competitiveness, and long-term success.		Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7.	Occupational health and safety	Risk	Occupational health and safety are a critical risk for our organisation. Neglecting a safe working environment leads to accidents, injuries, and illnesses, impacting employee wellbeing, morale, productivity, and absenteeism. Non-compliance results in legal liabilities, fines, penalties, and reputational damage. Prioritising comprehensive health and safety programs, training, and preventive measures is crucial to mitigate risks, protect employees, and maintain a safe workplace. Investment in occupational health and safety ensures the wellbeing of our workforce and safeguards our organisation's reputation and success.	The Company prioritises creating a safe work environment and preventing harm. It regularly identifies hazards and develops mitigation plans. Ongoing safety trainings are provided to employees and workers to safeguard their overall well-being. The goal is to maintain a holistic approach to safety and well-being.	Negative
8.	Human rights and community development	Risk/ Opportunity	Human rights violations or perceived violations pose a significant risk to our organisation, causing reputational damage, legal consequences, and loss of stakeholder trust. Failing to uphold labour rights can result in employee dissatisfaction, protests, and potential boycotts. Respecting human rights, complying with laws, and addressing grievances transparently are crucial. On the other hand, community development offers opportunities. Engaging in initiatives like education, skills training, and infrastructure development builds relationships, enhances reputation, and creates a positive social impact, leading to community support, market access, and long-term sustainability.	We have well established systems to ensure that human rights of our internal and external stakeholders are secured. There are necessary policy frameworks implemented in this regard. We have been engaging with local communities through our various CSR initiatives to make a positive impact on their lives and foster sustainable development.	Positive / Negative
9.	Product, quality, safety, and labelling	Risk	In the chemical sector, product quality, safety, and labelling are significant risks. Inadequate control measures can lead to defects or hazards, causing legal liabilities and reputational damage. Misleading labelling may result in consumer misuse. Implementing robust quality control, safety protocols, and accurate labelling ensures compliance and consumer trust.	To mitigate risks related to product quality, safety, and labeling, our organisation has implemented several measures. These include rigorous quality control procedures throughout the production process, adherence to safety protocols and standards, comprehensive testing and certification of products, accurate and transparent labeling practices in compliance with regulations, and ongoing monitoring and assessment to ensure continuous improvement. These measures aim to maintain high product standards, ensure consumer safety, and uphold our reputation for quality and reliability.	Negative

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S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10.	Research and innovation	Opportunity	Investing in research and fostering innovation keeps us ahead in technology, addressing market needs. Research improves operations and production efficiency. Innovation differentiates us, attracting partners and investors, enhancing our reputation, and seizing business opportunities. Prioritising research and innovation drives sustainable growth and adaptability.		Positive
11.	Sustainable supply chain	Opportunity	Focusing on supply chain sustainability enhances competitiveness, reduces risks, and aligns with consumer preferences. Sustainable practices minimise environmental impact, conserve resources, and meet regulatory requirements. It fosters strong supplier relationships, innovation, and continuity. Embracing sustainability improves efficiency, reputation, and long-term success.		Positive
12.	Sustainable financial performance	Opportunity	Integrating sustainability into financial strategies offers opportunities. It reduces costs, enhances reputation, attracts investors, and ensures long-term viability. Sustainable performance anticipates market trends and regulatory requirements, building trust and competitiveness while creating value for stakeholders and society.		Positive
13.	Regulatory compliance/ Ethical business practices and governance	Opportunity/ Risk	Regulatory compliance and ethical business practices offer opportunities to our organisation. Adhering to regulations enhances reputation, attracts responsible investors and customers. Compliance mitigates legal risks, maintains positive image. Ethical practices foster trust, accountability, and governance, promoting sustainability and resilience. Prioritising compliance and ethics differentiates us, attracts opportunities, and earns stakeholder trust in the industry.	We have implemented systems and processes to ensure compliance with applicable statutory requirements.	Positive/ Negative
14.	Data integrity & security	Risk	Data integrity and security are crucial for protecting valuable assets and maintaining stakeholder trust. Breaches or unauthorised access can lead to financial losses, reputation damage, and legal liabilities. Data integrity issues undermine decision-making and operational efficiency. Implementing robust security measures and employee awareness programs mitigate risks and safeguard data assets, reputation, and competitive position.	To mitigate risks related to data integrity and security, our organisation has implemented robust measures. These include the implementation of encryption technologies to protect sensitive data, strict access controls and authentication protocols, regular data backups, ongoing monitoring of network and system vulnerabilities, comprehensive employee training on data security best practices, and the use of advanced firewalls and intrusion detection systems. These measures aim to safeguard our data assets, protect against unauthorised access or data breaches, and ensure the confidentiality, integrity, and availability of our data.	Negative
15.	Risk management & business continuity	Risk/ Opportunity	Risk management and business continuity pose both risks and opportunities. Inadequate management can lead to accidents, disruptions, non-compliance, and reputational damage. Prioritising risk assessment, safety protocols, emergency plans, and supply chain resilience minimises incidents, protects stakeholders, and enhances trust. Effective business continuity planning ensures swift response, essential operations, and efficient recovery, securing long-term sustainability and success.	To address risk management and business continuity issues, our organisation has implemented various measures. These include conducting proactive risk assessments, implementing safety protocols and emergency response plans, ensuring supply chain resilience, establishing business continuity plans, regularly reviewing, and updating risk management strategies, and conducting drills and simulations to test preparedness. These measures help mitigate risks, enhance operational resilience, and ensure the continuity of our business operations in the face of potential disruptions.	Positive/ Negative
16.	Customer engagement	Opportunity	Customer engagement presents a significant opportunity to our organisation. By actively engaging with customers, we can gain valuable insights into their needs, preferences, and challenges. This enables us to develop products that meet specific customer requirements.		Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	The policies can be viewed on Company's website: www.hikal.com								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, we expect all our value chain partners to comply with Hikal's Code of Conduct and responsible business conduct guidelines.								
4. Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	• ISO 9001: 2018 • ISO 14001: 2015 • ISO 45001: 2018 • Responsible Care Certification								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	We have internally defined the scope 1 and 2 emissions reduction targets and working towards defining scope 3 emissions reduction targets in line with the SBTi guidelines. We are committed to the ten principles of the United Nations Global Compact (UNGC) to create a culture of integrity and responsible conduct across our business operations.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	We have defined Key Performance Indicators (KPIs) across ESG parameters, and the performance is evaluated regularly.								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements Refer to page no. ##-## of the annual report – Message from the Chairman's desk.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Jai Hiremath Designation: Executive Chairman DIN number: 00062203								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Hikal's Corporate Social Responsibility Committee is responsible for decision making on sustainability related issues. Executive Chairman and the Managing Director are a part of this committee.								

10 Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Annually and need basis								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Ongoing basis								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
N	N	N	N	N	N	N	N	N
We internally assess the working of above-mentioned policies.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: Not applicable

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles materials to its business (Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURES

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors	We conduct familiarisation programs for the Board of Directors/KMPs regularly. The aim is to familiarise the Directors/KMPs with the strategy, operations, and functions of the Company. The key topics covered under the program are the Code of Conduct for Directors and senior-level employees, the Code of Conduct on Insider Trading, Corporate profile, Organisational structure, Mandates of various Committees, and updates on various other initiatives.		100%
Key Managerial Personnel (KMP)			100%
Employees other than BoD and KMPs	We have conducted multiple training sessions for our employees and workers across our facilities in the reporting period. Some of the key training includes Behaviour Based Safety Management, Prevention of Sexual Harassment at the Workplace (POSH), Office safety, Regulatory requirements, Risk management, IT and Cyber Security, Business communication, etc.		100%
Workers			100%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format**

In the Financial year 2023-24, no cases were reported.

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred (Yes/No)
Penalty/Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not applicable	Not applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, anti-corruption and bribery are included in the Company's Code of Conduct, which applies to all the stakeholders working for or acting on behalf of the Company or any of its subsidiaries, and such persons must adhere to responsible business conduct. The Code of Conduct prohibits any form of unethical behaviour and reiterates that under no circumstances shall any Hikal employee, agent, or representative make, offer, promise, or authorise any payment or gift.

The weblink of the code of conduct is https://www.hikal.com/uploads/documents/hikal-code-of-conduct-2016.pdf

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2023-24	FY 2022-23
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. **Details of complaints with regard to conflict of interest:**

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not applicable.

8. **Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:**

	FY 2023-24	FY 2022-23
Number of days of accounts payables	134	94

9. **Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	60%	60%
	b. Number of trading houses where purchases are made from	20	20
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	80%	80%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	0%	0%
	b. Number of dealers / distributors to whom sales are made	0	0
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	0%	0%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0%	0%
	b. Sales (Sales to related parties / Total Sales)	0%	0%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	20	0
	d. Investments (Investments in related parties / Total Investments made)	0%	0%

Note: We are into institutional sales and providing our products directly to leading companies, where they convert intermediates into final products for the consumers. Therefore, sales through distributors do not apply to us.

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

We have instituted an onboarding process for our value chain partners, through which we share our code of conduct to ensure their awareness. Additionally, we conduct desktop and on-site assessments of our critical value chain partners in India. As part of this review process, we communicate the ESG practices and responsible business conduct expected from Hikal Ltd.

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

We have defined a Code of Conduct for the Board of Directors and Senior Management, which outlines the responsibilities to prevent any situation of conflict of interest. In addition, we obtain an annual declaration from the Board members and Senior Management executives on conformity with the Company's requirements to prevent conflict of interest.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	4.51%	4.01%	Not applicable
Capex			A Process Safety Lab was established at Pune Research and Technology (R&T) Center.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

We have a Green Supply Chain Policy, which is applicable for all our value chain partners. The policy outlines our commitment towards Environmental, Social and Governance (ESG) related responsible business practices. We expect all our value chain partners to adhere with our green supply chain requirements.

b. **If yes, what percentage of inputs were sourced sustainably?**

100% of inputs from critical suppliers in India is sourced in a sustainable manner.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Given the nature of our business, we have limited scope to reclaim our products for reusing, recycling, and disposal at the end of life. However, we have implemented a waste management system at all our facilities and have dedicated teams to ensure its effective implementation. All the categories of wastes are collected, segregated, stored, transported, and disposed of in accordance with applicable regulatory requirements and best industry practices. We have detailed SOP for collection, storage and disposal of various type of waste generated from process.

We are segregating all waste into two categories i.e., recyclable, and non-recyclable wastes. Recyclable waste is disposed of in an environmentally sound manner to authorised recyclers, and non-recyclable waste is disposed of via co-processing to the cement industry or incineration or secured landfill based on calorific value of waste. The packing material generated by raw materials and in-process material are being disposed to authorised plastic recycler or via Common Hazardous Waste Collection, Treatment, Storage & Disposal Facilities (CHWTSDF).

We have been consistently enhancing our waste management practices and have embedded them with our circular economy approach. In terms of process improvements, we have implemented systems to recover the organic solvents and reuse them in the same process. We have a dedicated lab working exclusively on waste treatability studies and have converted by-products into desired intermediates by using a simple process, which in turn reduced the hazardous organic waste to a great extent. In addition, we have initiated a process of reusing the plastic material used in the internal product transfer for the storage and disposal of hazardous waste and hence reduced the overall consumption of fresh plastic products and packaging material in our operations.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

EPR is applicable to us as an importer, HIKAL sought license from relevant statutory body to comply with the requirement under EPR.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

No, we will be conducting the life cycle assessment of our products in future.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Not applicable, as we have not conducted the life cycle assessment of our products.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Given the nature of our pharmaceutical and specialty chemical products, we do not use recycled or reused input materials in the manufacturing process. However, we are recovering more than 90% of process solvents and reusing them in the manufacturing process of pharmaceuticals and agrochemicals products.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

We are into institutional sales and providing our products to leading companies and they convert intermediates in to final products for the consumers. Hence, the responsibility for reclaiming products and packaging material does not apply to us. However, we give instructions and guidelines to our customers for handling and disposal of the products.

In addition, the waste generated in our manufacturing process, raw material packaging and e-waste are being sent to authorised recyclers wherever possible in accordance with the statutory requirements. In the reporting period, we have initiated a process of reusing the plastic material used in the internal product transfer for the storage and disposal of hazardous waste and hence reduced the overall consumption of fresh plastic products and packaging material in our operations

	FY 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging) in Metric tonnes	67.31	124.22	7.73	Nil	142.31	Nil
E-waste in Metric tonnes	Nil	4.43	Nil	Nil	8.84	Nil
Hazardous Waste in Metric tonnes	Nil	40,762.56	15,831.41	Nil	32255.08	28045.22
Other waste in Metric tonnes	Nil	4,251.11	115.33	Nil	Nil	Nil

Note: The above-reported values are from Hikal's operations.

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Not applicable.

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

Category	Percentage of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1829	1829	100%	1829	100%	-	-	1829	100%	-	-
Female	110	110	100%	110	100%	110	100%	-	-	-	-
Total	**1939**	**1939**	**100%**	**1939**	**100%**	**110**	**100%**	**1829**	**100%**	**-**	**-**
Other than Permanent employees											
Male	10	10	100%	10	100%	-	-	-	-	-	-
Female	5	5	100%	5	100%	5	100%	-	-	-	-
Total	**15**	**15**	**100%**	**15**	**100%**	**5**	**100%**	**-**	**-**	**-**	**-**

b. Details of measures for the well-being of workers

Category	Total (A)	Health insurance Number (B)	Health insurance % (B/A)	Accident insurance Number (C)	Accident insurance % (C/A)	Maternity benefits Number (D)	Maternity benefits % (D/A)	Paternity benefits Number (E)	Paternity benefits % (E/A)	Day care facilities Number (F)	Day care facilities % (F/A)
		Percentage of workers covered by									
Permanent workers											
Male	122	122	100%	122	100%	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**122**	**122**	**100%**	**122**	**100%**	**-**	**-**	**-**	**-**	**-**	**-**
Other than Permanent workers											
Male	1323	1323	100%	1323	100%	-	-	-	-	-	-
Female	69	67	97%	67	97%	67	97%	-	-	-	-
Total	**1392**	**1390**	**99.8%**	**1390**	**99.8%**	**67**	**97%**	**-**	**-**	**-**	**-**

c. Details of measures for the well-being of workers:

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	0.24%	0.18%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24 No. of employees covered as a % of total employees	FY 2023-24 No. of workers covered as a % of total workers	FY 2023-24 Deducted and deposited with the authority	FY 2022-23 No. of employees covered as a % of total employees	FY 2022-23 No. of workers covered as a % of total workers	FY 2022-23 Deducted and deposited with the authority
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	100%	100%	Yes	100%	100%	Yes
Others	NA	NA	NA	NA	NA	NA

Note: We have enrolled all our eligible employees and workers under the ESI. For the business locations that are outside the purview of ESI, we have obtained the Workmen's Compensation policy.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

All our facilities have the necessary infrastructure in place to provide easy access to differently-abled employees and workers at the workplace.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

We believe in promoting and maintaining a culture of diversity and equal opportunity for people based on merit, performance, and future potential to promote meritocracy. The Code of Conduct has been developed in line with our commitment to provide equal opportunities to everyone in the workplace.

Weblink: https://www.hikal.com/documents/corporate-governance

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees Return to work rate	Permanent employees Retention rate	Permanent workers Return to work rate	Permanent workers Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	NA	NA
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No	If yes, then give details of the mechanism in brief
Permanent workers	Yes	We have a well-defined grievance redressal mechanism in place. The grievance redressal policy outlines the procedure, responsibilities and timelines for addressing the concerns/ complaints. The policy applies to all employees and workers including the third-party workers deployed at the company's premises. We encourage our employees and workers to report any unethical incident or behaviour and ensure conformity with our non-retaliation principle, which is mentioned in our Code of Conduct. Appropriate records are maintained in accordance with the policy. We have also constituted a Works Committee at our manufacturing facilities that are unionised to discuss and address the issues related to working conditions and benefits concerning employees and workers. This committee meets periodically to discuss matters, which are documented, and action points are defined with specific roles and responsibilities.
Other than Permanent workers	Yes	
Permanent employees	Yes	
Other than Permanent employees	Yes	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24 Total employees / workers in respective category (A)	FY 2023-24 No. of employees / workers in respective category, who are part of association(s) or Union (B)	FY 2023-24 % (B/A)	FY 2022-23 Total employees / workers in respective category (C)	FY 2022-23 No. of employees / workers in respective category, who are part of association(s) or Union (D)	FY 2022-23 % (D/C)
Permanent employees						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total	-	-	-	**-**	**-**	**-**
Permanent workers						
Male	122	122	100%	127	127	100%
Female	-	-	-	-	-	-
Total	**122**	**122**	**100%**	**127**	**127**	**100%**

8. Details of training given to employees and workers

Category	FY 2023-24 Total (A)	FY 2023-24 On Health and safety measures No. (B)	FY 2023-24 On Health and safety measures % (B/A)	FY 2023-24 On Skill upgradation No. (C)	FY 2023-24 On Skill upgradation % (C/A)	FY 2022-23 Total (D)	FY 2022-23 On Health and safety measures No. (E)	FY 2022-23 On Health and safety measures % (E/D)	FY 2022-23 On Skill upgradation No. (F)	FY 2022-23 On Skill upgradation % (F/D)
Employees and Workers										
Male	We have maintained combined training records for permanent workers and employees.									
Female										
Total	**1939**	**1627**	**84%**	**1939**	**100%**	**2043**	**1075**	**53%**	**968**	**47%**

Note: Health and safety-related training sessions for workers are conducted on the shopfloor through various initiatives such as toolbox talks, safety talks, one minute for safety, etc. However, the numbers mentioned above are the formal records maintained for the training sessions conducted for permanent employees and workers.

9. Details of performance and career development reviews of employees and worker

Category	FY 2023-24 Total (A)	FY 2023-24 No. (B)	FY 2023-24 % (B/A)	FY 2022-23 Total (C)	FY 2022-23 No. (D)	FY 2022-23 % (D/C)
Employees						
Male	1829	1829	100%	1889	1889	100%
Female	110	110	100%	126	126	100%
Total	**1939**	**1939**	**100%**	**2015**	**2015**	**100%**

Note: We have considered only permanent employees in the performance review process.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, we have implemented Occupational Health and Safety Management System (ISO 45001) across our manufacturing facilities. All five manufacturing facilities are certified with ISO 45001:2018 management system and the research & technology center is in process of obtaining the certification.

We make our best efforts to ensure safe operations. We have implemented various programs like "Surakshapath" which is a behaviour-based safety program to minimise behavioural risk. We have other safety awareness programs like "One Minute for Safety", "EHS Induction", "Weekly wet drills", "Mock drills" etc. to enhance safety at our workplace. In addition, we have also initiated cross-functional safety audits at all the sites by the Corporate EHS team. To create awareness we have initiated an EHS Theme program every month, where we are adopting a different EHS theme to design and execute various awareness programs for all levels of employees and workers.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We have well established systems to identify and access work-related hazards and risks. We have implemented Hazard Identification and Risk assessment (HIRA) process for routine and non-routine activities, and Hazard operability (HAZOP) techniques for process related hazards at all our facilities. In addition, we have developed a guidance document in which, we have identified and documented all the hazards and risks associated with our operations to standardise implementation of safety measures.

At all our facilities, we have a dedicated EHS team to identify, assess and mitigate risks, monitor the implementation of safety measures, conduct a weekly safety inspection, and provide regular training on safety-aspects to employees and workers. Also, there are periodic internal and external audits conducted to assess the effectiveness of Occupational health and safety processes implemented at our facilities.

We analyze and generate safety related data of chemicals externally through recognised laboratory and use it in facility design to ensure inherent safety in infrastructure and operation. There are dedicated employees for process safety management at our R&T center.

We have set up a process safety laboratory at R&T Pune to carry out various safety-related tests of reaction calorimetry of new processes to ensure inherent safe processes in new projects.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, we have a well-defined system in place to identify and report work-related hazards. We have implemented a safety reporting system through MY SETU software at all the facilities through which employees can online report work-related hazards/risks such as near misses, unsafe conditions, injuries, and other serious incidents. This is followed by a detailed root cause analysis, development and implementation of corrective action plans, and monitoring of the effectiveness of safety measures. All the reported issues can be tracked online till its closure with the corrective action plan and any employee can access the portal through their login credentials. Apart from this, regular safety briefing sessions/toolbox talks take place on a daily basis, where workers actively participate to give suggestions for strengthening the safety measures at the sites.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all our employees and workers have access to non-occupational medical and healthcare services. We have onsite medical centers at our facilities that have a round-the-clock Operating Outpatient Department (OPD) with qualified medical officers and support staff for any medical emergencies and consultation for non-occupational health issues. As a standard process, annual health check camps are organised across our facilities. The employees and workers having exposure to heat, noise, and chemicals during their routine work are required to undergo preventive health examination every six months to diagnose any occupational disease in the initial stage. We have obtained Group accidental and medical insurance policies that cover our employees. At all our facilities, we ensure that contractors must obtain accidental insurance policy/workmen compensation policy and ESIC for workers.

11. Details of safety related incidents, in the following format:

Safety Incident/ Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0.3
Total recordable work-related injuries	Employees	0	0
	Workers	0	1
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

We have implemented a robust safety management system in accordance with guidelines and principles of the ISO 45001 management system to ensure a safe and healthy workplace. Maintaining the highest safety standards across our facilities is one of our top-most priorities, we conduct Industrial hygiene exposure quantitative assessment, Quantitative risk assessment (QRA), Hazard Identification and Risk assessment (HIRA), and implemented Hazard operability (HAZOP) techniques to identify the hazards and provide required engineering measures to minimise the risks.

As a standard practice, before starting any project, we conduct HIRA. PSSR (Pre Start Up Safety Review) and implement safety measures, provide safety training, conduct medical tests that are required for any specific activity, and conduct toolbox talks daily for each shift. Regular site inspections and safety audits are conducted by both internal teams and external auditors to assess the safety readiness at our facilities.

Mandatory safety training is a part of induction program and periodic refresher training sessions are conducted by internal teams and external experts on various safety and occupational health-related aspects. All our employees and workers are provided with Personal Protective Equipment (PPE) and there are safety Supervisors/Managers for regular inspection of activities and to issue work permits for any dangerous operations.

Pre-employment medical examinations and periodic medical examinations are conducted for employees and workers to identify any occupational disease at the initial stage and provide a necessary course of treatment.

There are various rewards and recognition programs to recognise the efforts of individuals and teams for ensuring safety at the workplace.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Not applicable	Nil	Nil	Not applicable
Health & Safety	0	0	Not applicable	Nil	Nil	Not applicable

Note: We have not received any complaints from employees and workers regarding working conditions and Health & safety-related issues in the reporting period. However, we conduct safety committee meetings regularly at all our sites, where employees/workers share their suggestions for improving the working environment.

14. Assessment for the year:

	Percentage of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

We have a defined process to thoroughly investigate all the incidents and share the learning across sites to ensure the non-occurrence of similar incidents. Through our awareness programs and employee connect sessions, we encourage our employees and workers, to report any unsafe acts and conditions. During the reporting period, no major safety incident occurred. However, certain first-aid incidents and unsafe acts were reported that have been investigated and necessary corrective and preventive measures were implemented. Some of the key measures implemented are listed below:

- The fall arrestor systems were provided at the Tanker Unloading Area to reduce the risk of free fall while collecting samples from the road tanker at all the sites.
- Cross-functional safety audits were initiated for all the manufacturing facilities by the Corporate EHS department.
- The day duty officer is available on all holidays and Sundays for overall safety monitoring at all sites.
- To ensure the safety of contract employees the Contractor Safety Performance System was implemented with monthly meetings with contractors at all sites.
- To enhance adequacy and uniformity for safety training of contract employees, a pre-recorded video-based training Kiosk system was installed.
- Continuous Earth Monitoring System installed at Jigani and Mahad units for monitoring the earth resistance.
- Fire prevention sprinkler systems are installed at Jigani units 1 and 2.
- Nitrogen Low-Pressure Alarm System is installed at Jigani units 1 and 2 to reduce asphyxiation risk.
- Continuous AAQMS installed to monitor the quality of air at Jigani unit 2.
- OHC upgradation was completed at Jigani unit 1 where separate rooms were provided for women employees.
- 30 KL RO Plant and ATFD Capacity (300 Kg/ Hr) for Single Effect Evaporator projects were completed for the ETP Plant in Jigani Unit-2 for the ZLD system.
- To strengthen the safety of a person while working in a confined space oxygen detectors are provided at the Panoli unit.
- Hazardous waste storage area upgradation with physical partition for segregation of waste based on compatibility. Smoke detectors were installed, and a leachate collection system was provided at the Panoli unit.
- Finished goods (API) storage area Smoke detector provided for fire prevention at Panoli site.
- An electrostatic charge hazard evaluation audit was performed to reduce the fire risk while handling chemicals at the Taloja unit.
- Installation of Flood management items at the Mahad unit.
- Protection relay earthing system provided for Kilo lab, solvent dispensing, and Hazardous waste shed by engineering at Pune R&T Centre.
- Upgraded the existing wastewater treatment facility including Softener, UF RO, MVR-based evaporator, etc. at Pune R&T Centre.
- Online Effluent monitoring system installed at Pune R&T Centre.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

We expect our value chain partners to abide by the statutory requirements and implement necessary operational controls to ensure timely deduction and deposition of applicable statutory dues.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, we provide the transition assistance to facilitate continued employability and the management of career endings resulting from retirement or termination of employment. We have a retainership practice to provide continued employment to our retired employees. There are skill development training sessions conducted periodically across our facilities that enable employees to enhance their skills, which assist them in pursuing new employment post-retirement or termination.

5. Details on assessment of value chain partners:

	Percentage of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices*	100%
Working Conditions *	100%

* We have defined a supplier evaluation criterion based on which we conduct the assessment of our critical value chain partners that are based in India via onsite and offsite audits. It primarily focuses upon responsible business principles, Environment, Health and Safety (EHS), quality ESG principles and statutory requirements.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

There were no significant risks/concerns related to health and safety practices and working conditions of value chain partners reported during the financial year.

We have standard operating procedure for EHS risk evaluation of our value chain partner. We have cross functional team which comprises employee from EHS, QA and production to carry out onsite/offsite audit of our value chain partner. We have systems to identify the EHS risk and define CAPA in consultation with our value chain partner and ensure the closure of identified risks.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

We believe that meaningful interactions with our stakeholders are essential for long-term value creation. We continuously engage with our stakeholders to understand their expectations and needs. Regular stakeholder engagements help in building credibility, minimising risks, and in realigning focus areas that are essential for business growth.

We identify our stakeholders as groups, institutions, and individuals who can impact or influence our business operations or / are impacted by our operations. It includes both internal and external stakeholders. During our materiality assessment activity, we have identified Customers, Employees, Investors and Shareholders, Community, Institutions and Industry Bodies, Suppliers, Government and Regulators, Media and Analysts, as our key stakeholders. We engage with them transparently at regular intervals or as and when required to provide them with the necessary information to foster our relationships and take their inputs for sustainable value creation.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	1. Customer meetings 2. Official communication channels: advertisements, publications, website, and social media 3. Conferences and events 4. Customer feedback and satisfaction survey	Ongoing	1. Timely delivery 2. Wide range of high-quality products that meet customer requirements 3. Competitive pricing 4. Easy availability through large distribution network 5. Post-sales support
Employees	No	1. Timely internal communications 2. Capability development programs 3. Performance appraisal 4. Grievance redressal mechanisms 5. Wellness programs 6. Town Hall Meeting 7. MD Connect 8. Women Forum	Ongoing	1. Satisfaction and motivation 2. Fair wages and rewards 3. Improved work-life balance 4. Regular training and skill development 5. Career growth 6. Safe and secure work environment Healthy workplace
Investors and Shareholders	No	1. Analyst meets 2. Quarterly calls. financial reports, and presentations 3. Annual general meetings Annual reports 4. Official communication channels: advertisements, publications, website, and social media	Quarterly/ need-based	1. Sustainable growth and returns 2. High standards of corporate governance and risk management
Community	Yes	1. CSR partnerships 2. Community welfare programmes Meetings and briefings 3. Training and workshops Impact assessment surveys 4. Official communication channels: 5. Advertisements. publications. websites and social media 5. Complaints and grievance mechanism	Ongoing	1. Infrastructure development 2 Funding for community development 3. Training and livelihood programmes 4. Contribution to the local economy
Institutions and Industry Bodies	No	1. Conferences 2. Joint R&D initiatives 3. Internship opportunities for students	Need-based	1. Exchange of knowledge 2. Collaboration in R&D 3. Industry exposure for students
Suppliers	No	1. Supplier development initiatives 2. Vendor assessment and review 3. Training workshops and seminars 4. Supplier audits 5. Official communication channels: 6. Advertisements, publications. website, and social media	Ongoing	1. Timely payment 2. Continuity of orders 3. Capacity building 4. Transparency
Government and Regulators	No	1. Statutory compliances filings and meetings 2. Official communication channels: Advertisements, publications, websites, and social media 3. Phone calls, emails, and meetings 4. Regulatory audits/inspections	Need-based	1. Aligning with the government to support economic development 2. Continued contribution to the exchequer
Media and Analysts	No	1. Press releases, media interviews, email advisories 2. Website management 3. Social media posts and updates	Need-based	1. Effective communication 2. Accountability and transparency. 3. Brand image creation

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

We have defined mechanisms in place to undertake consultations with our stakeholder groups. Our site heads and business leaders engage with both internal and external stakeholders on various topics. There are dedicated forums for our employees to connect with the Management such as Town Hall sessions that are conducted by respective site heads, and CEO Connect sessions with the Managing Director. Based on the stakeholder consultation, relevant feedback is shared with the Board of Directors, whenever necessary.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, stakeholder consultation is used to support the identification and management of environmental, and social topics. We have engaged with internal and external stakeholder groups to identify and priorities the material ESG topics that are relevant for stakeholders and important for our business operations. We believe that regular engagement with stakeholders is essential for long-term value creation, and we keep enhancing our processes based on the suggestions received from stakeholders.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

We regularly engage with all our stakeholders to address their concerns and needs. We have been undertaking various Corporate Social Responsibility (CSR) initiatives that provided benefits to our stakeholders including the vulnerable/marginalised stakeholder groups. We undertake various CSR initiatives in the areas of health, education, environment, protection of national heritage, art, and culture.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	1939	1879	97%	2015	1612	80%
Other than permanent	15	13	87%	-	-	-
Total Employees	**1954**	**1892**	**97%**	**2015**	**1612**	**80%**
Workers						
Permanent	122	120	98%	127	102	80%
Other than permanent	1392	Records not maintained		1469	Records not maintained	
Total Workers	**1514**	**120**	**8%**	**1596**	**102**	**6%**

2. **Details of minimum wages paid to employees and workers, in the following format**

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	1829	-	-	1829	100%	1889	-	-	1889	100%
Female	110	-	-	110	100%	126	-	-	126	100%
Other than Permanent										
Male	10	-	-	10	100%	11	-	-	11	100%
Female	5	-	-	5	100%	4	-	-	4	100%
Workers										
Permanent										
Male	122	-	-	122	100%	127	-	-	127	100%
Female	0	-	-	0	-	0	-	-	0	100%
Other than Permanent										
Male	1323	1323	100%	-	-	1427	1427	100%	-	-
Female	69	69	100%	-	-	42	42	100%	-	-

3. **Details of remuneration/ salary/ wages, in the following format:**

   a. **Median remuneration/wages**

	Male		Female	
	Number	Median remuneration/ salary/ wages of the respective category in INR	Number	Median remuneration/ salary/ wages of the respective category in INR
Board of Directors (BoD)	8	14,90,000	3	18,90,000
Key Managerial Personnel	7	1,56,10,000	NA	NA
Employees other than BoD and KMP#	1822	5,81,880	110	4,57,598
Workers#	122	7,48,264	NA	NA

   b. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	5%	5%

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

   Yes, Head of Human Resources department is responsible for addressing human rights impacts or issues caused or contributed to by the business.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   We have a well-defined internal mechanism in place to address the concerns related to human rights. Apart from the grievance redressal policy, which outlines the procedure, responsibilities, and timelines for addressing the concerns/ complaints. There are various other policy frameworks such as Prevention of Sexual Harassment (POSH) Policy, Whistle blower policy, and Code of conduct that have provisions to safeguard the human rights of both internal and external stakeholders. The Management Committee is the apex body which oversees practices related to human rights in our organisation.

6. **Number of Complaints on the following made by employees and workers:**

Category	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced labour/ Involuntary labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   Our Grievance Redressal policy, Prevention of Sexual Harassment (POSH) policy and Whistle-blower policy have defined mechanisms for addressing concerns/ complaints raised by both internal and external stakeholders in a time-bound manner. We maintain confidentiality during the investigation process and ensure the protection of the complainant. There is zero tolerance for retaliatory behaviour as mentioned in our Code of Conduct. We encourage our employees and workers to report any unethical incident or behaviour. No cases of harassment and discrimination were reported during the financial year 2023-24.

9. **Do human rights requirements form part of your business agreements and contracts?**

   Yes

10. **Assessments for the year:**

	Percentage of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Sexual Harassment	100%
Discrimination at workplace	100%
Wages	100%
Others- please specify	Applicable statutory requirements.

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

No issues related to above-mentioned aspects were identified during the assessment.

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

Not applicable.

2. **Details of the scope and coverage of any Human rights due diligence conducted.**

We are in the process of initiating human rights due diligence through an independent agency to identify potential human-rights related risks in our operations and implement necessary measures to prevent or mitigate the identified risks. Internally, our Corporate and Site Human Resource teams are responsible for safeguarding the rights of all the employees working at our facilities. They periodically review the records of contractors working at our facilities to ensure compliance with statutory requirements and Hikal's Code of Conduct.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

All our facilities have the necessary infrastructure in place to provide easy access to differently abled employees and workers at the workplace.

4. **Details on assessment of value chain partners:**

We are conducting the assessment of our critical value chain partners that are based in India. The assessment cover aspects related to human rights, business integrity, Environment, Health, and Safety (EHS), ESG Principles and statutory compliance. Also, as per our code of conduct, we expect our suppliers to adhere with the principles of human rights.

	Percentage of value chain partners (by value of business done with such partners) that were assessed
Child labour	100%
Forced Labour/Involuntary Labour	100%
Sexual Harassment	100%
Discrimination at workplace	100%
Wages	100%
Others- Retention of any original documents	100%

Note: The above-mentioned values are limited to critical business value chain partners that are based in India.

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

Not applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameters	Units	FY 2023-24	FY 2022-23
From renewable sources			
Total electricity consumption (A)	Giga Joules (GJ)	149,791.56	65,561.43
Total fuel consumption (B)	GJ	727,437.04	732,197.30
Energy consumption through other sources (C)	GJ	0	Nil
Total energy consumed from renewable sources (A+B+C)	GJ	877228.606	797,758.73
From non-renewable sources			
Total electricity consumption (D)	GJ	294,036.22	296,299.25
Total fuel consumption (E)	GJ	249,390.66	320,528.11
Energy consumption through other sources (F)	GJ	Nil	Nil
Total energy consumed from non- renewable sources (D+E+F)	GJ	543,426.88	616,827.36
Total energy consumption (A+B+C+D+E+F)	GJ	1,420,655.49	1,414,586.09
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	GJ/INR million	79.61	69.93
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	GJ/USD million	1821.55	1600.03
Energy intensity in terms of physical output	GJ/MT	131.61	130.79

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

2. **Does the entity have any sites / facilities identified as the designated consumers (DCs) under Performance, Achieve and Trade (PAT) Scheme of the Government of India? yes (Y/N) If, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any**

Not applicable, since we do not have any site as the designated consumers (DCs) under Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameters	Units	FY 2023-24	FY 2022-23
Water withdrawal by source	kilolitre (kL)		
(i) Surface water	kilolitre (kL)	0	0
(ii) Groundwater	kilolitre (kL)	0	0
(iii) Third party water (Industrial Estate MIDC/GIDC)	kilolitre (kL)	908,509.50	915,491.50
(iv) Seawater / desalinated water	kilolitre (kL)	0	0
(v) Others	kilolitre (kL)	0	149,750.00
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	kilolitre (kL)	908,509.50	1,065,241.50
Total volume of water consumption (in kilolitres)	kilolitre (kL)	609,607.50#	1,065,241.50
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	kL/INR million	34.16#	52.66
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	kL/USD million	781.63#	1204.89
Water intensity in terms of physical output	kL/MT	56.47#	98.49

We have updated the methodology for calculating water consumption for the present reporting year based on the description mentioned in Annexure 1 – Format of BRSR Core.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

4. Provide the following details related to water discharged:

Parameters	Units	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment			
To Surface water			
- No treatment	kilolitre (kL)	Nil	Nil
- With treatment - Please specify level of treatment	kilolitre (kL)	Nil	Nil
To Groundwater			
- No treatment	kilolitre (kL)	Nil	Nil
- With treatment - Please specify level of treatment	kilolitre (kL)	Nil	Nil
To Seawater			
- No treatment	kilolitre (kL)	Nil	Nil
- With treatment - Please specify level of treatment	kilolitre (kL)	Nil	Nil
Sent to third parties			
- No treatment	kilolitre (kL)	Nil	Nil
- With treatment - Tertiary treatment	kilolitre (kL)	298,902	311,060
Others			
- No treatment	kilolitre (kL)	Nil	Nil
- With treatment - ZLD	kilolitre (kL)	95,660.54#	Nil
Total water discharged	kilolitre (kL)	**394,562.54**	**311,060**

We have reported the water reused via the Zero Liquid Discharge plant (ZLD) in utilities.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, we have implemented a mechanism for 100% Zero Liquid Discharge (ZLD) at three out of five manufacturing facilities. During the reporting period, we have implemented a state-of-the-art ZLD system at our Research and Technology (R&T) facility in Pune. Our ZLD facilities across sites consist of primary treatment, secondary effluent treatment/MBR and MEE/MVRE with ATFD, and then reverse osmosis for tertiary treatment to reuse treated effluent for utility consumption. We also have a Sewage Treatment Plant (STP) at these facilities and the treated wastewater is used within the plant's premises for gardening and cooling tower make-up purposes.

At other manufacturing facilities, we have installed both Effluent Treatment Plants (ETPs) and STPs for treating effluents and wastewater as per the statutory guidelines. After treatment, we utilise treated water for internal usage to the extent possible and responsibly discharge the remaining treated water in compliance with legal requirements.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

We are monitoring the air emissions in accordance with the statutory requirements and monitoring across our sites are carried out by the laboratories approved the respective state pollution control boards. The concentration of all the parameters is within the permissible range and details of air emissions are submitted annually to the respective pollution control boards.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameters	Units	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	21,410.71	26,793.24
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	67,287.01	67,737.30
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO_2 equivalent/ INR million	4.97	4.67
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	Metric tonnes of CO_2 equivalent/ USD million	113.72	106.92
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO_2 equivalent/ Metric tonnes	8.22	8.74

Note: The scope 2 emissions for the previous year have been revised due to a change in methodology. We referred to the latest GRID emission factor published by the Central Electrical Authority. With the previous emission factor (0.71 tCO_2/MWh), the scope 2 value for FY 2022-23 was 58,436.80 tonnes CO_2e. However, with the latest market-based emission factor (0.823 tCO_2/MWh), the value has changed to 67,737.30 tonnes CO_2e.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Hikal has been following a systematic approach towards energy conservation program. EnCon (Energy Conservation) committee has been constituted at the corporate level in the year 2021 and Energy Conservation Policy has been revised in the financial year. The EnCon Committee drives the initiatives for conservation of energy and natural resources across the Company for achieving long-term sustainability. The EnCon committee meets every month and has implemented the following initiatives for energy conservation:

Crop Protection Business

The following energy saving initiatives have been implemented at Taloja, Mahad and Panoli site of Crop Business:

- Convention lights replacement with LED lights
- Delta to Star Conversion of motors for selected big size motors
- Steam Consumption reduction by replacement of Steam Ejector with Dry Vacuum Pump in process.
- Back pressure turbine installation for electricity generation from biofuel boiler.
- Replacement of conventional air compressor drains by zero air loss drains.
- Steam Consumption reduction by Reaction temperature reduction from 50°C to 35-40°C
- Open access power investment with Solar and wind power company for green energy
- Energy saving in Nitrogen plant by optimisation of change over time cycle.
- Energy Saving in Air compressor by optimisation of operating pressure.

Pharmaceuticals Business

The following energy saving initiatives have been implemented at Panoli and Jigani site of Pharma Business:

- VFD installation in Utility Cooling tower pumps.
- Energy Saving initiative in Cooling tower and Compressed air system.
- Steam Cost Reduction by outsourcing steam supply on green fuel.
- Reduction in Steam consumption by utilisation of waste heat and efficiency improvement.
- Reduction in Cooling tower make up water and effluent treatment cost up to 20 % by Utilisation of RO Reject water and Reactor Jacket recovery.
- Open access power Hybrid power (2.8MW) investment with Solar and wind power company for green energy for Panoli site
- Manual control replaced with Cascade control system for energy efficiency improvement in BRU units.
- ESP hopper heater isolation to reduce energy consumption.
- VFD was installed in dust collector of COGEN plant.
- VFD was installed in briquette crusher of COGEN plant.
- VFD was installed in SA fan of COGEN Plant
- VFD was installed in ATFD feed and OSLO stripper pump in effluent treatment plant.
- Replacement of 15-year-old UPS with new high efficiency UPS
- Debottleneck of 1500 TR cooling tower connected to SRU plant.
- Pune Research and Technology (R&T)
- VFD was installed in Fume hood exhaust blower, and fume hood shutter opening was controlled to reduce draft flow of air which reduced energy consumption.
- A hot water system was installed to replace indirect hot water system with steam heating.

Renewable energy transition initiatives:

Hikal continued its journey to use clean fuel and energy in its operations at Mahad, Taloja and Panoli plant. CAPEX contract agreement has been made with M/s Radiance Renewables Pvt. Ltd. for supply to Taloja and Mahad. OPEX contract has been made with M/s Cleanmax - hybrid power green energy supply for our Panoli. These contracts were made in previous year, hence there is no CAPEX investment in current financial year, but we started using Solar and wind power at Mahad, Taloja and Panoli in current financial year.

There is significant cost saving due to use of alternative source of energy at our Mahad, Taloja and Panoli location.

- Total Cost saved is as follows.
- Panoli – INR 33.79 million
- Taloja – INR 53.35 million
- Mahad – INR 23.60 million

We have also made OPEX contract with M/s PR Eco energy for steam supply to our Panoli site. Briquette is used for steam generation which eliminated use of natural gas in our boiler.

9. Provide details related to waste management by the entity, in the following format:

Parameters	Units	FY 2023-24	FY 2022-23
Total Waste generated			
Plastic waste (A)	Metric tonnes	208.74	142.31
E-waste (B)	Metric tonnes	3.23	8.84
Bio-medical waste (C)	Metric tonnes	0.06	0.06
Construction and demolition waste (D)	Metric tonnes	0	0
Battery waste (E)	Metric tonnes	0	0
Radioactive waste (F)	Metric tonnes	0	0
Other Hazardous waste. Please specify, if any. (G)	Metric tonnes	57,438.13	57,693.74
Other Non-hazardous waste generated (H)	Metric tonnes	5,137.67	3,043.32
Total (A + B + C + D + E + F + G + H)	Metric tonnes	**62,787.83**	**6 60,888.27**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	Metric tonnes / INR million	3.52	3.01
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	Metric tonnes / USD million	80.51	68.87
Waste intensity in terms of physical output	Metric tonnes/ Metric tonnes	5.82	5.63
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)			
Category of waste			
(i) Recycled	Metric tonnes	37,865.45	32,255.08
(ii) Re-used	Metric tonnes	3,984.00	2,399.20
(iii) Other recovery operations	Metric tonnes	1,839.00	64.64
Total	Metric tonnes	**43,688.45**	**34,718.92**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
Category of waste			
(i) Incineration	Metric tonnes	2,789.98	8,569.86
(ii) Landfilling	Metric tonnes	10,568.57	10,428.39
(iii) Other disposal operations	Metric tonnes	9,297.04	9,046.97
Total	Metric tonnes	**22,655.588**	**28,045.22**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Being a pharmaceutical and specialty chemical manufacturing company, responsible waste management is of utmost priority for us. We have been consistently enhancing our waste management practices and have embedded them with our circular economy approach. We follow the 3R concept of “reduce, reuse & recycle” and have defined standard operating procedures for handling hazardous, non-hazardous, e-waste, and biomedical wastes.

All our facilities have dedicated teams to ensure waste segregation at source, safe handling, storage, and disposal of waste in accordance with applicable regulatory requirements and best industry practices. The hazardous waste generated from our operations is disposed of in an environmentally sound manner to authorised recyclers, the cement industry, and Common Hazardous Waste Collection, Treatment, Storage & Disposal Facilities (CHWTSDF). Similarly, 100% of the e-waste generated was sold to authorised vendors. Plastic waste was recycled through authorised recyclers.

The other non-hazardous waste such as scrap metal, wood waste, glass, cardboard, paper, etc. was disposed of via authorised recyclers.

In terms of process improvements, we are using recovered solvents in the process to reduce fresh solvent consumption. We have a dedicated lab working exclusively on waste treatability studies and have converted by-products into desired intermediates by using a simple process, which in turn reduced the hazardous organic waste to a great extent. Also, we are enhancing our effluent treatment plants to enhance wastewater/effluent recycling capabilities.

Apart from this, we have been conducting periodic inspections to evaluate the waste handling facilities and implementing necessary changes to make them more efficient and environmentally friendly.

We have implemented "Wealth from Waste" Program which aims to identify waste which can be recycled, reduced or reused.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Jigani Unit	Manufacturing of pharmaceuticals	Yes, as per the Environmental Clearance (EC) recommendation, we have already applied for the No Objection Certificate (NOC) from Bannerghatta National Park (Forest Department). We have been following up with the agency to get the NOC. In addition, we have defined a process to prevent any adverse impact on the ecology.

We have defined processes and implemented necessary pollution control mechanisms to prevent any adverse impact on the ecology. Our dedicated team ensure the operations of all the pollution controlling equipment, zero liquid discharge and proper waste management in accordance with statutory requirements and industry best practices.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

Not applicable.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No	Specify the law/ regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	The Water (Prevention and Control of Pollution) Act, and Environment Protection Act	There was an accidental leakage of acidic water in the effluent treatment plant (ETP) due to the structural failure of tank walls. However, spilled water was collected from the drain and recycled in the ETP for further treatment.	10 million INR of interim Environmental damage compensation was paid to Gujarat Pollution Control Board (GPCB)	The tank structure has been repaired with acid/alkali proof lining.

Leadership Indicators

1. Water withdrawal, consumption, and discharge in areas of water stress

For each facility / plant located in areas of water stress, provide the following information:

I. Name of the area: Jigani, Bangalore

II. Nature of operations: Manufacturing of pharmaceuticals

III. Water withdrawal, consumption, and discharge in the following format:

Parameters	Units	FY 2023-24	FY 2022-23
Water withdrawal by source			
(i) Surface water	kilolitre (kL)	Nil	Nil
(ii) Groundwater	kilolitre (kL)	Nil	Nil
(iii) Third party water	kilolitre (kL)	174,285.5	166,685.5
(iv) Seawater / desalinated water	kilolitre (kL)	Nil	Nil
(v) Others	kilolitre (kL)	Nil	Nil
Total volume of water withdrawal (i + ii + iii + iv + v)	kilolitre (kL)	**174,285.5**	**166,685.5**
Total volume of water consumption	kilolitre (kL)	**174,285.5**	**166,685.5**
Water intensity per rupee of turnover (Water consumed / turnover)		16.50	15.63
Water discharge by destination and level of treatment			
Into Surface water			
- No treatment	kilolitre (kL)	Nil	Nil
- With treatment – Please specify level of treatment	kilolitre (kL)	Nil	8,646
Into Groundwater			
- No treatment	kilolitre (kL)	Nil	Nil
- With treatment – Please specify level of treatment	kilolitre (kL)	Nil	Nil
Into Seawater			
- No treatment	kilolitre (kL)	Nil	Nil
- With treatment – Please specify level of treatment	kilolitre (kL)	Nil	Nil
Sent to third-parties			
- No treatment	kilolitre (kL)	Nil	Nil
- With treatment – Please specify level of treatment	kilolitre (kL)	Nil	Nil
Others			
- No treatment	kiloliter (kL)	Nil	Nil
- With treatment – Tertiary treatment	kiloliter (kL)	87,937.75	75,627
Total water discharged		**Nil**	**Nil**

Note: We have maintained zero liquid discharge status at our Jigani Unit. After the tertiary treatment of effluent, the treated water is used for utility and cooling tower make up process. Domestic wastewater is treated separately in Sewage Treatment Plant and is used for the gardening purpose.

We have updated the methodology for calculating water consumption based on the description mentioned in Annexure 1 – Format of BRSR Core.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameters	Units	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	-	-
Total Scope 3 emissions per rupee of turnover		-	-

We are in the process of calculating scope 3 emissions for all the applicable categories.

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

We have only Jigani Unit, which is in proximity to Bannerghatta National Park. To conserve the ecology, we have partnered with the International Association for Human Values (IAHV) for the development work of Yallammanadoddi lake, which is near our Jigani Unit. Three villages in the surrounding area are directly dependent on this lake for water. However, the accumulation of mud, waste and weeds made the lake unfit for direct domestic use.

We carried out lake desiltation work in collaboration with villagers and provided bunds and silt traps to prevent ingress of waste and silt. This has increased the water capacity of lake by four times. In addition, we carried out a plantation of more than 40 varieties of aquatic plants and removed water hyacinths from the lake. Development of flora in the area promoted suitable eco-system to flourish various local birds and butterflies in the area. This has improved the overall ecology and provided clean water to the local communities.

MAHAD lake check dam CSR project.

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Renewable energy transition	Increased the renewable electricity consumption through power purchase agreement and on-site generation.	Achieved emissions reduction of CO_2e at Taloja, Mahad and Panoli site
2	Energy efficiency and process optimisation measures	Details of energy efficiency and process optimisation measures listed in the question number 8 of essential category	Achieved an annual operational savings of INR 27.8 million
3	Pedal dryer for ETP sludge drying	Implemented Pedal dryer system in the ETP for sludge drying, which reduces the moisture content from 70% to around 15%, which reduces the quantity of sludge generation that goes to landfill.	It reduces around 45 tonnes of ETP sludge per month and it provides operational savings of around INR 3.5 to 4.0 million per annum

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, we have a business continuity and emergency response plan for our facilities. We have defined a detailed standard operating procedure in which we have identified business-critical processes, potential operational and financial impacts, and contingency measures to minimise any business interruptions. To ensure its effective implementation, roles and responsibilities have been defined at different levels across the organisation. We revise our SOPs in every two years or as when required to make necessary amendments to handle any contingency scenario. In addition, all our manufacturing facilities have site-specific on-site and offsite emergency response plans. Regular training and mock drills are being conducted as per the statutory requirements.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

No such incident took place in the reporting year FY 2023-24.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

In the reporting period, we have not evaluated any of our value chain partners to assess the environmental impact of their operations. However, we have defined a supplier evaluation criterion based on which we assess our critical value chain partners in India on applicable statutory, EHS, ESG Principles, and quality-related requirements.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations:** 8

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:**

S. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	The Confederation of Indian Industry	National
2	The Federation of Indian Chambers of Commerce & Industry	National
3	Indian Merchants' Chamber	National
4	National Safety Council	National
5	Indian Chemical Council	National
6	Pesticides Manufacturers & Formulators Association of India	National
7	Crop Care Federation of India	National
8	Agro Chem Federation of India	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities**

Name of authority	Brief of the case	Corrective action taken
Nil	Nil	Nil

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

We work closely with various trade and industry associations on topics related to governance, policy reforms and sustainable business principles.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
-	-	-	-	-	-
During the period, the Company has not undertaken any SIA under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Not applicable.

3. **Describe the mechanisms to receive and redress grievances of the community.**

Our Grievance Redressal policy and Whistle-blower policy have defined mechanisms for addressing concerns/ complaints raised by the external stakeholder in a time-bound manner. We maintain confidentiality during the investigation process and ensure protection of the complainant. There is zero tolerance to retaliatory behaviour as mentioned in our Code of Conduct. However, no such concern was reported during the financial year 2023-24.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	23%	34%
Directly from within India	78%	73%

Note: We evaluate the vendor based on merits that are defined in our procurement policy and we provide equal opportunities to all the vendors/suppliers irrespective of geographical boundary.

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2023-24	FY 2022-23
Rural	17%	14%
Semi-urban	59%	62%
Urban	24%	24%
Metropolitan	-	-

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

   Not applicable.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

   Not applicable.

3. **(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)**

   No, we do not have any preferential procurement policy. As mentioned in our Code of Conduct, we provide equal opportunities to everyone and do not discriminate on any basis while selecting suppliers/ vendors. We encourage working with local and MSME (Micro, Small & Medium Enterprises) suppliers. However, in our supplier/vendor selection process, we provide equal opportunities and have the same evaluation criteria for everyone.

   (b) From which marginalised /vulnerable groups do you procure?

   Not applicable.

   (c) What percentage of total procurement (by value) does it constitute?

   Not applicable.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

   Not applicable.

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

   Not applicable.

6. **Details of beneficiaries of CSR Projects:**

CSR Projects	No. of persons benefitted from CSR project	% of beneficiaries from vulnerable and marginalised groups
Remuneration of teachers' salaries at a nearby govt school in Madhutara	120	100%
Support to Twin Glacier Foundation for towards infrastructure development	NA	100%
Remuneration of teachers' salaries at a nearby govt school in Tharadevi	120	100%
Furniture given to Nosenur Govt School	40	100%
Support Govt School children by providing them with stationery supplies, notebooks, and school bags	30	100%
Remuneration of teachers' salaries at a nearby govt school in Thara C	120	100%
Support to Twin Glacier Foundation for the Green Belt Development project		100%
Remuneration of teachers' salaries at a nearby govt school in Byrappa	120	100%
Support to ADARANE CHARITABLE TRUST for the empowerment of rural communities		100%
Installation of an outdoor GYM at Dr. Rajkumar Park by considering the health issue of the general public	2000	100%
Support to Matrubhumi Foundation by providing them with provisional items	20	100%
Support to Raginiben Bipin Chandra Seva Karya Trust	50	100%
Support to Tata Literature Live Lit Fest towards preserving cultural art and heritage	NA	100%
Support to WWF Nature Guardian Program	NA	100%
Support to Chhatrapati Shivaji Maharaj Vastu Sangrahalaya towards preserving our cultural art and heritage	NA	100%
Support to National Center for Performing Arts	NA	100%
Support to Marg Foundation	NA	100%
Support to Zirad Art Foundation	NA	100%
Support to JNANAPRAVAHA Foundation that offers Theory Art Education Postgraduate Diploma and Certificate Courses to children of all strata	20	100%
Support to Chhatrapati Shivaji Maharaj Vastu Sangrahalaya towards preserving our cultural art and heritage	NA	100%
Support to Mangalam Charitable Foundation	NA	100%
Support to Ummeed Child Development Center	30	100%
Support to Raginiben Bipinchandra Seva Karya Trust towards benefiting underprivileged children and their families through various projects on healthcare, education, nutrition	50	100%
Support to IAHV for Tetvali afforestation project	NA	100%
Contribution to Seva Yagna Samiti towards providing emergency medical services to the underprivileged	50	100%
Women's Forum Panoli Organised a special lunch for Seva Yagna Samiti	50	100%
Support to Karmaputra Charitable Trust Ngo in Ahmedabad, Gujarat focuses on child education, women empowerment, help needy people	25	100%
Support to Mahad Civil Hospital by facilitating medical equipment and medicines	30	100%
Support by providing bicycles to students from New English Medium school Valang, Mahad	60	100%
Rural Hospital Garnden development project	200	100%
Watershed Management Program in Pimpalkond Village	3000	100%
Donated Ambulance to Sanjeevani Samajik Charitable Trust, Mahad	200	100%
Support with Civil Work to better the infrastructure at Mahad Civil Hospital	2000	100%
Support to Taloja Police Station with Provisioning Racks at their Warehouse	30	100%
Support to Gavdevi Samajik Sanstha towards social upliftment work for the Ghot camp society	150	100%
Sponsorship of annual expenditure on therapeutic treatment, Teaching & learning Material and Transport of fifteen children with special needs at Aai Day Care	50	100%
Sponsorship annual Salary of two special teachers at Aai Day care	2	100%
Empowerment of Women Through Mhhap	120	100%
Donation For Shiv Jayanti Utsav	20	100%
Nere - Infrastructure Development of ZP School	68	100%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   This is not applicable, as we are into institutional sales and not selling any product directly in the retail market. However, we have defined systems in place for the customer complaint management. Once we receive a complaint in our system, immediately an investigator will be assigned to address the concern and undertake the root cause analysis. Necessary corrective actions are implemented to rectify the issue and we provide an update about the cause and corrective actions implemented to our customers in a time-bound manner.

2. **Turnover of products and/ services**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	100%
Recycling and/or safe disposal	-

   Yes, all our products are properly labelled with adequate details in accordance with the applicable statutory and customer requirements. We provide safety data sheets which contain all the necessary information about the safe handling of the products.

3. **Number of consumer complaints in respect of the following:**

	FY 2023-24 Current Financial Year		Remarks	FY 2022-23 Previous Financial Year		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	Not applicable	Nil	Nil	Not applicable
Advertising	Nil	Nil	Not applicable	Nil	Nil	Not applicable
Cyber-security	Nil	Nil	Not applicable	Nil	Nil	Not applicable
Delivery of essential services	Nil	Nil	Not applicable	Nil	Nil	Not applicable
Restrictive Trade Practices	Nil	Nil	Not applicable	Nil	Nil	Not applicable
Unfair Trade Practices	Nil	Nil	Not applicable	Nil	Nil	Not applicable
Other	21	9	Not applicable	8	4	All the complaint are resolved. These complaints are related to operational issues such as quality, transportation, etc.

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	Nil	Not applicable
Forced recalls	Nil	Not applicable

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/ No) If available, provide a web-link of the policy.**

   Hikal has the policy to address cyber security and risks related to data privacy, which is accessible to all employees in the company's internal portal. The company is in the process of Implementing ISO 27001:2022 Standard for Information Security Management Systems.

   To strengthen cyber security and data privacy, the Company has implemented multi-layered security solutions in the IT systems to prevent any direct exposure or vulnerability to cyber-attacks. The multi-layered solutions consist of an E-mail gateway, antivirus-spam-anti phishing security solution, EDR solution with ATP Engines, antivirus and zero-day attack protection for all the end-user devices and servers. In addition, there are multi-factor authentication mechanisms with OTP for all servers and best-in-class web-security solutions for internet access.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   Not applicable

7. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches:** Nil

   b. **Percentage of data breaches involving personally identifiable information of customers:** Nil

   c. **Impact, if any, of the data breaches:** Nil

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   We have a dedicated page on our Company's website that provide information about the products and services. The website links for Pharmaceuticals and Crop Protection products are:

   Pharmaceuticals: https://www.hikal.com/page/apis-and-intermediates

   Crop Protection: https://www.hikal.com/page/overview#capabilities

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   We have quality agreements with customers where we provide detailed information about the products. All our consignments have adequate labels, safety instructions and product information in accordance with the statutory requirements.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   This is not applicable as we are into institutional sales and not selling any product directly in the retail market. However, we have defined mechanisms to inform our customers about any major change or risk, which may disrupt the supply of essential services. During the financial year 2023-24, no such instance was reported.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**

   Yes, all our products (containers/drums) are properly labelled with adequate details in accordance with the applicable statutory and customer requirements. We believe in fair disclosures and maintaining transparency about our products. To ensure safe handling of products, all our consignments have safety instructions sheets as well.

   Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes, we take regular feedback from our customers to improve our services and fulfill their expectations. We evaluate customer feedback forms periodically to access the level of customer satisfaction. In addition, our business teams have regular review meetings with our major customers to address their concerns and identify areas for further enhancing our services.

Independent Auditors' Report

To the Members of Hikal Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Hikal Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to note 48 A (ii) and note 48 A (iv) to the standalone financial Statement, as regards the ongoing investigations / actions by statutory authorities in relation to alleged non-compliance with certain environmental laws and regulations, and the litigation in respect of the matter referred to in note 48 A (ii). The outcome of these matters is presently uncertain. Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition based on contracts with customers (as described in note 3.1 and 33 of the standalone financial statements)	
The Company recognises revenue when control of the goods is transferred to the customers at an amount that reflects the consideration, which the Company is entitled to receive for those goods from customers. Revenue from sale of products is recognised based on terms and conditions, which vary amongst different customer contracts. There is a risk of revenue being overstated on account of variation in the timing of transfer of control and due to the pressure management may feel to achieve performance targets at the reporting period-end. The recognition and measurement of such revenue is also based on the terms of sales arrangement/contracts, which involves management judgement and estimation in respect of price adjustments that create complexities for determining sales revenues. Considering the above factors and the risk associated with recognition of such revenue, we have determined the same to be a key audit matter.	As part of our audit procedures, we: • Read the Company's accounting policy for revenue recognition and assessed its compliance with Ind AS 115 'Revenue from contracts with customers; • Assessed the design and tested the operating effectiveness of internal financial controls related to sale of goods; • Performed sample tests of individual sales transactions and price adjustments and traced to sales invoices, sales orders, shipping documents and debit / credit notes; • Selected sample of sales transactions made pre and post year-end, agreed the period of revenue recognition to underlying documents such as sales invoices, sales orders and shipping documents; • Read and assessed the relevant disclosures made within the standalone financial statements.

Other Information

The Company's Board of Directors is responsible for the Other Information. Other Information comprises the information included in the annual report including report of the board of directors, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report including report of the board of directors is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report including report of the board of directors, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph j(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) The matter described in Emphasis of Matter above, in our opinion, may have an adverse effect on the functioning of the Company.

(f) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of section 164 (2) of the Act;

(g) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above and paragraph j(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

(h) With respect to the adequacy of the internal financial controls with reference to standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(i) In our opinion and read with note 57 to the standalone financial statements relating to recovery of excess remuneration paid, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

(j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statement – Refer note 48 (A) to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 65 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 66 to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year is in accordance with section 123 of the Act.

As stated in note 20C to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, as described in note 68 to the standalone financial statements, during the year company has migrated to new database effective January 20, 2024 and for which, audit trail feature is not enabled for direct changes to data when using certain access rights. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the above.

With respect to the legacy database, in the absence of required information, we are unable to comment whether audit trail feature was enabled at database level or whether there were any instances of the audit trail feature being tampered with.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Vinayak Pujare**
Partner
Membership Number: 101143
UDIN: 24101143BKFZZK7867

Place of Signature: Mumbai
Date: May 9, 2024

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the standalone financial statements of Hikal Limited

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) All Property, Plant and Equipment have not been physically verified by the management during the year, but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.

(e) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedures of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.

(b) The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the standalone financial statements, the revised quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.

(iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantor or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has not made any investments or provided guarantees or security and had not granted any loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advances in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) The Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of the investments made.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to manufacture of products of the Company and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, sales-tax, service-tax, duty of customs, Goods and Services Tax, duty of excise, value added tax, income tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, service-tax, Goods and Services tax, sales-tax, duty of customs, value added tax, income tax, cess and other material statutory dues were outstanding, at the year-end, for a period of more than six months from the date they became payable.

(b) According to the records of the Company, the dues outstanding as of the balance sheet date, of income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax, goods and services tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount Unpaid* (₹ in Million)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act ,1961	Income tax	162.30	FY 2002-03, FY 2003-04, FY 2006-07, FY 2007-08, FY 2009-10 and FY 2010-11	Bombay High Court
The Income Tax Act ,1961	Income tax	199.39	FY 2009-10,FY2013-14,FY 2016-17 to FY 2019-20	Commissioner of Income Tax (Appeals)
Goods and Service Tax , 2017	Goods and Service Tax	65.98	July 2017 to March, 2020	Commissioner of Central Tax (Appeals)
The Central Excise Act,1944	Excise Duty	33.93	July 2007 to December 2011	Customs, Excise and Service Tax Appellate Tribunal, Bangalore

Refer Note No 48 (A) (ii) to the standalone financial Statements

*Net of amount paid under protest and excluding interest and penalties, if any.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans availed by the Company were applied for the purposes for which the loans were obtained

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. the Company does not have any joint venture or associate company.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The company does not have any joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Act. Therefore, the requirements to report on clause 3(xii)(a), 3(xii)(b), 3(xii)(c), of the Order are not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause (xvi)(c) of the Order is not applicable to the Company

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year respectively.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 58 to the standalone financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 51 to the standalone financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Act. This matter has been disclosed in note 51 to the standalone financial statements.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Vinayak Pujare**
Partner
Membership Number: 101143
UDIN: 24101143BKFZZK7867

Place of Signature: Mumbai
Date: May 9, 2024

Annexure 2 to the Independent Auditor's Report of even date on the standalone financial statements of Hikal Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Hikal Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Vinayak Pujare**
Partner
Membership Number: 101143
UDIN: 24101143BKFZZK7867

Place of Signature: Mumbai
Date: May 9, 2024

Standalone Balance Sheet

As at 31 March 2024

(Currency: Indian Rupees in million)

	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	9,958.78	8,853.10
Capital work-in-progress	4	4,143.36	4,020.75
Right of use assets	5	646.03	628.84
Other intangible assets	6	101.49	1.20
Intangible assets under development	6	-	100.75
Financial Assets			
Investments	7	53.62	53.14
Loans	8	3.35	3.00
Others	9	159.74	186.67
Income tax assets (net)	10	20.21	20.21
Other non-current assets	11	118.83	597.05
Total non-current assets		**15,205.41**	**14,464.71**
Current assets			
Inventories	12	3,037.20	3,167.42
Financial Assets			
Trade receivables	13	5,503.40	4,417.82
Cash and cash equivalents	14	125.95	267.14
Bank balances other than cash and cash equivalents	15	81.80	328.19
Loans	16	5.28	2.40
Others	17	136.53	167.14
Other current assets	18	775.11	1,039.94
Total current assets		**9,665.27**	**9,390.05**
Total assets		**24,870.68**	**23,854.76**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	246.60	246.60
Other equity			
Retained earnings		9,241.14	8,700.49
Other reserves	20	2,388.15	2,387.80
Total equity		**11,875.89**	**11,334.89**
Liabilities			
Non-current liabilities			
Financial Liabilities:			
Borrowings	21	4,228.51	4,898.79
Lease liability	22	26.31	-
Provisions	23	279.91	242.24
Deferred tax liabilities (net)	24	300.37	327.15
Other liabilities	25	593.45	436.40
Total non-current liabilities		**5,428.55**	**5,904.58**
Current liabilities			
Financial liabilities:			
Borrowings	26	3,918.87	2,580.75
Lease liability	27	2.08	2.30
Trade payables	28		
- Total outstanding dues of Micro Enterprises and Small Enterprises.		260.81	504.66
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises.		2,527.57	2,627.77
Other financial liabilities	29	407.61	488.06
Other current liabilities	30	285.39	236.88
Provisions	31	43.80	35.13
Income tax liabilities (net)	32	120.11	139.74
Total current liabilities		**7,566.24**	**6,615.29**
Total liabilities		**12,994.79**	**12,519.87**
Total equity and liabilities		**24,870.68**	**23,854.76**

Material accounting policies 1-3

Accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date attached

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No: 324982E/E300003

For and on behalf of the Board of Directors of
Hikal Limited
CIN: L24200MH1988PTC048028

per Vinayak Pujare
Partner
Membership No: 101143

Jai Hiremath
Executive Chairman
DIN: 00062203

Sameer Hiremath
Managing Director
DIN: 00062129

Ramachandra Kaundinya Vinnakota
Director
DIN - 00043067

Kuldeep Jain
Chief Financial Officer

Rajasekhar Reddy
Company Secretary

Mumbai
9 May 2024

Mumbai
9 May 2024

Mumbai
9 May 2024

Mumbai
9 May 2024

Standalone Statement of Profit and Loss

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
Revenue from operations	33	17,846.00	20,230.30
Other income	34	24.46	54.10
Total income		**17,870.46**	**20,284.40**
Expenses			
Cost of materials consumed	35	8,051.48	11,215.89
Changes in inventories of finished goods and work-in-progress	36	195.11	(145.57)
Employee benefit expenses	37	2,439.77	2,204.04
Finance costs	38	563.68	481.01
Depreciation and amortisation expense	39	1,176.11	1,090.13
Other expenses	40	4,490.17	4,385.32
Total expenses		**16,916.32**	**19,230.82**
Profit before tax		**954.14**	**1,053.58**
Tax expense			
Current tax	41	283.74	304.75
Deferred tax	42	(24.71)	(34.92)
Total tax expense		**259.03**	**269.83**
Profit for the year		**695.11**	**783.75**
Other comprehensive income (OCI)			
(i) Items that will not be reclassified to standalone statement of profit and loss			
Loss on remeasurement of defined employee benefit plans		(8.69)	(8.06)
Gain on change in fair values of investments in equity shares carried at fair value through OCI		0.47	0.43
(ii) Income tax relating to items that will not be reclassified to standalone statement of profit and loss		2.07	2.00
Other comprehensive loss for the year, (net of income tax)		**(6.15)**	**(5.63)**
Total comprehensive income for the year		**688.96**	**778.12**
Earnings per equity share (for nominal value per equity share of ₹2)			
Basic and Diluted	43	5.64	6.36

Material accounting policies 1-3

The notes referred to above form an integral part of standalone financial statements

As per our report of even date attached

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No: 324982E/E300003

For and on behalf of the Board of Directors of
Hikal Limited
CIN: L24200MH1988PTC048028

per Vinayak Pujare
Partner
Membership No: 101143

Jai Hiremath
Executive Chairman
DIN: 00062203

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Managing Director
DIN: 00062129

Ramachandra Kaundinya Vinnakota
Director
DIN - 00043067

Kuldeep Jain
Chief Financial Officer

Rajasekhar Reddy
Company Secretary

Mumbai
9 May 2024

Mumbai
9 May 2024

Mumbai
9 May 2024

Mumbai
9 May 2024

Standalone Statement of Changes in Equity

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

(a) Equity share capital

	No of shares	Amount
Balance as at 1 April 2022	123.30	246.60
Changes in equity share capital during financial year 2022-23	-	-
Balance as at 31 March 2023	123.30	246.60
Changes in equity share capital during financial year 2023-24	-	-
Balance as at 31 March 2024	123.30	246.60

(b) Other equity

	Reserve and Surplus							
	Capital reserve	**Capital redem-ption reserve**	**Securities premium**	**State subsidy**	**Conting-ency reserve**	**General reserve**	**Retained earnings**	**Equity investments through other comprehensive income**
Balance as at 1 April 2022	0.44	509.82	64.72	5.50	30.00	1,779.56	8,045.99	(2.56)
Total comprehensive income for the year ended 31 March 2023								
Profit for the year	-	-	-	-	-	-	783.75	-
Items of OCI for the year, net of tax								
Loss on remeasurement of defined employee benefit plans	-	-	-	-	-	-	(5.95)	-
Gain on change in fair values of investments in equity shares carried at fair value through OCI	-	-	-	-	-	-	-	0.32
Total comprehensive income	-	-	-	-	-	-	777.80	0.32
Transaction with owners in their capacity as owners, recorded directly in equity								
Dividend	-	-	-	-	-	-	(123.30)	-
Balance as at 31 March 2023	**0.44**	**509.82**	**64.72**	**5.50**	**30.00**	**1,779.56**	**8,700.49**	**(2.24)**
Total comprehensive income for the year ended 31 March 2024								
Profit for the year	-	-	-	-	-	-	695.11	-
Items of OCI for the year, net of tax								
Loss on remeasurement of defined employee benefit plans	-	-	-	-	-	-	(6.50)	-
Gain on change in fair values of investments in equity shares carried at fair value through OCI	-	-	-	-	-	-	-	0.35
Total comprehensive income	-	-	-	-	-	-	688.61	0.35
Transaction with owners in their capacity as owners, recorded directly in equity								
Dividends	-	-	-	-	-	-	(147.96)	-
Balance as at 31 March 2024	**0.44**	**509.82**	**64.72**	**5.50**	**30.00**	**1,779.56**	**9,241.14**	**(1.89)**

For the purpose of reserve, refer note 20 (B)

Material accounting policies, refer note 1-3

The notes refered to above form an integral part of standalone financial statements

As per our report of even date attached
For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No: 324982E/E300003

For and on behalf of the Board of Directors of
Hikal Limited
CIN: L24200MH1988PTC048028

per Vinayak Pujare
Partner
Membership No: 101143

Jai Hiremath
Executive Chairman
DIN: 00062203

Sameer Hiremath
Managing Director
DIN: 00062129

Ramachandra Kaundinya Vinnakota
Director
DIN - 00043067

Kuldeep Jain
Chief Financial Officer

Rajasekhar Reddy
Company Secretary

Mumbai
9 May 2024

Mumbai
9 May 2024

Mumbai
9 May 2024

Mumbai
9 May 2024

Standalone Cash Flow Statement

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

		For the year ended 31 March 2024		For the year ended 31 March 2023	
A.	**Cash flow from operating activities**				
	Profit before tax		**954.14**		**1,053.58**
	Adjustments:				
	Depreciation and amortisation	1,176.11		1,090.13	
	Dividend on long-term investments	(0.02)		-	
	Finance costs	563.68		481.01	
	Interest income	(16.95)		(19.56)	
	Loss/(gain) on sale of property, plant and equipment	(1.62)		6.96	
	Sundry balances written (back)/off	(2.13)		1.73	
	Provision for doubtful debts/advances	21.02		44.78	
	Provision /Written off of inventory	20.00		40.04	
	Profit on sale of investment	(3.70)		(13.23)	
	Unrealised foreign exchange loss/(gain)	(7.63)		(0.52)	
			1,748.76		1,631.34
	Operating cash flow before working capital changes		**2,702.90**		**2,684.92**
	(Increase) in trade receivables	(1,098.41)		(66.85)	
	Decrease in loans, other assets and other financial assets	573.03		208.87	
	Decrease in inventories	110.22		82.33	
	(Decrease)/Increase in trade payables	(342.01)		649.38	
	Increase / (decrease) in provisions,other financial liabilities and other liabilities	223.86		(117.73)	
			(533.31)		756.00
	Cash generated from operations		**2,169.59**		**3,440.92**
	Income tax paid		(303.35)		(287.99)
	Net cash flows generated from operating activities (A)		**1,866.24**		**3,152.93**
B.	**Cash flow from investing activities**				
	Purchase of property, plant and equipment and intangible assets	(2,041.96)		(3,026.20)	
	Proceeds from sale of property, plant and equipment	2.10		5.73	
	Purchase of non current investment	-		(46.23)	
	Proceeds from sale of investment (net)	3.70		115.86	
	Dividend on long-term investments	0.02		-	
	Interest received	19.32		18.99	
	Decrease in other bank balances (includes margin money account)	279.37		8.45	
	Net cash flows (used in) investing activities (B)		**(1,737.45)**		**(2,923.40)**
C.	**Cash flow from financing activities**				
	Proceeds from long-term borrowings	350.00		2,900.00	
	Repayment of long-term borrowings	(837.23)		(1,212.27)	
	Repayments of/proceeds from short-term borrowings (net)	1,152.46		(992.84)	
	Finance costs paid (including interest on lease liability)	(783.86)		(644.90)	
	Payment of lease liability	(3.08)		(3.49)	
	Dividend paid on equity shares	(148.27)		(123.30)	
	Net cash flows (used in) financing activities (C)		**(269.98)**		**(76.80)**

Standalone Cash Flow Statement (Contd.)

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

	For the year ended 31 March 2024	For the year ended 31 March 2023
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(141.19)	152.73
Cash and cash equivalents at the beginning of the year, the components being		
Cash on hand	2.03	2.37
Balances with banks		
- Current accounts	260.25	96.84
- Exchange Earners Foreign Currency accounts	-	7.19
- Deposits accounts (having original maturity of 3 months or less)	4.86	8.01
	267.14	**114.41**
Cash and cash equivalents at the end of the year, the components being		
Cash on hand	1.20	2.03
Balances with banks		
- Current accounts	120.44	260.25
- Deposits accounts (having original maturity of 3 months or less)	4.31	4.86
	125.95	**267.14**
Net (decrease) / increase as disclosed above (A+B+C)	**(141.19)**	**152.73**
Notes to the cash flow statement		

1. The above cash flow statement has been prepared under the 'Indirect Method' set out in Accounting Standard (IND AS) 7, 'Cash Flow Statements'.
2. For changes in liability arising from financing activity refer note 21

Material accounting policies **1-3**

The notes referred to above form an integral part of standalone financial statements

As per our report of even date attached

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No: 324982E/E300003

For and on behalf of the Board of Directors of
Hikal Limited
CIN: L24200MH1988PTC048028

per Vinayak Pujare
Partner
Membership No: 101143

Jai Hiremath
Executive Chairman
DIN: 00062203

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Managing Director
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Ramachandra Kaundinya Vinnakota
Director
DIN - 00043067

Kuldeep Jain
Chief Financial Officer

Rajasekhar Reddy
Company Secretary

Mumbai
9 May 2024

Mumbai
9 May 2024

Mumbai
9 May 2024

Mumbai
9 May 2024

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

1(a) Company Overview

Hikal Limited ('Hikal' or 'the Company') was incorporated on 8 July, 1988 having its registered office at 717/718, Maker Chamber V, Nariman Point, Mumbai 400 021.

The Company is engaged in the manufacturing of various chemical intermediates, specialty chemicals, active pharma ingredients and contract research activities.

The Company has its equity shares listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

The Company is operating in the crop protection and pharmaceuticals space.

1(b) Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). The standalone financial statements for the year ended March 31,2024 were approved by the Board of Directors and authorised for issue on 9 May 2024.

2 Summary of material accounting policies

2.1 Basis of preparation

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. These financial statements have been prepared on accrual and going concern basis.

2.2 Functional and presentation currency

These standalone financial statements are presented in Indian rupees, which is also the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest million, unless otherwise indicated.

2.3 Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including Fair value derivatives instruments)	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

2.4 Use of estimates and judgements

The preparation of the standalone financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Property, plant and equipment

Useful lives of tangible assets are based on the estimates made by the management. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

c. Impairment allowance of trade receivables (allowance for bad and doubtful debts)

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgements and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

d. Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

e. Revenue from development contract

In respect of development contracts, the Company uses an input method in measuring progress of the development project because there is a direct relationship between the Company effort (i.e., based on the labour hours incurred, raw material consumed) and the transfer of service to the customer. The Company recognises revenue on the basis of the labour hours expended and raw material consumed relative to the total expected labour hours and raw material consumption to complete the development project.

f. Recognition of deferred tax assets

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits,if any could be utilised.

2.5 Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Material accounting policies

3.1 Revenue from contract with customer

i Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for rebates and discounts, price adjustments and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

Notes to the Standalone Financial Statements

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Due to short nature of credit period given to customers there is no financing component in the contract.

ii Sale of Services

Revenue from development and other services are recognised over time because the customer simultaneously receives and consumes the benefits provided to them. The Company uses an input method in measuring progress of the services because there is a direct relationship between the Company effort (i.e., based on the labour hours incurred, raw material consumed) and the transfer of service to the customer. The Company recognises revenue on the basis of the labour hours expended and raw material consumed relative to the total expected labour hours and raw material consumption to complete the service.

iii Export entitlements

Export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection/determination of amounts of the relevant export proceeds.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transfering goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the company performs under the contract (i.e., transfers control of the related goods or services to the customer).

3.2 Other Income

i Interest Income

Interest income is recognised using the effective interest method as set out in Ind AS 109 – Financial Instruments: Recognition and Measurement, when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

ii Dividend Income

Dividend income is recognised when right to receive payment is established and it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably.

3.3 Foreign currency

Transactions in foreign currencies are translated into the Company's functional currency at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are not translated. Foreign currency exchange differences are generally recognised in the statement of profit and loss.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous Financial Statements are recognised in the Standalone Statement of Profit and Loss in the period in which they arise. When a gain or loss on a non-monetary item is recognised in Other Comprehensive Income, any exchange component of that gain or loss is recognised in Other Comprehensive Income. Conversely, when a gain or loss on a non-monetary item is recognised in Standalone Statement of Profit and Loss, any exchange component of that gain or loss is recognised in Standalone Statement of Profit and Loss.

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For the year ended 31 March 2024

(Currency: Indian Rupees in million)

3.4 Employee benefits

Short-term employee benefits

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount of obligation can be estimated reliably.

Post employment employee benefits

i Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The Company makes specified monthly contributions to Provident fund, Employee State Insurance and Labour Welfare Fund and are recognised as an employee benefit expense in the statement of profit and loss on an accrual basis.

Contribution to Superannuation Fund, a defined contribution scheme, administered by Life Insurance Corporation of India, based on a specified percentage of eligible employees' salary.

ii Defined benefit plans

A defined benefit plan is a post-employee benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined liability (asset) after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to gratuity benefit scheme are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Gratuity

The Company has an obligation towards gratuity, a defined benefit scheme covering eligible employees. The Company accounts for gratuity benefits payable in future based on an independent actuarial valuation method as stated above. Gratuity for staff at Panoli plant is funded through group gratuity insurance scheme of the Life Insurance Corporation of India ('LIC').

Other long-term employee benefits

The Company's net obligation in respect of compensated absences such as paid annual leave, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method, as at the date of the Balance Sheet. Actuarial gains or losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the statement of profit and loss.

3.5 Income tax

Income tax expense comprises current and deferred tax. It is recognised in the standalone statement of profit and loss or items recognised directly in equity or in other comprehensive income.

i Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates enacted or substantively enacted by the reporting date. Current tax also includes any tax arising from dividends.

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For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Current tax assets and current tax liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment.

The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

ii Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

3.6 Inventories

a Measurement of Inventory

The Company measures its inventories at the lower of cost and net realisable value.

b Cost of Inventories

The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

The costs of conversion of inventories include costs directly related to the units of production and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.

Other costs are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned by weighted average cost formula. The Company uses the same cost formula for all inventories having a similar nature and use to the Company.

c Net realisable value

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Net realisable value is ascertained for each item of inventories with reference to the selling prices of related finished products.

The practice of writing inventories down below cost to net realisable value is consistent with the view that assets should not be carried in excess of amounts expected to be realised from their sale or use. Inventories are usually written down to net realisable value item by item.

Estimates of net realisable value of finished goods and stock-in-trade are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when a decline in the price of materials indicates that the cost of the finished products exceeds net realisable value, the materials are written down to net realisable value.

Amount of any reversal of write-down of inventories shall be recognised as an expense as when the event occurs. A new assessment is made of net realisable value in each subsequent period. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed. Amounts such reversed shall be recognised as a reduction in the amount of inventories and as an expense in the period in which reversal occurs.

d Valuation of Spare parts, stand-by equipments and servicing equipments

Spare parts, stand-by equipment and servicing equipment are recognised as Property, Plant and Equipment if and only if it is probable that future economic benefits associated with them will flow to the Company and their cost can be measured reliably. Otherwise such items are classified and recognised as Inventory.

3.7 Property, plant and equipment

i Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any directly attributable cost of bringing the asset to its location and condition necessary for it to be capable of operating in the manner intended by management.

c) the estimated costs of dismantling and removing the item and restoring the site on which it is located.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the statement of profit and loss.

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on the depreciable amount of an item of Property, plant and equipment is allocated on a systematic basis over its useful life. The Company provides depreciation on the straight-line method. The Company believes that straight line method reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Company. Based on internal technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc: the management believes useful lives of the assets are appropriate. The depreciation method is reviewed at least at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with Ind AS 8 -Accounting Policies, Changes in Accounting Estimates and Errors.

The residual value and the useful life of an asset is reviewed at least at each financial year-end. Depreciation is calculated using the straight-line method on cost of items of property, plant and equipment less their estimated residual values over the estimated useful lives prescribed under Schedule II of the Act.

In case of Ships, based on internal assessment and technical evaluation carried out, management believes that the useful life is 30 years, which is higher and different from the useful life of 20 years as prescribed under Part C of Schedule II of the Act.

The estimated useful lives of items of property, plant and equipment are as follows:

Tangible Assets	Life defined	Useful life as per Schedule II
Buildings	30-60	30-60
Plant and equipment	10-20	10-20
Electrical equipment and installation	10	10
Office equipment	5	5
Computers	3	3
Furniture and fixtures	10	10
Vehicles	8	10
Ships	30	20

Leasehold improvements amortised over the primary period of lease.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.8 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

The Company has opted option available in Para D13AA of Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP i.e. capitalisation foreign exchange difference pursuant to para 46A of AS 11 'The Effects of Changes in Foreign Exchange Rates' vide notification dated December 29, 2011 by Ministry of Corporate Affairs (MCA).

3.9 Intangible assets

i. Recognition and measurement

Expenditure on research activities is recognised in the statement of profit and loss as incurred.

(Currency: Indian Rupees in million)

Development expenditure is capitalised as part of the cost of the research and development, only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets, includes computer software, which are acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the statement of profit and loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is included in depreciation and amortisation in the statement of profit and loss.

Other intangible assets are amortised over the estimated useful lives as given below:

- Computer Software 5 years

- Product related intangible 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial assets

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial assets are measured subsequently at either amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss, depending on the classification of the financial assets.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under standard on revenue from contracts with customers. Refer to the accounting policies for revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to contractual cash flows that are 'solely payments of principal and interest (SPPI); on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e, he date that the Company commits to purchase or sell the asset.

ii. Classification

On initial recognition, a financial asset is classified as measured at

- amortised cost; or

(Currency: Indian Rupees in million)

- fair value through profit or loss (FVTPL); or

- fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

– the stated policies and objectives for the portfolio and the operation of those policies in practice.These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

– how the performance of the portfolio is evaluated and reported to the Company's management;

– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

– how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

iii Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit and loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in the statement of profit and loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in

(Currency: Indian Rupees in million)

OCI and are not reclassified in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity instrument measured at FVOCI not reported separately from other changes in fair value.

iv. Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

v Impairment of financial assets

Trade Receivable and Contract asset

The company applies a simplified approach in calculating ECL's. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL's at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the asset and the economic environment.

Further disclosures relating to impairment of financial assets are provided in Note no 13 - Trade Receivables.

b. Financial liabilities

i. Recognition and initial measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is initially measured at fair value. In the case of financial liabilities which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition or issue of financial liability.

ii Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

iii. Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c. Investment in subsidiaries

Investment in subsidiaries is carried at cost in the standalone financial statements.

3.11 Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(Currency: Indian Rupees in million)

3.12 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i Right-of-use Assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold Land	90 to 99 years
Buildings	9 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.13 Impairment of non-financial assets.

ii Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

iii Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a non cancellable lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.13 Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

The recoverable amount is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of the assets for which impairment loss has been recognised in prior periods, the

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, impairment loss is reversed to the extent to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

3.14 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.15 Earnings per share (EPS)

Basic EPS is computed using the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be anti dilutive.

3.16 Dividend

The Company recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

The final dividend on shares is recorded as a liability on the date of approval by the shareholders.

Interim dividend are recorded as a liability on the date of declaration by the company's Board.

The Company declares and pay dividends in Indian Rupees. Companies are required to pay / distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable taxes. Further disclosure relating to dividend refer Note No 20(c)-Dividends.

3.17 Current / non-current classification

An entity shall classify an asset as current when-

(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

(b) it holds the asset primarily for the purpose of trading;

(c) it expects to realise the asset within twelve months after the reporting period; or

(d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

An entity shall classify a liability as current when-

(a) it expects to settle the liability in its normal operating cycle;

(b) it holds the liability primarily for the purpose of trading;

(c) the liability is due to be settled within twelve months after the reporting period; or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

An entity shall classify all other assets and liabilities as non-current.

Deferred tax Assets and Liabilities are classified as non-current assets and liabilities

Operating cycle

An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has identified its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

3.18 New and amended standards:

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Company has disclosed material accounting policy in the financial statement, however this does have impact on the measurement, recognition or presentation of any items in the financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases. The amendments had no material impact on the Company's financial statements.

Notes to the Standalone Financial Statements
For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Note 4: Property, Plant and Equipment

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 1 April 2023	Additions	Deductions	As at 31 March 2024	As at 1 April 2023	Charge for the year	Deductions	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Freehold land	582.10	-	-	582.10	-	-	-	-	582.10	582.10
Buildings	2,085.99	569.63	0.87	2,654.75	485.27	90.27	0.39	575.15	2,079.60	1,600.72
Plant and machinery	11,529.86	1,625.48	-	13,155.34	5,178.51	993.31	-	6,171.82	6,983.52	6,351.35
Electrical equipments and installations	277.35	15.98	-	293.33	119.22	22.12	-	141.34	151.99	158.13
Office equipments	170.79	26.48	-	197.27	124.61	22.23	-	146.84	50.43	46.19
Furniture and fixtures	148.60	13.24	-	161.84	77.48	12.78	-	90.26	71.58	71.12
Leasehold improvements	5.58	-	-	5.58	3.92	0.56	-	4.48	1.10	1.66
Vehicles	53.53	3.21	-	56.74	34.75	4.80	-	39.55	17.19	18.78
Ships	35.75	-	-	35.75	12.69	1.79	-	14.48	21.27	23.06
Total	**14,889.55**	**2,254.02**	**0.87**	**17,142.70**	**6,036.45**	**1,147.86**	**0.39**	**7,183.92**	**9,958.78**	**8,853.10**
Capital work in progress	4,020.75	2,376.63	2,254.02	4,143.36	-	-	-	-	4,143.36	4,020.75

Note 4: Property, plant and equipment (Previous year)

Description	Gross Block					Accumulated Depreciation				Net Block	
	As at 1 April 2022	Additions	Deductions	Adjustment of exchange difference on borrowing	As at 31 March 2023	As at 1 April 2022	Charge for the year	Deductions	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Freehold land	582.10	-	-	-	582.10	-	-	-	-	582.10	582.10
Buildings	1,914.90	171.09	-	-	2,085.99	406.29	78.98	-	485.27	1,600.72	1,508.61
Plant and machinery	10,006.13	1,542.44	33.44	14.73	11,529.86	4,266.02	933.24	20.75	5,178.51	6,351.35	5,740.11
Electrical equipments and installations	251.46	25.89	-	-	277.35	99.18	20.04	-	119.22	158.13	152.28
Office equipments	153.05	17.74	-	-	170.79	102.67	21.94	-	124.61	46.18	50.38
Furniture and fixtures	129.36	19.24	-	-	148.60	66.16	11.32	-	77.48	71.12	63.20
Leasehold improvements	5.58	-	-	-	5.58	3.36	0.56	-	3.92	1.66	2.22
Vehicles	53.53	-	-	-	53.53	29.80	4.95	-	34.75	18.78	23.73
Ships	35.75	-	-	-	35.75	10.90	1.79	-	12.69	23.06	24.85
Total	**13,131.86**	**1,776.40**	**33.44**	**14.73**	**14,889.55**	**4,984.38**	**1,072.82**	**20.75**	**6,036.45**	**8,853.10**	**8,147.48**
Capital work in progress	2,851.83	2,945.32	1,776.40	-	4,020.75	-	-	-	-	4,020.75	2,851.83

Notes:

a. Exchange differences of ₹Nil (P.Y. loss ₹14.73 million) has been included in the additions to fixed assets post the exercise of option in terms of Para 46A of AS11 (pursuant to notification dated 29 December 2011 issued by the Ministry of Corporate Affairs.)

b. Refer note 21 and 26 for details of assets hypothecated/mortgaged as security against borrowings.

c. Refer note 55 for details of revenue expenditure capitalised.

Notes to the Standalone Financial Statements
For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Note 4: Property, plant and equipment (Contd.)

a) For Capital-work-in progress, ageing schedule

Amount of Capital-Work-in-Progress as on 31 March 2024

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
-Projects in Process	1,475.25	1,624.81	1,039.08	4.22	4,143.36
-Projects temperorily suspended	-	-	-	-	-

Amount of Capital-Work-in-Progress as on 31 March 2023

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
-Projects in Process	2,784.79	1,227.28	4.59	4.09	4,020.75
-Projects temperorily suspended	-	-	-	-	-

b) (i) For Capital-Work-in-Progress, whose completion is overdue or has exceeded the cost compared to its original value as on 31 March 2024

Project Locations	To be completed in				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Crop Projects	3,501.15	-	-	-	3,501.15
Pharma Projects	407.38	-	-	-	407.38
Total	**3,908.53**	**-**	**-**	**-**	**3,908.53**

b) (ii) For Capital-Work-in-Progress, whose completion is overdue or has exceeded the cost compared to its original value as on 31 March 2023

Project Locations	To be completed in				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Crop Projects	2,204.12	-	-	-	2,204.12
Pharma Projects	980.72	-	-	-	980.72
Total	**3,184.84**	**-**	**-**	**-**	**3,184.84**

Note 5: Right of use assets

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 1 April 2023	Additions	Deductions	As at 31 March 2024	As at 1 April 2023	Charge for the year	Deductions	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Leasehold land	691.71	-	-	691.71	64.07	9.28	-	73.35	618.36	627.64
Buildings	11.06	29.18	11.06	29.18	9.86	2.71	11.06	1.51	27.67	1.20
Total	**702.77**	**29.18**	**11.06**	**720.89**	**73.93**	**11.99**	**11.06**	**74.86**	**646.03**	**628.84**

Note 5: Right of use assets (Previous Year)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 1 April 2022	Additions	Deductions	As at 31 March 2023	As at 1 April 2022	Charge for the year	Deductions	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Leasehold land	691.71	-	-	691.71	54.79	9.28	-	64.07	627.64	636.92
Buildings	11.06	-	-	11.06	7.71	2.15	-	9.86	1.20	3.35
Total	**702.77**	**-**	**-**	**702.77**	**62.50**	**11.43**	**-**	**73.93**	**628.84**	**640.27**

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Note 6: Other intangible assets

Description	Gross Block				Accumulated Amortisation				Net Block	
	As at 1 April 2023	Additions	Deductions	As at 31 March 2024	As at 1 April 2023	Charge for the year	Deductions	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Computer software	43.53	0.63	-	44.16	42.33	0.80	-	43.13	1.02	1.20
Product Related Intangible	-	115.92	-	115.92	-	15.46	-	15.46	100.47	-
Total	**43.53**	**116.55**	**-**	**160.08**	**42.33**	**16.26**	**-**	**58.59**	**101.49**	**1.20**
Intangible assets under development	100.75	15.17	115.92	-	-	-	-	-	**-**	**100.75**

Note 6: Other intangible assets (Previous year)

Description	Gross Block				Accumulated Amortisation				Net Block	
	As at 1 April 2022	Additions	Deductions	As at 31 March 2023	As at 1 April 2022	Charge for the year	Deductions	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Computer software	43.34	0.19	-	43.53	36.45	5.88	-	42.33	1.20	6.89
Total	**43.34**	**0.19**	**-**	**43.53**	**36.45**	**5.88**	**-**	**42.33**	**1.20**	**6.89**
Intangible assets under development	96.01	4.74	-	100.75	-	-	-	-	100.75	**96.01**

a) For Intangible assets under development, ageing schedule

Amount of Intangible assets under development as on 31 March 2024

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
-Projects in Process	-	-	-	-	-
-Projects temperorily suspended	-	-	-	-	-

Amount of Intangible assets under development as on 31 March 2023

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
-Projects in Process	4.74	7.47	1.40	87.14	100.75
-Projects temperorily suspended	-	-	-	-	-

b) i) For Intangible assets under development, whose completion is overdue or has exceeded the cost compared to its original value as on 31 March 2024

Project Locations	To be completed in				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Intangible assets under development	-	-	-	-	-

b) ii) For Intangible assets under development, whose completion is overdue or has exceeded the cost compared to its original value as on 31 March 2023

Project Locations	To be completed in				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Intangible assets under development	**100.75**	**-**	**-**	**-**	**100.75**

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Note 7: Non-current investments

		As at 31 March 2024	As at 31 March 2023
Investments in equity instruments :			
A	**Unquoted**		
i.	**Subsidiary company (at cost)**		
	Acoris Research Limited 15,050,080 Equity Shares of face value ₹10 each fully paid up (31 March 2023: 15,050,080 Equity Shares of face value ₹10 each fully paid up)	0.10	0.10
ii.	**Other investment - unquoted**		
	(At fair value through other comprehensive income)		
	223,164 (31 March 2023: 223,164) Equity shares of ₹ 10 each of Narmada Clean Tech (formerly known as Bharuch Eco Aqua.Infrastructure Limited) fully paid-up	4.87	4.65
	30,000 (31 March 2023: 30,000) Equity shares of ₹10 each of Panoli Enviro Technology Limited fully paid-up	0.08	0.08
	14,494 (31 March 2023: 14,494) Equity shares of ₹100 each MMA CETP Co-operative Society Limited fully paid-up	1.91	1.91
	16% (P.Y. 16%) equity shares of Jiangsu Chemstar Chemical Co Limited fully paid-up	0.01	0.01
	33,60,000 (31 March 2023: 33,60,000) Equity shares of ₹10 each of Equity Shares Radiance Mh Sunrise Four Private Limited fully paid-up	33.60	33.60
	12,60,000 (31 March 2023: 12,60,000) Equity shares of ₹10 each of Equity Shares Radiance Mh Sunrise Two Private Limited fully paid-up	12.60	12.60
	Impairment in value of investment	(0.01)	(0.01)
B	**Quoted**		
	(At fair value through other comprehensive income)		
	2,900 (31 March 2023: 2,900) Equity shares of ₹10 each of Union bank of India fully paid-up	0.46	0.20
	Total non-current investments (A + B)	**53.62**	**53.14**
	Aggregate amount of quoted investments	0.46	0.20
	Aggregate market value of quoted investments	0.46	0.20
	Aggregate amount of unquoted investments	53.17	52.95
	Aggregate amount of impairment in value of investments	(0.01)	(0.01)
		53.62	**53.14**

The Company has written-off the value of ₹26.96 millions in investment in Jiangsu Chemstar Chemical Co Limited in the earlier year.

Note 8: Loans

	As at 31 March 2024	As at 31 March 2023
Unsecured and considered good		
To Related Party		
Loans to employees	0.43	-
To other than related parties		
Loans to employees	2.92	3.00
	3.35	**3.00**

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Note 9: Other financial assets

	As at 31 March 2024	As at 31 March 2023
Unsecured and considered good		
To other than related parties unless otherwise specified		
Deposits with remaining maturity of more than 12 months	5.38	38.35
Security deposit to related parties	71.10	71.10
Security deposit	83.26	77.22
	159.74	**186.67**

Note 10: Income tax assets (net)

	As at 31 March 2024	As at 31 March 2023
Income tax assets (net)		
(Net of provision of ₹1,001.65 million (31 March 2023: 1,001.65 Million))	20.21	20.21
	20.21	**20.21**

Note 11: Other non-current assets

	As at 31 March 2024	As at 31 March 2023
Unsecured and considered good		
To other than related parties		
Prepaid expenses	5.22	9.47
VAT/ CST refund receivable	9.26	9.06
Balance with government authorities	22.48	305.53
Capital advances	81.87	272.99
	118.83	**597.05**

Note 12: Inventories

	As at 31 March 2024	As at 31 March 2023
Valued at the lower of cost and net realisable value		
Raw materials (includes goods in transit of ₹281.92 Million, 31 March 2023 ₹52.41 Million)	1,400.64	1,360.01
Packing materials	11.23	8.62
Work-in-progress	867.75	776.38
Finished Goods	542.21	828.69
Stores and spares	215.37	193.72
	3,037.20	**3,167.42**

Inventories which comprise raw materials, packing materials, work-in-progress and finished goods are carried at the lower of cost and net realisable value. (See detailed accounting policy in Note 3.6)

The write-down of inventories at year end amounted to ₹178.06 million (31 March 2023: ₹158.06 million). The write down of inventories are included in cost of materials consumed or changes in inventories of finished goods and work-in-progress in the statement of profit and loss.

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Note 13: Trade receivables

	As at 31 March 2024	As at 31 March 2023
(Unsecured)		
Trade receivable considered good	5,553.84	4,470.07
Trade receivable which have significant increase in credit risk	82.60	80.20
	5,636.44	**4,550.27**
Impairment allowance (Allowance for bad and doubtful debts)		
Trade receivable considered good	(87.76)	(87.17)
Trade receivable which have significant increase in credit risk	(45.28)	(45.28)
	(133.04)	**(132.45)**
Net trade receivable	**5,503.40**	**4,417.82**

The loss allowance on trade receivables has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for trade receivables considered good on the basis that credit risk exists even though it may be very low.

Above amount does not include any amount receivable from directors or other officers of the company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 46.

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the company has transferred the relevant receivables to the factor in exchange for cash. However, the company has retained credit risk. The company therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount subject to factoring agreement is presented as borrowing.

The relevant carrying amounts are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Total transferred trade receivables	717.47	531.05
Associated borrowings [refer note 26]	717.47	531.05

Trade Receivables Ageing as on 31 March 2024

Sr. No.	Particulars	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	4,736.31	811.82	5.71	-	-	-	5,553.84
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	17.79	4.59	14.94	37.32
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	45.28	45.28
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	Total	**4,736.31**	**811.82**	**5.71**	**17.79**	**4.59**	**60.22**	**5,636.44**

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Trade Receivables Ageing as on 31 March 2023

Sr. No.	Particulars	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	3,926.93	527.77	15.37	-	-	-	4,470.07
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	16.51	6.11	12.30	34.92
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	30.55	14.73	45.28
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	Total	**3,926.93**	**527.77**	**15.37**	**16.51**	**36.66**	**27.03**	**4,550.27**

Note 14: Cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Bank balances in:		
- Current accounts	120.44	260.25
- Fixed deposit account (with original maturity of 3 months or less)	4.31	4.86
Cash on hand	1.20	2.03
Cash and cash equivalents in the statement of cash flows	**125.95**	**267.14**

Note 15: Bank balance other than cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Other bank balances:		
Bank deposits due to mature within 12 months of the reporting date	79.67	325.75
Unpaid dividend accounts	2.13	2.44
	81.80	**328.19**

Deposits given as security

1) Margin money deposits with a carrying amount of ₹85.05 million (31 March 2023 - ₹122.21 million) are earmarked towards non fund based facilities availed from banks.

2) Bank deposits with a carrying amount of ₹Nil (31 March 2023 ₹203.54 million) are earmarked towards the Company's rupee term loans and external commercial borrowing term loan availed from banks.

Note 16: Loans

	As at 31 March 2024	As at 31 March 2023
(Unsecured)		
To related party		
Loans to employees	1.27	-
To parties other than related parties		
Loans to employees	4.01	2.40
	5.28	**2.40**

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Note 17: Other financial assets

	As at 31 March 2024	As at 31 March 2023
(Unsecured, considered good)		
To related party		
Excess managerial remuneration recoverable (refer note 57)	6.00	-
To other than related parties		
Interest accrued on bank deposit	1.18	3.55
Unbilled revenue	74.06	146.76
Insurance claim receivable	0.39	16.83
Others	54.90	-
	136.53	**167.14**

Note 18: Other current assets

	As at 31 March 2024	As at 31 March 2023
(Unsecured, considered good unless otherwise stated)		
To parties other than related parties		
Advance to suppliers		
Considered good	163.40	172.14
Considered doubtful	50.00	30.00
Advance to suppliers	213.40	202.14
Less: Provision for doubtful advances	(50.00)	(30.00)
	163.40	172.14
Balance with government authorities	475.92	708.83
Prepaid expenses	135.79	158.97
	775.11	**1,039.94**

Note 19: Share Capital

	As at 31 March 2024	As at 31 March 2023
Authorised share capital (Refer note a below)		
Equity	500	500
Par value per share (₹)	2	2
Number of equity shares	250,000,000	250,000,000
Preference shares	250	250
Par value per share (₹)	100	100
Number of Preference shares	2,500,000	2,500,000
Issued, subscribed and fully paid up -Equity	246.60	246.60
Par value per share (₹)	2	2
Number of equity shares	123,300,750	123,300,750

a. The Board of Directors of the Company at its meeting held on 9 May 2018, approved a proposal to issue bonus shares in the ratio of one equity share of ₹2 each for every two equity share of ₹2 each held by the shareholders of the Company as on the record date i.e 25 June 2018 , which was approved by the shareholders by means of an ordinary resolution in the extra ordinary general meeting held on 11 June 2018. The Company allotted 41,100,250 equity shares as fully paid up bonus shares by capitalisation of securities premium amounting to ₹82.20 million.

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	As at 31 March 2024		As at 31-03-2023	
	No. millions	₹ in millions	No. millions	₹ in millions
At the beginning of the year	123.30	246.60	123.30	246.60
At the end of the year	**123.30**	**246.60**	**123.30**	**246.60**

c. Terms/rights attached to equity shares

The Company has only single class of equity shares having a par value of ₹2 (31 March 2023, ₹2) per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Details of shareholders holding more than 5% of shares:

	As at 31 March 2024		As at 31-03-2023	
	No of Shares (millions)	%	No of Shares (millions)	%
Equity shares of ₹2 (31 March 2023 ₹2) each fully paid				
Kalyani Investment Company Limited	38.67	31.36	38.67	31.36
Shri Badrinath Investment Private. Limited	19.91	16.15	19.91	16.15
Shri Rameshwara Investment Private Limited	9.81	7.96	9.81	7.96
Sugandha J Hiremath	9.67	7.84	9.67	7.84

e. The Shareholding of Promoters as on 31 March 2024 is as under:

Promoters Name	No. of Shares	% of Total Shares	% Change during the Year
Kalyani Investment Company Limited	38,667,375	31.36%	-
Shri Badrinath Investment Pvt. Ltd.	19,914,862	16.15%	-
Shri Rameshwara Investment Pvt. Ltd.	9,810,000	7.96%	-
Sugandha J Hiremath	9,667,500	7.84%	-
BF Investment Limited	3,273,375	2.65%	-
Jai Hiremath	1,340,625	1.09%	-
Ekdant Investment Pvt. Ltd.	393,802	0.32%	-
Sameer Hiremath	390,975	0.32%	-
Pallavi Anish Swadi	381,000	0.31%	-
Pallavi Trust	187,500	0.15%	-
Sameer Trust	187,500	0.15%	-
Ashok Hiremath	100,000	0.08%	-
Sumer Trust	75,000	0.06%	-
Rhea Trust	75,000	0.06%	-
Nihal Trust	75,000	0.06%	-
Anika Trust	75,000	0.06%	-
Pooja Trust	75,000	0.06%	-
Anish Trust	75,000	0.06%	-
Karad Engineering Consultancy Pvt. Ltd.	63,750	0.05%	-
Decent Electronics Pvt. Ltd.	49,500	0.04%	-
Anish Dilip Swadi	7,500	0.01%	-
Pooja Hiremath	7,500	0.01%	-

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

The Shareholding of Promoters as on 31 March 2023 is as under:

Promoters Name	No. of Shares	% of Total Shares	% Change during the Year
Kalyani Investment Company Limited	38,667,375	31.36%	-
Shri Badrinath Investment Pvt. Ltd.	19,914,862	16.15%	-
Shri Rameshwara Investment Pvt. Ltd.	9,810,000	7.96%	-
Sugandha J Hiremath	9,667,500	7.84%	-
BF Investment Limited	3,273,375	2.65%	-
Jai Hiremath	1,340,625	1.09%	-
Ekdant Investment Pvt. Ltd.	393,802	0.32%	-
Sameer Hiremath	390,975	0.32%	-
Pallavi Anish Swadi	381,000	0.31%	-
Pallavi Trust	187,500	0.15%	-
Sameer Trust	187,500	0.15%	-
Ashok Hiremath	100,000	0.08%	100%
Sumer Trust	75,000	0.06%	-
Rhea Trust	75,000	0.06%	-
Nihal Trust	75,000	0.06%	-
Anika Trust	75,000	0.06%	-
Pooja Trust	75,000	0.06%	-
Anish Trust	75,000	0.06%	-
Karad Engineering Consultancy Pvt. Ltd.	63,750	0.05%	-
Decent Electronics Pvt. Ltd.	49,500	0.04%	-
Anish Dilip Swadi	7,500	0.01%	-
Pooja Hiremath	7,500	0.01%	-

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

In the previous year, one of the shareholder of the Company filed a suit in the Bombay High Court, the suit seeks certain actions on part of the Company, Pending any order / direction from the Bombay High Court, there is no impact on the financial statements.

Note 20: Other equity

	Note	As at 31 March 2024	As at 31 March 2023
Capital reserve	i	0.44	0.44
Capital redemption reserve	ii	509.82	509.82
Securities premium	iii	64.72	64.72
State subsidy	iv	5.50	5.50
Contingency reserve	v	30.00	30.00
General reserve	vi	1,779.56	1,779.56
Equity instruments through other comprehensive income	vii	(1.89)	(2.24)
		2,388.15	**2,387.80**

A Notes

		As at 31 March 2024	As at 31 March 2023
i	**Capital reserve**		
	Opening balance	0.44	0.44
	Additions during the year	-	-
	Closing balance	**0.44**	**0.44**

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

		As at 31 March 2024	As at 31 March 2023
ii	**Capital redemption reserve**		
	Opening balance	509.82	509.82
	Additions during the year	-	-
	Closing balance	**509.82**	**509.82**
iii	**Securities premium**		
	Opening balance	64.72	64.72
	Issue of bonus shares	-	-
	Closing balance	**64.72**	**64.72**
iv	**State subsidy**		
	Opening balance	5.50	5.50
	Additions during the year	-	-
	Closing balance	**5.50**	**5.50**
v	**Contingency reserve**		
	Opening balance	30.00	30.00
	Additions during the year	-	-
	Closing balance	**30.00**	**30.00**
vi	**General reserve**		
	Opening balance	1,779.56	1,779.56
	Additions during the year	-	-
	Closing balance	**1,779.56**	**1,779.56**
vii	**Equity instruments through other comprehensive income**		
	Opening balance	(2.24)	(2.56)
	Additions during the year	0.35	0.32
	Closing balance	**(1.89)**	**(2.24)**

B Nature and purpose of reserves

i. Capital reserve

Capital reserve is created on merger/amalgamation.

ii. Capital redemption reserve

Capital redemption reserve represents redemption of redeemable cumulative preference shares in earlier years. The same can be used to issue fully paid bonus shares.

iii. Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares inaccordance with provisions of Companies Act, 2013.

iv. State subsidy

State subsidy is created on receipt of government grants for setting up the factories in backward areas. The same will be utilised for expansion of business.

v. Contingency reserve

Contingency reserve is created by transferring funds from retained earnings to meet future contingencies.

vi. General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

vii. Equity instruments through other comprehensive income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through Other Comprehensive Income. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

C Dividends

The following dividends were declared and paid by the Company during the years ended:

	31 March 2024	31 March 2023
Final equity dividend paid for financial year 2022-23 at ₹0.60 per equity share	73.98	-
Interim equity dividend paid for financial year 2023-24 at ₹0.60 per equity share	73.98	-
Final equity dividend paid for financial year 2021-22 at ₹0.40 per equity share	-	49.32
Interim equity dividend paid for financial year 2022-23 at ₹0.60 per equity share	-	73.98
Total	**147.96**	**123.30**

After the reporting dates the following dividends were proposed by the directors subject to the approval at the annual general meeting. These dividends have not been recognised as liabilities in the year to which they pertains to and is recorded in the year in which they have been approved in the Annual General Meeting.

	31 March 2024	31 March 2023
Final equity dividend proposed for financial year 2023-24 at ₹0.60 per equity share	73.98	-
Final equity dividend proposed for financial year 2022-23 at ₹0.60 per equity share	-	73.98
Total	**73.98**	**73.98**

Note 21: Borrowings

(Secured)

	As at 31 March 2024	As at 31 March 2023
Debentures		
1,500 (Pr Yr 1,500) Redeemable, non-convetible debentures (NCD) of the face value of ₹10,00,000/- each.(refer note a (i), and c (i) below)	1,239.97	1,461.85
Term loans from banks		
Rupee (refer note a (ii), and c (i) below)	1,265.28	1,328.19
Term loans from financial institutions		
Rupee (refer note a (iii) and c (i) below)	1,723.26	2,108.75
	4,228.51	**4,898.79**

(For current maturities of loans refer note 26)

a. Nature of security:

i Redeemable, non-convetible debentures (NCD) is secured by first pari passu charge on the fixed assets of the Company's plants situated at Taloja, Panoli, Bangalore, R & D centre at Pune and second pari passu charge on entire current assets both present and future.

ii Rupee term loan from banks is secured by first pari passu charge on the fixed assets of the Company's plants situated at Taloja, Panoli, Bangalore, R & D centre at Pune and second pari passu charge on entire current assets both present and future.

iii Rupee term loan from financial institutions is secured by first pari passu charge on the fixed assets of the Company's plants situated at Taloja, Panoli and Bangalore, R & D centre at Pune and second pari passu charge on entire current assets both present and future.

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

b Changes in Liabilities arising from Financing Activities

Particulars	As at 1 April 2023	Accural / Reclassi-fication	Cash Flows (net)	Foreign Exchange / Adjustment	As at 31 March 2024
Current borrowings	1,733.14	-	1,152.46	-	2,885.60
Non-current borrowings including current maturities of non-current borrowings	5,746.40	-	(487.23)	2.61	5,261.78
Lease Liabilities	2.30	29.17	(3.08)	-	28.39
Interest on borrowings (including transaction cost)	56.70	810.33	(783.86)	-	83.17
Total Liabilities from Financing Activities	**7,538.54**	**839.50**	**(121.71)**	**2.61**	**8,258.94**

Particulars	As at 1 April 2022	Accural / Reclassi-fication	Cash Flows (net)	Foreign Exchange / Adjustment	As at 31 March 2023
Current borrowings	2,725.98	-	(992.84)	-	1,733.14
Non-current borrowings including current maturities of non-current borrowings	4,018.40	-	1,687.73	40.27	5,746.40
Lease Liabilities	5.79	-	(3.49)	-	2.30
Interest on borrowings (including transaction cost)	30.76	670.84	(644.90)	-	56.70
Total Liabilities from Financing Activities	**6,780.93**	**670.84**	**46.50**	**40.27**	**7,538.54**

c. i) Terms of repayment as on 31 March 2024 are as under:

		US $ in Million	₹ In Million	Repayment Terms	Closing interest rate as at 31.3.2024
(i)	a	-	321.73	Repayable in 9 quarterly instalments, next installment due on 05.06.2024; equated average instalments of ₹35.75 Million	10.34%
	b	-	375.10	Repayable in 12 quarterly instalments, next installment due on 06.05.2024, equated average instalments of ₹31.26 Million	9.65%
	c	-	999.63	Repayable in 24 quarterly instalments, next installment due on 30.09.2024, equated average instalments of ₹41.65 Million	9.02%
(ii)	a	-	2,098.25	Repayable in 17 quarterly instalments, next installment due on 01.06.2024; equated average instalments of ₹123.43 Million	10.20%
(iii)	a	-	1,467.08	Repayable in 13 half yearly instalments, next installment due on 15.06.2024 equated average instalments of ₹112.85 Million	9.24%

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

c. ii) Terms of repayment as on 31 March 2023 are as under:

		US $ in Million	₹ In Million	Repayment Terms	Closing interest rate as at 31.3.2023
(i)	a	-	469.30	Repayable in 13 quarterly instalments, next installment due on 05.06.2023; equated average instalments of ₹36.10 Million	9.35%
	b	-	517.70	Repayable in 16 quarterly instalments, next installment due on 06.05.2023, equated average instalments of ₹32.36 Million	9.20%
	c	3.52	289.60	Repayable in 3 quarterly instalments, next installment due on 12.06.2023; equated average instalments of US $ 1.17 Million	3M Libor + 2.60 bps
	d	-	647.23	Repayable in 24 quarterly instalments, next installment due on 30.09.2024, equated average instalments of ₹26.97 Million	8.39%
(ii)	a	-	2,360.12	Repayable in 21 quarterly instalments, next installment due on 01.06.2023; equated average instalments of ₹112.39 Million	9.70%
(iii)	a	-	1,461.85	Repayable in 13 half yearly instalments, next installment due on 15.06.2024 equated average instalments of ₹112.45 Million	9.16%
(iv)	a	-	0.66	Repayble monthly EMI of ₹0.13 Million	8.60%

Note 22: Non current lease liability

	As at 31 March 2024	As at 31 March 2023
Lease liability	26.31	-
	26.31	**-**

Note 23: Long -term provisions

	As at 31 March 2024	As at 31 March 2023
Provision for gratuity (Refer note 44)	147.21	131.53
Provision for compensated absences (Refer note 44)	132.70	110.71
	279.91	**242.24**

Note 24: Deferred tax liabilities (net)

	As at 31 March 2024	As at 31 March 2023
Deferred tax liabilities (Refer note 42)	300.37	327.15
	300.37	**327.15**

Note 25: Other non current liabilities

	As at 31 March 2024	As at 31 March 2023
Advance received from customers	593.45	436.40
	593.45	**436.40**

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Note 26: Short-term borrowings

Secured

	As at 31 March 2024	As at 31 March 2023
Loans from banks		
Working capital loan -Rupee (refer note a(i) and b below)	2,168.13	1,202.09
Bill discounting (Refer note a (ii))	717.47	531.05
Current maturities of long-term debt	1,033.27	847.61
	3,918.87	**2,580.75**

a. Nature of security and terms of repayment for secured borrowings:

i Working capital loans from all banks are secured by first pari passu charge on all current assets of the Company and second pari passu charge on fixed assets both present and future situated at Company's plants at Bangalore, Taloja and Panoli.

ii Loans availed under bill discounting facility are against specific receivables, having tenure of 30 to 90 days and carrying interest ranging between 1.50% to 1.80% p.a.

b. Working capital loans are repayable on demand and carry interest ranging from 7.90% to 10.05% p.a.

Note 27: Current lease liability

	As at 31 March 2024	As at 31 March 2023
Lease liability	2.08	2.30
	2.08	**2.30**

Note 28: Trade payables

	As at 31 March 2024	As at 31 March 2023
Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 49)	260.81	504.66
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	2,527.57	2,627.77
	2,788.38	**3,132.43**

The Company's exposure to currency and liquidity risk related to trade payable is disclosed in Note 46.

Trade Payables ageing schedule as on 31 March 2024

Particulars	Not Due	<1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro Enterprises and Small Enterprises	193.46	66.50	0.01	0.70	0.14	260.81
(ii) Others	1,893.00	626.88	4.87	2.42	0.40	2,527.57
(iii) Disputed dues – Micro Enterprises and Small Enterprises	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**2,086.46**	**693.38**	**4.88**	**3.12**	**0.54**	**2,788.38**

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Trade Payables ageing schedule as on 31 March 2023

Particulars	Not Due	<1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro Enterprises and Small Enterprises	400.29	101.99	2.05	0.22	0.11	504.66
(ii) Others	2,084.84	533.29	8.72	0.83	0.09	2,627.77
(iii) Disputed dues – Micro Enterprises and Small Enterprises	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**2,485.13**	**635.28**	**10.77**	**1.05**	**0.20**	**3,132.43**

Note 29: Other financials liabilities

	As at 31 March 2024	As at 31 March 2023
Interest accrued but not due on borrowings	83.17	56.71
Payables for capital purchases	156.04	243.32
Employee benefits payable	166.27	185.59
Unpaid dividend (Refer note 50)	2.13	2.44
	407.61	**488.06**

Note 30: Other current liabilities

	As at 31 March 2024	As at 31 March 2023
Advances from customers	181.77	182.87
Statutory dues payable		
-Provident fund	17.70	17.24
-Employees' state insurance	0.08	0.12
-Tax deducted at source	35.84	31.63
- Goods and Services Tax	48.94	4.35
-Employees' national pension scheme	0.67	0.25
-Profession tax	0.39	0.42
	285.39	**236.88**

Note 31: Current provisions

	As at 31 March 2024	As at 31 March 2023
Provision for gratuity (Refer note 44)	23.16	19.48
Provision for compensated absences (Refer note 44)	20.64	15.65
	43.80	**35.13**

Note 32: Income tax liabilities (net)

	As at 31 March 2024	As at 31 March 2023
Provision for tax	120.11	139.74
(Net of advance tax ₹1,762 million (31 March 2023: ₹1,457.75 million))		
	120.11	**139.74**

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Note 33: Revenue from Operations

		For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of products		17,453.95	19,886.22
Sale of services		232.62	160.83
	(A)	**17,686.57**	**20,047.05**
Other operating revenues			
Export incentive		36.88	32.72
Compensation received from customer		85.04	-
Scrap sales		37.51	41.44
Others		-	109.09
	(B)	**159.43**	**183.25**
Revenue from operations	(A+B)	**17,846.00**	**20,230.30**

Note 33.1: Disaggregation of revenue from contracts with customers

The Company derives revenue from sale of products from following major segments:

	Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
1	**Revenue from contacts with customers**			
	Sale of products (Transferred at point in time)			
	India		6,598.54	6,362.69
	Outside India		10,855.41	13,523.53
		(A)	**17,453.95**	**19,886.22**
	Sale of services (transferred over period of time)			
	India		6.10	-
	Outside India		226.52	160.83
		(B)	**232.62**	**160.83**
2	**Other operating revenues**			
	Export incentive		36.88	32.72
	Compensation received from customer		85.04	-
	Scrap Sales		37.51	41.44
	Others		-	109.09
		(C)	159.43	183.25
	Total revenue (A + B + C)		**17,846.00**	**20,230.30**
	Product lines			
	Crop protection		6,844.30	9,078.50
	Pharmaceuticals		11,001.70	11,151.80
			17,846.00	**20,230.30**

For the opening and closing balance of receivables from contracts with customers refer note no 13.

There is no significant difference between revenue recognised and revenue as per contract with customers

Contract Balances

Particulars	As at 31 March 2024	As at 31 March 2023
Trade Receivables	5,503.40	4,417.82
Contract Liabilities	775.22	619.27
Contract Assets	74.06	146.76

Trade Receivables are non interest bearing and are generally on term of 30-120 days. Increase in Debtors due to increase in volume in the last quarter of the financial year.

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Contract liability include long term advances which are received to deliver product on long term period and short term advances are adjusted against product delivered in current year. Increase due to additional advance received during the year.

Contract Assets represents unbilled revenue from ongoing development contracts. Decreased due to billing during the year.

Note 34: Other income

	As at 31 March 2024	As at 31 March 2023
Dividend received on non-current investment	0.02	-
Interest income on		
Bank deposit	10.63	17.67
Other	6.32	1.89
Foreign exchange gain (net)	-	21.26
Profit on sale of investment	3.70	13.23
Profit on sale of property, plant and equipment (net)	1.62	-
Sundry balance written back	2.13	-
Miscellaneous income	0.04	0.05
	24.46	**54.10**

Note 35: Cost of materials consumed

	For the year ended 31 March 2024	For the year ended 31 March 2023
Raw material consumed		
Opening stock	1,360.01	1,632.11
Add: Purchases	8,092.11	10,943.79
Less: Closing stock	1,400.64	1,360.01
	8,051.48	**11,215.89**

Note 36: Changes in inventories of finished goods and Work-in-progress

	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening stock		
Finished goods	828.69	798.52
Work-in-progress	776.38	660.98
	1,605.07	**1,459.50**
Less: Closing stock		
Finished goods	542.21	828.69
Work-in-progress	867.75	776.38
	1,409.96	**1,605.07**
	195.11	**(145.57)**

Note 37: Employee benefits expense

	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	2,120.27	1,910.10
Contribution to provident and other funds	108.43	100.57
Gratuity expenses (Refer note 44)	24.89	22.22
Staff welfare expense	186.18	171.15
	2,439.77	**2,204.04**

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Note 38: Finance costs

	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on rupee term loans	282.71	176.31
Interest on foreign currency term loans	11.13	23.94
Interest on working capital loans	165.70	160.66
Interest on bills discounted	70.94	48.02
Other finance costs	7.74	1.02
Interest expenses on lease liabilities	1.06	0.40
Bank charges	21.79	45.13
Exchange difference to the extent considered as an adjustment to borrowing costs	2.61	25.53
	563.68	**481.01**

Note 39: Depreciation and amortisation expenses

	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment	1,147.86	1,072.82
Amortisation on intangible assets	16.26	5.88
Depreciation on right of use assets	11.99	11.43
	1,176.11	**1,090.13**

Note 40: Other expenses

	For the year ended 31 March 2024	For the year ended 31 March 2023
Consumption of stores and spares	393.74	352.37
Contract labour charges	279.58	232.04
Power and fuel	1,701.59	1,869.07
Advertisement	0.80	2.42
Rent (Refer note 45)	20.25	25.27
Rates and taxes	14.08	20.96
Insurance	132.15	120.47
Repairs and maintenance		
- Plant and machinery	309.22	263.27
- Buildings	130.80	88.14
- Others	222.56	178.44
Printing and stationery	27.06	20.95
Legal and professional charges	461.13	428.85
Travelling and conveyance	78.03	63.05
Vehicle expenses	14.64	14.78
Postage, telephone and telegrams	12.36	13.79
Payment to auditors (Refer note 53)	8.79	7.57
Director's sitting fee/ Commission	17.10	11.20
Sales and distribution expenses	291.33	296.22
Commission on sales	25.75	26.84
Security service charges	58.89	47.70
Sundry balance written off	-	1.73
Service charges	29.34	31.69
Loss on sale of property, plant and equipment (net)	-	6.96
Foreign exchange loss (net)	0.28	-
Provision for doubtful debts/advances	21.02	44.78
Corporate Social Responsibility expenses (CSR) (Refer note 51)	34.81	37.54
Miscellaneous expenses	204.87	179.22
	4,490.17	**4,385.32**

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

41 Tax expense

(a) Amounts recognised in balance sheet

	As at 31 March 2024	As at 31 March 2023
Income tax liabilities (Net of advance tax ₹1,762 million (31 March 2023: ₹1,457.75 million))	120.11	139.74

	As at 31 March 2024	As at 31 March 2023
Income tax assets (Net of provision of ₹1,001.65 million (31 March 2023: 1,001.65 Million))	20.21	20.21

Note: The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off income tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(b) Amounts recognised in statement of profit and loss

	For the year ended 31 March 2024	For the year ended 31 March 2023
Current income tax		
Current tax	283.74	304.75
	283.74	**304.75**
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(24.71)	(34.92)
Deferred tax expense	**(24.71)**	**(34.92)**
Tax expense for the year	**259.03**	**269.83**

(c) Amounts recognised in other comprehensive income

	For the year ended 31 March 2024			For the year ended 31 March 2023		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified in the standalone statement of profit and loss						
Gain / (loss) on remeasurement of defined employee benefit plans	(8.69)	2.19	(6.50)	(8.06)	2.11	(5.95)
Gain / (loss) on change in fair values of investments in equity shares carried at fair value through OCI	0.47	(0.12)	0.35	0.43	(0.11)	0.32
	(8.22)	**2.07**	**(6.15)**	**(7.63)**	**2.00**	**(5.63)**

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

(d) Reconciliation of effective tax rate

	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before tax	**954.14**	**1,053.58**
Tax using the Company's domestic tax rate (Current year 25.17% and 31 March 2023: 25.17%)	240.16	265.19
Tax effect of:		
Non-deductible tax expenses	18.87	4.64
Tax expenses as per statement of profit and loss	**259.03**	**269.83**
Weighted Average Tax Rate	**27.15**	**25.61**

42 Deferred tax liabilities (net)

a) Recognised deferred assets and liabilities

	Deferred tax assets		Deferred tax liabilities		Net deferred tax asset/ (liabilities)	
	As At 31 March 2024	As at 31 March 2023	As At 31 March 2024	As at 31 March 2023	As At 31 March 2024	As at 31 March 2023
Property, plant and equipment	-	-	(472.75)	(477.63)	(472.75)	(477.63)
Inventories	44.82	39.78	-	-	44.82	39.78
Trade receivables	33.49	33.34	-	-	33.49	33.34
Loans and advance	12.59	7.55	-	-	12.59	7.55
Provisions	81.48	69.81	-	-	81.48	69.81
Net Deferred tax asset / (liabilities)	**172.38**	**150.48**	**(472.75)**	**(477.63)**	**(300.37)**	**(327.15)**

b) Movement in deferred tax balances

	Net balance As at 1 April 2023	Recognised in profit or loss	Recognised in OCI	As At 31 March 2024		
				Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(477.63)	(4.88)	-	(482.51)	-	(472.75)
Inventories	39.78	(5.04)	-	34.74	44.82	-
Trade receivables	33.34	(0.15)	-	33.19	33.49	-
Loans and advances	7.55	(5.04)	-	12.59	12.59	-
Investments	-	(0.12)	0.12	(0.24)	-	-
Provisions	69.81	(9.48)	(2.19)	81.48	81.48	-
Net deferred tax assets / (liabilities)	**(327.15)**	**(24.71)**	**(2.07)**	**(300.37)**	**172.38**	**(472.75)**

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

c) Movement in deferred tax balances (previous year)

	Net balance As ar 1 April 2022	Recognised in profit or loss	Recognised in OCI	As At 31 March 2023		
				Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(491.46)	13.83	-	(477.63)	-	(477.63)
Inventories	30.24	9.54	-	39.78	39.78	-
Trade receivables	25.03	8.31	-	33.34	33.34	-
Loans and advances	5.12	2.43	-	7.55	7.55	-
Investments	-	(0.11)	(0.11)	-	-	-
Provisions	68.60	(0.68)	(1.89)	69.81	69.81	-
Loan processing charges	(1.60)	1.60	-	-	-	-
Net deferred tax assets / (liabilities)	**(364.07)**	**34.92**	**(2.00)**	**(327.15)**	**150.48**	**(477.63)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off income tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

43 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year, after considering adjustment for the effects of all dilutive potential equity shares.

		For the year ended 31 March 2024	For the year ended 31 March 2023
Profit attributable to equity shareholders (basic and diluted)			
Profit for the year attributable to equity shareholders	(A)	695.11	783.75
Weighted average number of equity shares for basic and diluted earnings per share			
Number of equity shares at beginning of the year		123,300,750	123,300,750
Number of equity shares outstanding at the end of the year		**123,300,750**	**123,300,750**
Weighted average number of equity shares for the year	(B)	**123,300,750**	**123,300,750**
Basic and diluted earnings per share of face value of ₹2 each	(A) / (B)	**5.64**	**6.36**

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

44 Employee benefits

(i) Defined Contribution Plans

The Company makes contributions towards superannuation fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Contribution to defined contribution plans are charged off for the year as under:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Employer's contribution to Provident Fund	107.58	99.28
Employer's Contribution to Others	0.86	1.29

(ii) Defined Benefit Plans

Gratuity:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Company has obtained insurance policies with the Life Insurance Corporation of India (LIC) for eligible employees at Panoli plant and makes an annual contribution to LIC for amounts notified by LIC. The Company accounts for gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the projected unit credit method. Actuarial gains and losses are recognised as Other Comprehensive Income or Loss.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's standalone financial statements as at balance sheet date:

A. Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components

	As at 31 March 2024	As at 31 March 2023
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	163.52	165.66
Current service cost	14.09	12.85
Past service cost	-	-
Interest cost (income)	11.77	10.53
Benefits paid	(15.85)	(32.42)
Actuarial losses/ (gains) recognised in other comprehensive income	-	-
- financial assumptions	2.78	(8.40)
- demographic assumption	-	-
- experience adjustments	5.88	15.30
Balance at the end of the year	**182.19**	**163.52**
Reconciliation of present value of plan assets		
Balance at the beginning of the year	12.52	15.27
Transfer In / (Out) Plan Assets	1.02	1.25
Interest income	0.98	1.16
Return on plan assets, excluding amount included in interest (expense)/ income	(0.03)	(1.16)
Benefits paid	(2.67)	(4.00)
Balance at the end of the year	**11.82**	**12.52**
Net defined benefit (asset)/ liability	**170.37**	**151.00**

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

B. Plan assets

Plan assets comprise the following

	As at 31 March 2024	As at 31 March 2023
Investment		
Policy of insurance	100%	100%
Bank Special Deposit	0%	0%
Investment in other securities	0%	0%
Corporate Bonds	0%	0%
State Government Bonds	0%	0%
	100%	**100%**

(ii) Defined Benefit Plans

C. The components of defined benefit plan expense are as follows:

	For the year ended 31 March 2024	For the year ended 31 March 2023
Recognised in income statement		
Current service cost	14.09	12.85
Interest cost (net)	10.80	9.37
Total	**24.89**	**22.22**
Recognised in Other Comprehensive Income		
Remeasurement of net defined benefit liability/(asset)	8.65	6.91
Return on plan assets, excluding interest income	0.03	1.15
Total	**8.69**	**8.06**

D. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	For the year ended 31 March 2024	For the year ended 31 March 2023
Expected return on plan assets	7.00%	7.20%
Discount rate	7.00%	7.20%
Salary escalation rate	6.00%	6.00%
Attrition rate	2.00%	2.00%
Mortality rate table	Indian assured lives mortality (2012-14)	

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	For the year ended 31 March 2024		For the year ended 31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(169.01)	197.23	(151.50)	177.24
Rate of salary increase (1% movement)	194.90	(170.77)	175.16	(153.00)
Rate of employee turnover (1% movement)	(182.94)	181.38	(164.40)	162.58

Notes to the Standalone Financial Statements

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The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

	31 March 2024	31 March 2023
Expected employer's contribution to defined benefit plan for the next year	23.15	19.48

Maturity profile of the defined benefit obligation

Particulars	Up to 1 year	Between 1-2 years	Between 2-5 years	Between 6 to 10 years	Total
31 March 2024					
Defined benefit obligations (Gratuity)	24.77	14.16	55.05	76.39	170.37
Total	**24.77**	**14.16**	**55.05**	**76.39**	**170.37**
31 March 2023					
Defined benefit obligations (Gratuity)	20.88	13.28	47.84	69.00	151.00
Total	**20.88**	**13.28**	**47.84**	**69.00**	**151.00**

Other long term employee benefit plans

Compensated absences:

The obligation for leave encashment is recognised in the same manner as gratuity. The Company's liability on account of compensated absences is not funded and hence the disclosures relating to the planned assets are not applicable. Amount of ₹64.48 million (31 March 2023 ₹40.62 million) towards compensated absences is recognised as an expense and included in "Employee benefits expense" in the Statement of profit and loss during the year.

45 Leases:

The Company has a lease contract for building used in its operations. The Lease term is 9 years. The company has leasehold land for a period of up to 99 years The Company's obligations under its lease is secured by the lessor's title to the leased asset.

The Company also has certain leases of machinery/premises with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below is the carrying amount of right-of-use assets recognised and the movements during the period:

Particulars	Leasehold land	Buildings
As at 1 April 2022	636.92	3.35
Additions	-	-
Depreciation expense	(9.28)	(2.15)
As at 31 March 2023	627.64	1.20
Additions	-	29.18
Depreciation expense	(9.28)	(2.71)
As at 31 March 2024	618.36	27.67

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Set out below is the carrying amount of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	As at 31 March 2024	As at 31 March 2023
As at 1 April	2.30	5.79
Additions	29.17	-
Accretion of interest	1.06	0.40
Payments	(4.14)	(3.89)
As at 31 March	28.39	2.30
Current	2.08	2.30
Non current	26.31	-

For Rental expense recorded for short-term leases, refer note 40

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The details of the contractual maturities of lease liabilities as at March 31, 2024 and March 31, 2023 on an undiscounted basis are as follows:

	As at 31 March 2024	As at 31 March 2023
Payable within one year	4.37	2.30
Payable between one year and five years	19.78	-
Payable after more than five years	14.95	-

46 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. There are no financial assets or financial liabilities not measured at fair value, whose carrying amount is not a reasonable approximation of fair value.

As at 31 March 2024	Carrying amount			Fair value			Total
	FVTOCI	FVPTL	Total	Level 1	Level 2	Level 3	
Financial assets							
Investment	53.52	-	53.52	0.46	-	53.06	53.52
	53.52	**-**	**53.52**	**0.46**	**-**	**53.06**	**53.52**

As ar 31 March 2023	Carrying amount			Fair value			Total
	FVTOCI	FVPTL	Total	Level 1	Level 2	Level 3	
Financial assets							
Investment	53.04	-	53.04	0.20	-	52.84	53.04
	53.04	**-**	**53.04**	**0.20**	**-**	**52.84**	**53.04**

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Notes to the Standalone Financial Statements

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(Currency: Indian Rupees in million)

i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

At 31 March 2024, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

	Carrying amount	
	As at 31 March 2024	As at 31 March 2023
India	2,299.24	1,593.77
Other regions	3,337.20	2,956.50
	5,636.44	**4,550.27**

Impairment

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

	As at 31 March 2024		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	4,736.31	0.56%	26.55
Past due 0-90 days	777.31	2.89%	22.47
Past due 91-180 days	34.51	23.96%	8.27
Past due 181-365 days	5.71	31.17%	1.78
Past due 366-730 days	17.79	53.96%	9.60
Past due 731-1096 days	4.59	90.41%	4.15
More than 1096 days	60.22	100.00%	60.22
	5,636.44		**133.04**

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For the year ended 31 March 2024

(Currency: Indian Rupees in million)

	As at 31 March 2023		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	3,926.93	0.51%	20.16
Past due 0-90 days	441.59	3.51%	15.51
Past due 91-180 days	86.18	27.15%	23.40
Past due 181-365 days	15.37	33.31%	5.12
Past due 366-730 days	16.51	48.64%	8.03
Past due 731-1096 days	36.66	90.56%	33.20
More than 1096 days	27.03	100.00%	27.03
	4,550.27		**132.45**

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

Particulars	Amount
Balance as at 31 March 2023	**132.45**
Additional provision	0.59
Impairment loss recognised / (reversal)	-
Balance as at 31 March 2024	**133.04**

Cash and cash equivalents

The Company held cash and cash equivalents (including bank deposits) of ₹213.13 million at 31 March 2024 (31 March 2023: ₹633.68 million). The cash and cash equivalents (including bank deposits) are held with banks with good credit ratings and financial institution counterparties with good market standing.

Other than trade and other receivables, the Company has no other significant financial assets that are past due but not impaired.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

As at 31 March 2024	Carrying amount	Total	Contractual cash flows		
			Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings and lease liabilities - Non current	4,254.82	4,254.82	-	3,697.16	557.66
Borrowings and lease liabilities - current	3,920.95	3,920.95	3,920.95	-	-
Other financial liabilities - current	407.61	407.61	407.61	-	-
Trade payables	2,788.38	2,788.38	2,788.38	-	-
	11,371.76	**11,371.76**	**7,116.94**	**3,697.16**	**557.66**

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For the year ended 31 March 2024

(Currency: Indian Rupees in million)

As at 31 March 2023	Carrying amount	Total	Contractual cash flows		
			Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings and lease liabilities - Non current	4,898.79	4,898.79	-	3,943.12	955.67
Borrowings and lease liabilities - current	2,583.05	2,583.05	2,583.05	-	-
Other financial liabilities - current	488.06	488.06	488.06	-	-
Trade payables	3,132.43	3,132.43	3,132.43	-	-
	11,102.33	**11,102.33**	**6,203.54**	**3,943.12**	**955.67**

The gross outflows disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iv Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee.

Exposure to currency risk

The major currency profile of financial assets and financial liabilities as at 31 March 2024 and 31 March 2023 are as below:

	As At 31 March 2024			
	USD	EUR	CHF	SGD
Financial assets	3,035.95	372.39	-	-
Financial liabilities	1,408.14	151.39	23.01	1.72
Net Exposure	**1,627.81**	**221.00**	**(23.01)**	**(1.72)**

	As At 31 March 2023			
	USD	EUR	CHF	SGD
Financial assets	2,528.27	575.14	-	-
Financial liabilities	1,758.99	163.13	-	-
Net exposure	**769.28**	**412.01**	**-**	**-**

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against USD, Euros, Swiz Franc and Singapore Dollar at 31 March would have affected the measurement of financial instruments denominated in these currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in INR	Profit or loss before tax		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2024				
USD (3% movement)	48.90	(48.90)	36.60	(36.60)
EUR (3% movement)	6.63	(6.63)	4.96	(4.96)
CHF (3% movement)	(0.69)	0.69	(0.52)	0.52
SGD (3% movement)	(0.05)	0.05	(0.04)	0.04
	54.80	**(54.80)**	**41.00**	**(41.00)**

Effect in INR	Profit or loss before tax		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2023				
USD (3% movement)	23.08	(23.08)	17.27	(17.27)
EUR (3% movement)	12.36	(12.36)	9.25	(9.25)
	35.44	**(35.44)**	**26.52**	**(26.52)**

v. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. Borrowings issued at fixed and variable rates exposes to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

	Nominal amount	
	As at 31 March 2024	As at 31 March 2023
Fixed-rate instruments		
Financial assets	97.99	374.36
Financial liabilities	(2,885.60)	(1,733.14)
	(2,787.61)	**(1,358.78)**
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	(5,261.78)	(5,746.40)
	(5,261.78)	**(5,746.40)**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through statement of profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

47 Capital Management

As at 31 March 2024, the Company has only one class of equity shares. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's capital management is to safeguard its ability to continue as going concern and to maintain and optimal capital structure so as to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt and adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

	As at 31 March 2024	As at 31 March 2023
Non-current borrowings	4,228.51	4,898.79
Current borrowings	3,918.87	2,580.75
Gross debt	**8,147.38**	**7,479.54**
Less - Cash and cash equivalents	125.95	267.14
Less - Other current bank deposits	81.80	328.19
Adjusted net debt (A)	**7,939.63**	**6,884.21**
Total equity (B)	11,875.89	11,334.89
Adjusted net debt to equity ratio	0.67	0.61
Total capital (A)+(B)	19,815.52	18,219.10
Gearing ratio*	40%	38%

* The Company's ideal gearing ratio is 35% to 40%.

48 Contingent liabilities and commitments (to the extent not provided for)

A. Contingent liabilities

	As at 31 March 2024	As at 31 March 2023
(i) Direct and Indirect taxes		
Income Taxes*	361.69	292.23
Excise Duty**	39.93	39.93
Cental Sales Tax (CST)***	2.97	2.97
Value Added Tax (VAT)****	11.27	11.27
Goods and Service Tax (GST) *****	73.31	-

* Above does not includes interest and penalty, if any
** In addition to above interest and penalty of ₹40.13 million was levied.
*** In addition to above for certain matters, penalty and interest of ₹6.14 million was levied during the assessment.
**** In addition to above penalty and interest of ₹11.27 million was levied during the assessment.
***** In addition to above penalty of ₹7.33 million was levied.

(ii) In connection with the alleged improper disposal of by-products by the Company in January 2022, statutory authorities have conducted investigations in relation to alleged non-compliance with certain environmental laws and regulations, and the matter is pending before the Courts and relevant statutory authorities.

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

In the previous year, consequent to directions of Maharashtra Pollution Control Board (MPCB) the Company had temporarily stopped manufacturing activities at its Taloja plant on grounds of not adhering to conditions stipulated in the relevant Consent to Operate. Subsequently, pursuant to an order of the Honourable Bombay High Court, MPCB granted permission on 29 June 2022 to re-start manufacturing activities at the plant.

In March 2023, the National Green Tribunal, Principal Bench, New Delhi had passed an order accepting the joint committee's reports, which includes recovery of compensation of ₹174.50 millions from the Company for non-compliance with environmental laws and regulations. Gujarat Pollution Control Board subsequently issued a direction to the Company for payment thereof.

The Company approached the Hon'ble Supreme court, which has on, 8 April 2024 stayed recovery of the aforesaid amount, subject to the Company depositing, within a period of five weeks, ₹50 millions with the Court. Of this amount, ₹9.80 millions is to be released to legal representatives of the deceased individuals, for which the Company has recognised a provision as a matter of prudence, and without prejudice to its rights and contentions.

Based on the advice of external legal counsel, the Company believes it has a good case on merits in these matters, and the Company is taking necessary steps, including legal measures, to defend itself. Accordingly, no further provision is required in the financial statements in this respect.

(iii) On 12 July 2023, Karnataka Pollution Control Board served a demand notice for ₹83.10 millions as Environmental Compensation however notice does not give details of instance of grounds / non-compliances. Aggrieved by this, Company has approached Hon'ble Karnataka High Court. which ruled that the said notice be deemed as show cause notice. Based on the advice of external legal counsel, the Company believes it has a good case on merits in this matter and accordingly, no provision is required in the financial statement in this regard.

(iv) In connection with the closure directions issued in July 2023 by the Gujarat Pollution Control Board ('GPCB') for the Company's Panoli manufacturing Plant, the Company submitted clarifications sought by GPCB, basis which GPCB revoked its July 2023 closure directions until 5 November 2023 and thereafter until 3 June 2024. The Company has submitted its application for permanent revocation of the said closure directions, pending which, the Panoli manufacturing facility continues to operate without any interruption in this regard.

(v) The Company is subject to legal proceedings, claims and GST audit, which have arisen in the ordinary course of business. The Company has reviewed all its pending litigations and other matters and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its financial statements. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect of the Company's results of operations or financial condition.

B. Commitments

	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets (net of advances)	340.64	947.83
Other non cancellable material commitment	2,391.52	957.24

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

49 Dues to micro and small suppliers

Particulars	As at 31 March 2024	As at 31 March 2023
1. The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	260.81	504.66
- Interest on the above	-	-
2. The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006	-	-
3. The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
4. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
5. The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
6. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

50 Dues relating to Investor Education and Protection fund

During the year the Company has transferred Rs 0.56 Million (31 March 2023: ₹0.34 million) to Investor Education and Protection fund. There are no other dues which need to be credited as at the year end to the Investor Education and Protection fund.

51 Corporate social responsibility

As per Section 135 of the Act, a CSR committee has been formed by the Company. The funds are utilised during the year on the activities which are specified in Schedule VII of the Act. The utilisation is done by way of direct and indirect contribution towards various activities.

Gross amount required to be spent by the Company during the year: ₹35.40 million (31 March 2023: ₹36.77 million)

The areas of CSR activities and contributions made thereto are as follows:

Amount spent during the year on ;	For the year ended 31 March 2024	For the year ended 31 March 2023
Protection of national heritage	4.90	4.03
Promotion of education	17.39	19.66
Environmental sustainability	6.50	1.90
Rural Devlopment Project	-	1.13
Training to stimulate rural sports, nationally recognised sports, Paralympic sports and Olympic sports	-	0.77
Promoting preventive health care and sanitation and making available safe water	5.51	10.05
Others	0.52	-
Total	**34.81**	**37.54**

The Company does not carry any provisions for corporate social responsibility expenses for the current year and the previous year.

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Amount of Expenditure incurred on Corporate Social Responsibility

Particulars	31 March 2024	31 March 2023
(a) Amount required to be spent by the company during the year	35.40	36.77
(b) Amount of expenditure incurred	34.81	37.54
(c) Excess / (shortfall) at the end of the year	(0.59)	0.77
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	Adjusted against excess spent in FY 2022-23	NA
(f) Nature of CSR activities	As per above table	As per above table
(g) Details of related party transactions, contribution to an entity (in which certain directors of Company are directors) in relation to CSR expenditure.	2.50	-
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	-	-

52 Research and development expenditure:

A unit of the Company has been recognised by DSIR as in-house Research and Development unit.

Amount in respect to	For the year ended 31 March 2024	For the year ended 31 March 2023
Capital expenditure	71.54	104.62
Revenue expenditure	734.30	708.39
	805.84	**813.01**

53 Payment to Auditors' (excluding goods and services tax)

Amount in respect to	For the year ended 31 March 2024	For the year ended 31 March 2023
- Audit fees	6.10	5.10
- Limited review of quarterly results	2.40	2.40
- Certification and other matters	0.05	0.05
- Out-of-pocket expenses	0.24	0.02
Total	**8.79**	**7.57**

54 Disclosure under Section 186 of the Companies Act, 2013

a) Details of investment made during the year ended 31 March 2024 as per section 186 (4) of the Act:

Name of entity	As at 31-03-2023	Investment	Change due to fair valuation	As at 31-03-2024	Maximum amount outstanding during the year
Narmada Clean Tech (formerly known as Bharuch Eco Aqua Infrastructure Limited)	4.65	-	0.22	**4.87**	4.87
Panoli Enviro Technology Limited	0.08	-	-	**0.08**	0.08
Union Bank of India	0.20	-	0.26	**0.46**	0.46
Acoris Research Limited	0.10	-	-	**0.10**	0.10
Radiance MH Sunrise Two Private Limited	12.60	-	-	**12.60**	12.60
Radiance MH Sunrise Four Private Limited	33.60	-	-	**33.60**	33.60
MMA CETP Co-operative society Limited	1.91	-	-	**1.91**	1.91

Also refer note 7 for investments.

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

55 Capitalisation of expenditure

During the year, the Company has capitalised the following expenses of revenue nature to the cost of property, plant and equipment (tangible fixed assets)/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

	For the year ended 31 March 2024	For the year ended 31 March 2023
Finance costs	246.64	189.84
Employee benefit expenses	24.32	48.93
Power & fuel	80.04	24.40
Consultancy Charges	2.24	83.90
Material consumed in trial run	215.19	-
Total	**568.43**	**347.07**

56 Segment information

For management purposes, the Company is organised into business units based on its products and services and has two reportable segments, as follows:

Pharmaceuticals: Segment produces in Active Pharmaceutical Ingredients

Crop protection: Segment manufactures in pesticides, herbicides.

The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and profit as the performance indicator for all of the operating segments and review the total assets and liabilities of an operating segment.

Based on above, following are reportable segments as per Ind AS 108

Primary Segment (Operating Segment): Based on product lines of Company	Secondary Segment (Geographical Segment) Based on geographical area of operation
Pharmaceuticals	India and Outside India
Crop Protection	

Segment wise classification:-

A i) Primary segment reporting (by business segment)

The Company's business segments based on product lines are as under:

- Pharmaceuticals

Segment produces/trades in Active Pharmaceutical Ingredients

- Crop Protection

Segment produces/trades in pesticides and herbicides

ii) Segment revenues, results and other information

Particulars	Crop Protection	Pharmaceuticales	Total of Reportable Segment
External sales	**6,844.30**	**11,001.70**	**17,846.00**
	9,078.50	*11,151.80*	*20,230.30*
Other income	-	-	-
	-	-	-
Segment revenue	**6,844.30**	**11,001.70**	**17,846.00**
	9,078.50	*11,151.80*	*20,230.30*
Segment results	**742.90**	**934.70**	**1,677.60**
	1,032.50	*649.50*	*1,682.00*
Segment assets	**9,211.60**	**14,482.60**	**23,694.20**
	9,762.90	*12,435.30*	*22,198.20*

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Particulars	Crop Protection	Pharmaceuticales	Total of Reportable Segment
Segment liabilities	**1,319.70**	**2,456.70**	**3,776.40**
	1,877.60	*2,165.30*	*4,042.90*
Capital expenditure (included in segment assets)	**933.19**	**1,391.53**	**2,324.73**
	1,532.68	*1,400.78*	*2,933.46*
Depreciation/Amortisation	**405.45**	**750.00**	**1,155.45**
	396.50	*665.67*	*1,062.17*

Figures in italics pertain to previous year

iii) Reconciliation of reportable segments with the financial statements

	Revenues	Results / Net Profits	Assets	Liabilities	Capital Expenditure	Depreciation/ Amortisation
Total of reportable segments	**17,846.00**	**1,677.60**	**23,694.20**	**3,776.40**	**2,324.73**	**1,155.45**
	20,230.30	*1,682.00*	*22,198.20*	*4,042.90*	*2,933.46*	*1,062.17*
Corporate / Unallocated segment	-	**159.78**	**1,176.48**	**9,218.39**	**96.79**	**20.66**
	-	*147.41*	*1,656.56*	*8,476.97*	*46.93*	*27.96*
Finance cost	-	**563.68**	-	-	-	-
	-	*481.01*	-	-	-	-
Taxes	-	**259.03**	-	-	-	-
	-	*269.83*	-	-	-	-
As per financial statement	**17,846.00**	**695.11**	**24,870.68**	**12,994.79**	**2,421.51**	**1,176.11**
	20,230.30	*783.75*	*23,854.76*	*12,519.87*	*2,980.39*	*1,090.13*

Figures in italics pertain to previous year

B Secondary segment reporting (by geographical segment)

Particulars	India	USA and Canada	Europe	South East Asia	Others	Total
Revenue	**6,679.03**	**2,983.06**	**4,676.54**	**3,136.90**	**370.47**	**17,846.00**
	6,545.94	*3,355.70*	*5,771.79*	*4,321.42*	*235.44*	*20,230.30*
Total assets	**24,870.68**	-	-	-	-	**24,870.68**
	23,854.76	-	-	-	-	*23,854.76*
Capital expenditure	**2,421.51**	-	-	-	-	**2,421.51**
	2,980.39	-	-	-	-	*2,980.39*

There is a customer which account for revenue of ₹ 2,604.53 (31 March 2023 ₹ 2,954.95 Million) in Crop protection segment other than these there are no transactions with single external customer which amounts to 10% or more of the Company's revenue.

Figures in italics pertain to previous year.

57 Related party disclosures

The note provides the information about the Company's structure including the details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

i) List of Related parties

Subsidiaries

Name of the related party	Relationship	Country of incorporation	Ownership interest 31 March 2024	Ownership interest 31 March 2023
Acoris Research Limited ("ARL")	Subsidiary	India	100%	100%
Hikal LLC	Subsidiary	USA	100%	100%

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Other related parties

Relationship	Name of the related party
a) Company/ enterprises exercising significant influence through voting power ('significant shareholder')	Kalyani Investment Company Limited ("KICL")
b) Key Management Personnel (KMP)	Jai Hiremath (Executive Chairman)
	Sameer Hiremath (Managing Director)
	Kuldeep Jain (Chief Financial Officer)
	Rajasekhar Reddy (Company Secretary)
c) Enterprises owned or controlled or significantly influenced by key management personnel or their relatives	Decent Electronics Private Limited ("DEPL")
	Karad Engineering Consultancy Private Limited ("KECPL")
	Ekdant Investments Private Limited ("EIPL")
	Shri Rameswara Investment Private Limited ("SRIPL")
	Shri Badrinath Investment Private Limited ("SBIPL")
	Rushabh Capital Services Private Limited ("RCSPL")
	BF Investment Limited
	Sumer Trust
	Rhea Trust
	Nihal Trust
	Anika Trust
	Pooja Trust
	Anish Trust
	Pallavi Trust
	Sameer Trust
	Malvi Ranchoddas & Co (Up to 31 March 2024)
	Narmada Clean Tech (w.e.f. 11 January 2024)
d) Relatives of Key Management Personnel	Anish Swadi
	Pallavi Swadi
	Pooja Hiremath
	Ashok Vishwanath Hiremath
	Sumer Hiremath (w.e.f. 12 February 2023)
e) Non-Executive directors	Baba Kalyani (up to 29 December 2023)
	Amit Kalyani
	Sugandha Hiremath
	Kannan K. Unni (up to 31 March 2024)
	Prakash Mehta (up to 31 March 2024)
	Ranjit Shahani (up to 9 March 2024)
	Shivani Bhasin Sachdeva
	Shrikrishna Adivadekar
	Berjis Desai (w.e.f. 1 October 2023)
	Ramachandra Kaundinya Vinnakota (w.e.f. 1 October 2023)
	Ravi Kapoor (w.e.f. 11 January 2024)
	Ranjana Salgaocar (w.e.f. 23 March 2024)
f) Key Management Personnel of Subsidiary	Sham Wahalekar

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

ii) Details of transactions with related parties and balances outstanding

Particulars	Transaction value		Balances outstanding	
	Year ended 31 March 2024	Year ended 31 March 2023	31 March 2024	31 March 2023
Remuneration				
Jai Hiremath	52.83	50.88	-	-
Sameer Hiremath	44.90	41.89	-	-
Anish Swadi	35.38	31.04	-	-
Kuldeep Jain	15.61	14.38	-	-
Rajasekhar Reddy	11.54	9.04	-	-
Commission paid				
Sameer Hiremath	3.00	-	3.00	-
Sitting fees				
Sugandha Hiremath	1.40	1.10	-	-
Baba Kalyani	0.40	0.50	-	-
Amit Kalyani	0.70	0.30	-	-
Kannan K. Unni	2.40	1.30	-	-
Prakash Mehta	2.40	1.40	-	-
Shrikrishna Adivadekar	0.90	0.50	-	-
Ranjit Shahani	1.20	1.00	-	-
Shivani Bhasin Sachdeva	1.30	0.60	-	-
Berjis Desai	0.20	-	-	-
Ramachandra Kaundinya Vinnakota	0.50	-	-	-
Ravi Kapoor	0.30	-	-	-
Ranjana Salgaocar	0.10	-	-	-
Commission to Non-Executive directors				
Sugandha Hiremath	0.59	0.56	0.59	0.56
Baba Kalyani	0.44	0.56	0.44	0.56
Amit Kalyani	0.59	0.56	0.59	0.56
Kannan K. Unni	0.59	0.56	0.59	0.56
Prakash Mehta	0.59	0.56	0.59	0.56
Shrikrishna Adivadekar	0.59	0.56	0.59	0.56
Ranjit Shahani	0.56	0.56	0.56	0.56
Shivani Bhasin Sachdeva	0.59	0.56	0.59	0.56
Berjis Desai	0.30	-	0.30	-
Ramachandra Kaundinya Vinnakota	0.30	-	0.30	-
Ravi Kapoor	0.13	-	0.13	-
Ranjana Salgaocar	0.01	-	0.01	-
Dividend paid				
SBIPL	23.90	19.91	-	-
SRIPL	11.77	9.81	-	-
DEPL	0.06	0.05	-	-
EIPL	0.47	0.39	-	-
KECPL	0.08	0.06	-	-
KICL	46.40	38.67	-	-
Sugandha Hiremath	11.60	9.67	-	-
Jai Hiremath	1.61	1.34	-	-
Sameer Hiremath	0.47	0.39	-	-

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Particulars	Transaction value		Balances outstanding	
	Year ended 31 March 2024	Year ended 31 March 2023	31 March 2024	31 March 2023
Anish Swadi	0.01	0.01	-	-
Baba Kalyani	0.03	0.02	-	-
Kannan K. Unni	0.03	0.03	-	-
Prakash Mehta	0.02	0.02	-	-
Pallavi Swadi	0.46	0.38	-	-
Pooja Hiremath	0.01	0.01	-	-
BF Investment Limited	3.93	3.27	-	-
Sumer Trust	0.09	0.08	-	-
Rhea Trust	0.09	0.08	-	-
Nihal Trust	0.09	0.08	-	-
Anika Trust	0.09	0.08	-	-
Pooja Trust	0.09	0.08	-	-
Anish Trust	0.09	0.08	-	-
Pallavi Trust	0.23	0.19	-	-
Sameer Trust	0.23	0.19	-	-
Kuldeep Jain	-	-	-	-
Rajasekhar Reddy	-	-	-	-
Sham Wahalekar	0.02	0.01	-	-
Ashok Hiremath	0.12	0.06	-	-
Ravi Kapoor	0.01	-	-	-
Lease rent paid				
RCSPL	1.08	1.08	-	-
Sugandha Hiremath	2.40	2.40	-	-
Jai Hiremath	0.30	0.30	-	-
Security Deposit				
RCSPL	-	-	1.10	1.10
Sugandha Hiremath	-	-	50.00	50.00
Jai Hiremath	-	-	20.00	20.00
Other Recoverables				
Jai Hiremath	6.00	-	6.00	-
Advances Given				
Kuldeep Jain	2.00	-	1.70	-
Advances Given Repaid				
Kuldeep Jain	0.30	-	-	-
Consultancy Charges				
Sham Wahalekar	3.72	3.66	0.30	0.30
Malvi Ranchoddas & Co*	5.58	3.78	-	0.48
Sales Promotion Expenses				
Hikal LLC	37.14	31.31	-	-
Reimbursement of Expenses				
Acoris Research Limited	0.02	0.04	0.17	0.15
Purchase of Services from Enterprises where a KMP is a Director				
Narmada Clean Tech	2.45	-	-	-

Notes to the Standalone Financial Statements

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(Currency: Indian Rupees in million)

For the year ended 31 March 2024 the remuneration paid to one of the managerial person was in excess of limits specified in section 197 of the Companies Act, 2013 ("the Act") and accordingly in section, such excess remuneration of ₹6 million is recognised in the financial statements as a recoverable from the director and will be recovered by the Company in accordance with said provisions of the Act. The remuneration to managerial persons for the year ended 31 March 2024 is in accordance with the limits applicable under the regulation 17(6) of SEBI (listing Obligation and Disclosure Requirements) Regulation, 2015

Terms and conditions of transactions with related parties

1. All related party transactions entered during the year were in ordinary course of business and are on arms length basis.
2. Outstanding balances at year end are unsecured and settlement occures in cash.
3. The remuneration of executive directors is determined by the nomination and remuneration committee.
4. *Outstanding balance does not include escrow account balance with the party.
5. Also refer note 51

58 Key Ratios

Sr. No.	Particulars	Numerator	Denominator	31-Mar-24	31-Mar-23	Variance (in %)	Reason for variance (if variance is more than 25%)
1	Current Ratio	Current Assets	Current Liabilities	1.28	1.42	10%	
2	Net Debt-Equity Ratio	Total Borrowing	Equity	0.67	0.61	10%	
3	Debt Service Coverage Ratio	EBIT	Total Debt Service	1.52	1.77	14%	
4	Return on Equity Ratio	Profit After Tax	Average Equity	5.99%	7.07%	15%	
5	Inventory Turnover Ratio	Cost of goods sold	Average Inventory	2.66	3.43	23%	
6	Trade Receivables Turnover Ratio	Revenue from operation except Export incentive and others	Average Trade Receivable	3.59	4.57	21%	
7	Trade Payables Turnover Ratio	Total Purchases	Average Trade Payable	2.73	3.89	30%	Reduction in purchases as compared to last year and better negotiation with vendors
8	Net Working Capital Turnover Ratio	Revenue from operation expect Export incentive and others	Working Capital = Current Assets - Current Liabilities	8.48	7.24	17%	
9	Net Profit Ratio	Net Profit after Tax	Revenue from operation except Export incentive and others	3.90%	3.91%	0%	
10	Return on Capital Employed	EBIT	Equity + Borrowings + Deferred tax liability	7.69%	8.47%	9%	
11	Return on Investment	Income generated from Invested funds	Average Investment Funds	5.50%	7.07%	22%	

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

59 Contribution to Provident Fund as per Supreme Court Judgement

There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The impact is not expected to be material as per the assessment made by the company.

60 The Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

61 The Company does not have any Benami property, where any proceedings have been initiated or pending against the company for holding any Benami property.

62 The Company does not have any transactions with Companies struck off.

63 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

64 The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

65 The Company has not advanced or loaned or invested funds to any other person / entities, including foreign entities (intermediaries) with the understanding that the intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

66 The Company has not received funds to any other person / entities, including foreign entities (Funding party) with the understanding (whether recorded in writing or otherwise) that the company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

67 The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

Notes to the Standalone Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

68 The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that during the year company has migrated to new database effective January 20, 2024 and in respect of new database audit trail feature is not enabled for direct changes to data when using certain access rights. With respect to legacy database the Company does not possess required information in relation to maintenance audit trail feature.

69 The quarterly returns or statements of Current assets filed by the Company with the banks or financial institutions are in agreement with the books of accounts.

70 Other information

The figures for the previous year have been regrouped wherever necessary to conform to the current year's presentation.

As per our report of even date attached

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No: 324982E/E300003

For and on behalf of the Board of Directors of
Hikal Limited
CIN: L24200MH1988PTC048028

per Vinayak Pujare
Partner
Membership No: 101143

Jai Hiremath
Executive Chairman
DIN: 00062203

Sameer Hiremath
Managing Director
DIN: 00062129

Ramachandra Kaundinya Vinnakota
Director
DIN - 00043067

Kuldeep Jain
Chief Financial Officer

Rajasekhar Reddy
Company Secretary

Mumbai
9 May 2024

Mumbai
9 May 2024

Mumbai
9 May 2024

Independent Auditor's Report

To the Members of Hikal Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Hikal Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2024, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2024, their consolidated profit including other comprehensive loss, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to note 53 A (ii) and note 53 A(iv) to the consolidated financial statements, as regards the ongoing investigations / actions by statutory authorities in relation to alleged non-compliance with certain environmental laws and regulations, and the litigation in respect of the matter referred to in note 53 A (ii). The outcome of these matters is presently uncertain. Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditor of component not audited by us, as reported by him in his audit report furnished to us by the management, including those procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition based on contracts with customers (as described in note 3.2 and 33 of the consolidated financial statements)	
The Group recognises revenue when control of the goods is transferred to the customers at an amount that reflects the consideration, which the Group is entitled to receive for those goods from customers. Revenue from sale of products is recognised based on terms and conditions, which vary amongst different customer contracts. There is a risk of revenue being overstated on account of variation in the timing of transfer of control and due to the pressure management may feel to achieve performance targets at the reporting period-end. The recognition and measurement of such revenue is also based on the terms of sales arrangement/contracts, which involves management judgement and estimation in respect of price adjustments that create complexities for determining sales revenues. Considering the above factors and the risk associated with recognition of such revenue, we have determined the same to be a key audit matter.	As part of our audit procedures, we: • Read the Group's accounting policy for revenue recognition and assessed its compliance with Ind AS 115 'Revenue from Contracts with Customers; • Assessed the design and tested the operating effectiveness of internal financial controls related to sale of goods; • Performed sample tests of individual sales transactions and price adjustments and traced to sales invoices, sales orders, shipping documents and debit / credit notes. • Selected sample of sales transactions made pre and post year-end, agreed the period of revenue recognition to underlying documents such as sales invoices, sales orders and shipping documents • Read and assessed the relevant disclosures made within the consolidated financial statements.

Other Information

The Holding Company's Board of Directors is responsible for the Other Information. Other Information comprises the information included in the annual report including report of the Board of Directors, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report including report of the Board of Directors, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of one subsidiary, whose financial statements include total assets of ₹ NIL as at March 31, 2024, and total revenues of ₹0.06 million and net cash outflows of ₹ NIL for the year ended on that date. These financial statements and other financial information have been audited by another auditor, which financial statements, other financial information and auditor's report have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditor.

(b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of one subsidiary whose financial statements and other financial information reflect total assets of Rs 1.08 million as at March 31, 2024, and total revenues of Rs 37.14 million and net cash inflows of Rs 0.92 million for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of a Subsidiary, incorporated in India, as noted in the 'Other Matter' paragraph, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of a subsidiary, as noted in the 'Other Matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditor whose report we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and report of the other auditor except for the matters stated in the paragraph j(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) The matter described in Emphasis of Matter above, in our opinion, may have an adverse effect on the functioning of the Group.

(f) On the basis of the written representations received from the directors of the Holding Company taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor appointed under Section 139 of the Act, of its subsidiary company, none of the directors of the Group's companies, incorporated in India, are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above and paragraph j(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

(h) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(i) In our opinion and based on the consideration of report of other statutory auditor of the subsidiary, incorporated in India, and read with note 52 to the consolidated financial statements relating to recovery of excess remuneration paid, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the

Holding Company and its subsidiary incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act.

(j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and also the other financial information of the subsidiary, as noted in the 'Other Matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated financial statements – Refer 53 (A) to the consolidated financial statements;

ii. The Group, did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2024;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary, incorporated in India during the year ended March 31, 2024.

iv. a) The respective managements of the Holding Company and its subsidiary incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of the subsidiary that, to the best of its knowledge and belief, as disclosed in the note 62 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or such subsidiary to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary that, to the best of its knowledge and belief, as disclosed in the note 63 to the consolidated financial statements, no funds have been received by the respective Holding Company or such subsidiary from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of a subsidiary which is company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Holding Company during the year is in accordance with section 123 of the Act.

As stated in note 20C to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year, which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi) Based on our examination which included test checks and as described in note 65 to the consolidated financial statements, the Holding Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that during the year the Holding Company migrated to a new database effective January 20, 2024 and for which, audit trail feature is not enabled for direct changes to data when using certain access rights. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the above. With respect to the legacy database, in the absence of required information, we are unable to comment whether audit trail feature was enabled at database level or whether there were any instances of the audit trail feature being tampered with.

We further report based on the report of the auditor of a subsidiary, being a company incorporated in India and whose financial statements have been audited under the Act, the subsidiary is maintaining its books of accounts in manual form and accordingly the question of commenting on whether the audit trail was tampered with, and the preservation of audit trail, does not arise.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Vinayak Pujare**
Partner
Membership Number: 101143
UDIN: 24101143BKFZZJ8885

Place of Signature: Mumbai
Date: May 9, 2024

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Hikal Limited ('the Company')

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

(xxi) Qualifications or adverse remarks by us in the Companies (Auditors Report) Order ('CARO') report of the Company included in the consolidated financial statements is:

S.No	Name	CIN	Holding company/ Subsidiary	Clause number of the CARO report which is qualified or is adverse
1	Hikal Limited	L24200MH1988PTC048028	Holding Company	(vii)(a)

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Vinayak Pujare**
Partner
Membership Number: 101143
UDIN: 24101143BKFZZJ8885

Place of Signature: Mumbai
Date: May 9, 2024

Annexure 2 to the Independent Auditor's Report of even date on the consolidated financial statements of Hikal Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Hikal Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Hikal Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, which is company incorporated in India, as of that date

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and a Subsidiary Company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding company's internal financial controls with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these consolidated financial statements.

Meaning of Internal Financial Controls with reference to these Consolidated Financial Statements

A company's internal financial control with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have maintained in all material respects, adequate internal financial controls with reference to these consolidated financial statements and such internal financial controls with reference to these consolidated financial statements were operating effectively as at March 31,2024, based on the internal control criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to these consolidated financial statements of the Holding Company, insofar as it relates to a subsidiary company, which is a Company incorporated in India, is based on the corresponding report of the auditor of such subsidiary.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Vinayak Pujare**
Partner
Membership Number: 101143
UDIN: 24101143BKFZZJ8885

Place of Signature: Mumbai
Date: May 9, 2024

Consolidated Balance Sheet

As at 31 March 2024

(Currency: Indian Rupees in million)

	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	9,958.78	8,853.10
Capital work-in-progress	4	4,143.36	4,020.75
Right of use assets	5	646.03	628.84
Other intangible assets	6	101.49	1.20
Intangible assets under development	6	-	100.75
Financial Assets			
Investments	7	53.52	53.04
Loans	8	3.35	3.00
Others	9	159.74	186.67
Income tax assets (net)	10	20.21	20.21
Other non-current assets	11	118.83	597.05
Total non-current assets		**15,205.31**	**14,464.61**
Current assets			
Inventories	12	3,037.20	3,167.42
Financial Assets			
Trade receivables	13	5,503.40	4,417.82
Cash and cash equivalents	14	127.03	267.30
Bank balances other than cash and cash equivalents	15	81.80	328.19
Loans	16	5.28	2.40
Others	17	136.53	167.14
Other current assets	18	774.94	1,039.94
Total current assets		**9,666.18**	**9,390.21**
Total assets		**24,871.49**	**23,854.82**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	246.60	246.60
Other equity			
Retained earnings		8,925.33	8,383.77
Other reserves	20	2,704.68	2,704.33
Total equity		**11,876.61**	**11,334.70**
Liabilities			
Non-current liabilities			
Financial Liabilities:			
Borrowings	21	4,228.51	4,898.79
Lease liability	22	26.31	-
Provisions	23	279.91	242.24
Deferred tax liabilities (net)	24	300.37	327.15
Other liabilities	25	593.45	436.40
Total non-current liabilities		**5,428.55**	**5,904.58**
Current liabilities			
Financial liabilities:			
Borrowings	26	3,918.87	2,580.75
Lease liability	27	2.08	2.30
Trade payables	28		
Total outstanding dues of Micro Enterprises and Small Enterprises		260.81	504.66
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		2,527.66	2,628.01
Other financial liabilities	29	407.61	488.06
Other current liabilities	30	285.39	236.89
Provisions	31	43.80	35.13
Income tax liabilities (net)	32	120.11	139.74
Total current liabilities		**7,566.33**	**6,615.54**
Total liabilities		**12,994.88**	**12,520.12**
Total equity and liabilities		**24,871.49**	**23,854.82**

Material accounting policies 1-3

Accompanying notes form an integral part of the Consolidated Financial statements

As per our report of even date attached

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No: 324982E/E300003

For and on behalf of the Board of Directors of
Hikal Limited
CIN: L24200MH1988PTC048028

per Vinayak Pujare
Partner
Membership No: 101143

Jai Hiremath
Executive Chairman
DIN: 00062203

Sameer Hiremath
Managing Director
DIN: 00062129

Ramachandra Kaundinya Vinnakota
Director
DIN - 00043067

Kuldeep Jain
Chief Financial Officer

Rajasekhar Reddy
Company Secretary

Mumbai
9 May 2024

Mumbai
9 May 2024

Mumbai
9 May 2024

Mumbai
9 May 2024

Consolidated Statement of Profit and Loss

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
Revenue from operations	33	17,846.00	20,230.30
Other income	34	24.52	54.10
Total income		**17,870.52**	**20,284.40**
Expenses			
Cost of materials consumed	35	8,051.48	11,215.89
Changes in inventories of finished goods and work-in-progress	36	195.11	(145.57)
Employee benefit expenses	37	2,465.29	2,224.41
Finance costs	38	563.68	481.01
Depreciation and amortisation expense	39	1,176.11	1,090.13
Other expenses	40	4,463.80	4,364.88
Total expenses		**16,915.47**	**19,230.75**
Profit before tax		**955.05**	**1,053.65**
Tax expense			
Current tax	41	283.74	304.75
Deferred tax	42	(24.71)	(34.92)
Total tax expense		**259.03**	**269.83**
Profit for the year (Attributable to Equity holders of the parent)		**696.02**	**783.82**
Other comprehensive income (OCI)			
(i) Items that will not be reclassified to consolidated statement of profit and loss			
Loss on remeasurement of defined employee benefit plans		(8.69)	(8.06)
Gain on change in fair values of investments in equity shares carried at fair value through OCI		0.47	0.43
(ii) Income tax relating to items that will not be reclassified to consolidated statement of profit and loss		2.07	2.00
Other comprehensive loss for the year, (net of income tax)		**(6.15)**	**(5.63)**
Total comprehensive income for the year (Attributable to Equity holders of the parent)		**689.87**	**778.19**
Earnings per equity share (for nominal value per equity share of Rs 2)			
Basic and Diluted	43	5.64	6.36

Material accounting policies 1-3

The notes referred to above form an integral part of consolidated financial statements.

As per our report of even date attached

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No: 324982E/E300003

For and on behalf of the Board of Directors of
Hikal Limited
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per Vinayak Pujare
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Company Secretary

Mumbai
9 May 2024

Mumbai
9 May 2024

Mumbai
9 May 2024

Mumbai
9 May 2024

Consolidated statement of changes in equity

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

(a) Equity share capital

	No of shares	Amount
Balance as at 1 April 2022	123.30	246.60
Changes in equity share capital during financial year 2022-23	-	-
Balance as at 31 March 2023	123.30	246.60
Changes in equity share capital during financial year 2023-24	-	-
Balance as at 31 March 2024	123.30	246.60

(b) Other equity

	Reserve and Surplus							
	Capital reserve	**Capital redemption reserve**	**Securities premium**	**State subsidy**	**Contin-gency reserve**	**General reserve**	**Retained earnings**	**Equity investments through other comprehensive income**
Balance as at 1 April 2022	0.44	509.82	381.23	5.50	30.00	1,779.58	7,729.20	(2.56)
Total comprehensive income for the year ended 31 March 2022								
Profit for the year	-	-	-	-	-	-	783.82	-
Items of OCI for the year, net of tax								
Loss on remeasurement of defined employee benefit plans	-	-	-	-	-	-	(5.95)	-
Gain on change in fair values of investments in equity shares carried at fair value through OCI	-	-	-	-	-	-	-	0.32
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**777.87**	**0.32**
Transaction with equity holders in their capacity as owners, recorded directly in equity								
Dividend	-	-	-	-	-	-	(123.30)	-
Balance as at 31 March 2023	**0.44**	**509.82**	**381.23**	**5.50**	**30.00**	**1,779.58**	**8,383.77**	**(2.24)**
Total comprehensive income for the year ended 31 March 2024								
Profit for the year	-	-	-	-	-	-	696.02	-
Items of OCI for the year, net of tax								
Loss on remeasurement of defined employee benefit plans	-	-	-	-	-	-	(6.50)	-
Gain on change in fair values of investments in equity shares carried at fair value through OCI	-	-	-	-	-	-	-	0.35
Total comprehensive income	-	-	-	-	-	-	689.52	0.35
Transaction with owners in their capacity as owners, recorded directly in equity								
Dividends	-	-	-	-	-	-	(147.96)	-
Balance as at 31 March 2024	**0.44**	**509.82**	**381.23**	**5.50**	**30.00**	**1,779.58**	**8,925.33**	**(1.89)**

For the purpsoe of reserve, refer note 20 (B)

Material accounting policies, refer note 1-3

The notes referred to above form an integral part of consolidated financial statements.

As per our report of even date attached
For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No: 324982E/E300003

per Vinayak Pujare
Partner
Membership No: 101143

Mumbai
9 May 2024

For and on behalf of the Board of Directors of
Hikal Limited
CIN: L24200MH1988PTC048028

Jai Hiremath
Executive Chairman
DIN: 00062203

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DIN - 00043067
Mumbai
9 May 2024

Kuldeep Jain
Chief Financial Officer
Mumbai
9 May 2024

Rajasekhar Reddy
Company Secretary
Mumbai
9 May 2024

Consolidated cash flow statement

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

	For the year ended 31 March 2024		For the year ended 31 March 2023	
A. Cash flow from operating activities				
Profit before tax		**955.05**		**1,053.65**
Adjustments:				
Depreciation and amortisation	1,176.11		1,090.13	
Dividend on long-term investments	(0.02)		(0.00)	
Finance costs	563.68		481.01	
Interest income	(16.95)		(19.56)	
Gain on sale of property, plant and equipment	(1.62)		6.96	
Sundry balances written (back)/off	(2.19)		1.73	
Provision for doubtful debts/advances	21.02		44.78	
Provision/write off of inventory	20.00		40.04	
Profit on sale of investment	(3.70)		(13.23)	
Unrealised foreign exchange (gain)/ loss	(7.63)		(0.52)	
		1,748.70		1,631.34
Operating cash flow before working capital changes		**2,703.75**		**2,684.99**
(Increase) in trade receivables	(1,098.41)		(66.85)	
Decrease in loans and advances and other assets	572.96		208.87	
Decrease in inventories	110.22		82.33	
(Decrease) / Increase in trade payables	(341.87)		649.49	
Increase / (decrease) in provisions, other financial liabilities and other liabilities	223.86		(117.75)	
		(533.24)		756.09
Cash generated from operations		**2,170.51**		**3,441.08**
Income tax paid		(303.35)		(287.99)
Net cash flows generated from operating activities (A)		**1,867.16**		**3,153.09**
B. Cash flow from investing activities				
Purchase of property, plant and equipment and intangible assets	(2,041.96)		(3,026.20)	
Proceeds from sale of property, plant and equipment	2.10		5.73	
Purchase of non current investment	-		(46.23)	
Proceeds from sale of investment (net)	3.70		115.86	
Dividend on long-term investments	0.02		0.00	
Interest received	19.32		18.99	
Decrease in other bank balances (includes margin money account)	279.37		8.45	
Net cash flows (used in) investing activities (B)		**(1,737.45)**		**(2,923.40)**
C. Cash flow from financing activities				
Proceeds from long-term borrowings	350.00		2,900.00	
Repayment of long-term borrowings	(837.23)		(1,212.27)	
Repayments of/proceeds from short-term borrowings (net)	1,152.46		(992.84)	
Finance costs paid (including interest on lease liability)	(783.86)		(644.90)	
Payment of lease liability	(3.08)		(3.49)	
Dividend paid on equity shares	(148.27)		(123.30)	
Net cash flows (used in) financing activities (C)		**(269.98)**		**(76.80)**

Consolidated cash flow statement

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

	For the year ended 31 March 2024	For the year ended 31 March 2023
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(140.27)	152.89
Cash and cash equivalents at the beginning of the year, the components being		
Cash on hand	2.03	2.37
Balances with banks		
- Current accounts	260.41	96.84
- Exchange Earners Foreign Currency accounts	-	7.19
- Deposits accounts (having original maturity of 3 months or less)	4.86	8.01
	267.30	**114.41**
Cash and cash equivalents at the end of the year, the components being		
Cash on hand	1.20	2.03
Balances with banks		
- Current accounts	121.52	260.41
- Deposits accounts (having original maturity of 3 months or less)	4.31	4.86
	127.03	**267.30**
Net (decrease) / increase as disclosed above	**(140.27)**	**152.89**

Notes to the cash flow statement

1 The above cash flow statement has been prepared under the 'Indirect Method' set out in Accounting Standard (IND AS) 7, 'Cash Flow Statements'.

2 For changes in liability arising from financing activity refer note 21

Material accounting policies, refer note 1-3

The notes referred to above form an integral part of consolidated financial statements

As per our report of even date attached

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No: 324982E/E300003

per Vinayak Pujare
Partner
Membership No: 101143

Mumbai
9 May 2024

For and on behalf of the Board of Directors of
Hikal Limited
CIN: L24200MH1988PTC048028

Jai Hiremath
Executive Chairman
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Mumbai
9 May 2024

Kuldeep Jain
Chief Financial Officer
Mumbai
9 May 2024

Rajasekhar Reddy
Company Secretary
Mumbai
9 May 2024

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

1(a) Group Overview

Hikal Limited ('Hikal' or 'the Holding company') was incorporated on 8 July, 1988 having its registered office at 717/718, Maker Chamber V, Nariman Point, Mumbai 400 021.

The Holding Company is engaged in the manufacturing of various chemical intermediates, specialty chemicals, active pharma ingredients and contract research activities.

The Holding Company has its equity shares listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

The Holding Company alongwith its subsidiary is referred to as the "Group"

The Group is operating in the crop protection and pharmaceuticals space.

1(b) Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

The consolidated financial statements for the year ended March 31,2024 were approved by the Board of Directors and authorised for issue on 9 May, 2024.

2 Material accounting policies

2.1 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act.

These financial statements have been prepared on accrual and going concern basis.

2.2 Functional and presentation currency

These consolidated financial statements are presented in Indian rupees, which is also the Group's functional currency. All amounts have been rounded off to two decimal places to the nearest million, unless otherwise indicated.

2.3 Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

Items	Measurement basis
Certain financial assets and liabilities (including Fair value derivatives instruments)	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

2.4 Use of estimates and judgements

The preparation of the consolidated financial statements in accordance with Ind AS requires use of judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised prospectively.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Property, plant and equipment

Useful lives of tangible assets are based on the the estimates made by the management. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

b. Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

c. Impairment allowance of trade receivables (allowance for bad and doubtful debts)

The Group makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgements and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

d. Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

e. Revenue from development contract

In respect of development contracts, the Group uses an input method in measuring progress of the development project because there is a direct relationship between the Group effort (i.e., based on the labour hours incurred, raw material consumed) and the transfer of service to the customer. The Group recognises revenue on the basis of the labour hours expended and raw material consumed relative to the total expected labour hours and raw material consumption to complete the development project.

f. Recognition of deferred tax assets

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits,if any could be utilised.

2.5 Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3 fair values by the management. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3 Material accounting policies

3.1 Basis of Consolidation

i. Subsidiary

Subsidiary is entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

ii. Consolidation Procedure

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in reparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, i.e., year ended on 31 March.

The procedure followed is as follows:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the Holding Company's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The list of company, controlled directly or indirectly by the Holding Company which are included in the consolidated financial statements is as under:

(Currency: Indian Rupees in million)

Name	Relationship	Country of incorp-oration	Ownership Interest 31 March 2024	Ownership Interest 31 March 2023
Acoris Research Limited	Subsidiary	India	100%	100%
Hikal LLC	Subsidiary	USA	100%	100%

3.2 Revenue from contract with customer

i. Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery.

Revenue is measured based on the transaction price, which is the consideration, adjusted for rebates and discounts, price adjustments and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government.

Due to short nature of credit period given to customers there is no financing component in the contract.

ii. Sale of services

Revenue from development and other services are recognised over time because the customer simultaneously receives and consumes the benefits provided to them. The Group uses an input method in measuring progress of the services because there is a direct relationship between the Group effort (i.e., based on the labour hours incurred, raw material consumed) and the transfer of service to the customer. The Group recognises revenue on the basis of the labour hours expended and raw material consumed relative to the total expected labour hours and raw material consumption to complete the service.

iii. Export entitlements

Export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Group, and where there is no significant uncertainty regarding the ultimate collection/determination of amounts of the relevant export proceeds.

(Currency: Indian Rupees in million)

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transfering goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

3.3 Other Income

i. Interest income

Interest income is recognised using the effective interest method as set out in Ind AS 109 – Financial Instruments: Recognition and Measurement, when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

ii. Dividend income

Dividend income is recognised when right to receive payment is established and it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably.

3.4 Foreign currency

Transactions in foreign currencies are translated into the Group's functional currency at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary asstes and liabilities that are measured based on historical cost in a foreign currency are not translated. Foreign currency exchange differences are generally recognised in the statement of profit and loss.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous Financial Statements are recognised in the consolidated Statement of Profit and Loss in the period in which they arise. When a gain or loss on a non-monetary item is recognised in Other Comprehensive Income, any exchange component of that gain or loss is recognised in Other Comprehensive Income. Conversely, when a gain or loss on a non-monetary item is recognised in consolidated Statement of Profit and Loss, any exchange component of that gain or loss is recognised in consolidated Statement of Profit and Loss.

3.5 Employee benefits

Short-term employee benefits

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount of obligation can be estimated reliably.

Post employment employee benefits

i Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The Group makes specified monthly contributions to Provident fund, Employee State Insurance and Labour Welfare Fund and are recognised as an employee benefit expense in the statement of profit and loss on an accrual basis.

Contribution to Superannuation Fund, a defined contribution scheme, administered by Life Insurance Corporation of India, based on a specified percentage of eligible employees' salary.

(Currency: Indian Rupees in million)

ii Defined benefit plans

A defined benefit plan is a post-employee benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined liability (asset) after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to gratuity benefit scheme are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Gratuity

The Group has an obligation towards gratuity, a defined benefit scheme covering eligible employees. The Group accounts for gratuity benefits payable in future based on an independent actuarial valuation method as stated above. Gratuity for staff at Panoli plant is funded through group gratuity insurance scheme of the Life Insurance Corporation of India ('LIC').

Other long-term employee benefits

The Group's net obligation in respect of compensated absences such as paid annual leave, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method, as at the date of the Balance Sheet. Actuarial gains or losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the statement of profit and loss.

3.6 Income tax

Income tax expense comprises current and deferred tax. It is recognised in the consolidated statement of profit and loss or items recognised directly in equity or in other comprehensive income.

i Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates enacted or substantively enacted by the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and current tax liabilities are offset only if, the Group:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment.

The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

ii Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

    Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.7 Inventories

a Measurement of Inventory

The Group measures its inventories at the lower of cost and net realisable value.

b Cost of Inventories

The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

The costs of conversion of inventories include costs directly related to the units of production and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.

Other costs are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned by weighted average cost formula. The Group uses the same cost formula for all inventories having a similar nature and use to the Group.

c Net realisable value

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Net realisable value is ascertained for each item of inventories with reference to the selling prices of related finished products.

The practice of writing inventories down below cost to net realisable value is consistent with the view that assets should not be carried in excess of amounts expected to be realised from their sale or use. Inventories are usually written down to net realisable value item by item.

Estimates of net realisable value of finished goods and stock-in-trade are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when a decline in the price of materials indicates that the cost of the finished products exceeds net realisable value, the materials are written down to net realisable value.

Amount of any reversal of write-down of inventories shall be recognised as an expense as when the event occurs. A new assessment is made of net realisable value in each subsequent period. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed. Amounts such reversed shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which reversal occurs.

d Valuation of Spare parts, stand-by equipments and servicing equipments

Spare parts, stand-by equipment and servicing equipment are recognised as Property, Plant and Equipment if and only if it is probable that future economic benefits associated with them will flow to the Group and their cost can be measured reliably. Otherwise such items are classified and recognised as Inventory.

3.8 Property, plant and equipment

i Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any directly attributable cost of bringing the asset to its location and condition necessary for it to be capable of operating in the manner intended by management.

c) the estimated costs of dismantling and removing the item and restoring the site on which it is located.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the statement of profit and loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on the depreciable amount of an item of Property, plant and equipment is allocated on a systematic basis over its useful life. The Group provides depreciation on the straight-line method. The Group believes that straight line method reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Group. Based on internal technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes,

(Currency: Indian Rupees in million)

manufacturers warranties and maintenance support, etc: the management believes useful lives of the assets are appropriate. The depreciation method is reviewed at least at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with Ind AS 8 -Accounting Policies, Changes in Accounting Estimates and Errors.

The residual value and the useful life of an asset is reviewed at least at each financial year-end. Depreciation is calculated using the straight-line method on cost of items of property, plant and equipment less their estimated residual values over the estimated useful lives prescribed under Schedule II of the Act.

In case of Ships, based on internal assessment and technical evaluation carried out, management believes that the useful life is 30 years, which is higher and different from the useful life of 20 years as prescribed under Part C of Schedule II of the Act.

The estimated useful lives of items of property, plant and equipment are as follows:

Tangible Assets	Life defined	Useful life as per Schedule II
Buildings	30-60	30-60
Plant and equipment	10-20	10-20
Electrical equipment and installation	10	10
Office equipment	5	5
Computers	3	3
Furniture and fixtures	10	10
Vehicles	8	10
Ships	30	20

Leasehold improvements amortised over the primary period of lease.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.9 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

The Group has opted option available in Para D13AA of Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP i.e. capitalisation foreign exchange difference pursuant to para 46A of AS 11 'The Effects of Changes in Foreign Exchange Rates' vide notification dated December 29, 2011 by Ministry of Corporate Affairs (MCA).

3.10 Intangible assets

i. Recognition and measurement

Expenditure on research activities is recognised in the statement of profit and loss as incurred.

Development expenditure is capitalised as part of the cost of the research and development, only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets, includes computer software, which are acquired by the Group are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the statement of profit and loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is included in

(Currency: Indian Rupees in million)

depreciation and amortisation in the statement of profit and loss.

Other intangible assets are amortised over the estimated useful lives as given below:

- Computer Software 5 years

- Product related intangible 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.11 Financial instruments

a. Financial assets

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

All financial assets are measured subsequently at either amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss, depending on the classification of the financial assets.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under standard on revenue from contracts with customers. Refer to the accounting policies for revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to contractual cash flows that are 'solely payments of principal and interest (SPPI); on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e, he date that the Group commits to purchase or sell the asset.

ii. Classification

On initial recognition, a financial asset is classified as measured at

- amortised cost; or

- fair value through profit or loss (FVTPL); or

- fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

– the stated policies and objectives for the portfolio and the operation of those policies in practice.These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

– how the performance of the portfolio is evaluated and reported to the Group's management;

– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

– how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

iii Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit and loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in the statement of profit and loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity instrument measured at FVOCI not reported separately from other changes in fair value.

iv. Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

v Impairment of financial assets

Trade receivables the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Further disclosures relating to impairment of financial assets areprovided in note 13 - Trade Receivables.

b. Financial liabilities

i. Recognition and initial measurement

All financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial liability is initially measured at fair value. In the case of financial liabilities which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition or issue of financial liability.

ii Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

iii. Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.12 Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.13 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i Right-of-use Assets (ROU Assets)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold Land	90 to 99 years
Buildings	9 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.14 Impairment of non-financial assets.

ii Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

iii Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.14 Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

The recoverable amount is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of the assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, impairment loss is reversed to the extent to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

3.15 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3.16 Earnings per share (EPS)

Basic EPS is computed using the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be antidilutive.

3.17 Dividend

The Group recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised, and the distribution is no longer at

the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

The final dividend on shares is recorded as a liability on the date of approval by the shareholders.

Interim dividend are recorded as a liability on the date of declaration by the Group's Board.

The Group declares and pay dividends in Indian Rupees. Group is required to pay / distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable taxes. Further disclosure relating to dividend refer Note No 20(C)-Dividends.

3.18 Current / non-current classification

The Group shall classify an asset as current when-

(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

(b) it holds the asset primarily for the purpose of trading;

(c) it expects to realise the asset within twelve months after the reporting period; or

(d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group shall classify a liability as current when-

(a) it expects to settle the liability in its normal operating cycle;

(b) it holds the liability primarily for the purpose of trading;

(c) the liability is due to be settled within twelve months after the reporting period; or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group shall classify all other assets and liabilities as non-current.

Deferred tax Assets and Liabilities are classified as non-current assets and liabilities

Operating cycle

An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has identified its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

3.19 New and amended standards:

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Group applied for the first-time these amendments.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Group has disclosed material accounting policy in the financial statement, however this does have impact on the measurement, recognition or presentation of any items in the financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases. The amendments had no material impact on the Group's financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Note 4: Property, Plant and Equipment

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 1 April 2023	Additions	Deductions	As at 31 March 2024	As at 1 April 2023	Charge for the year	Deductions	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Freehold land	582.10	-	-	582.10	-	-	-	-	582.10	582.10
Buildings	2,085.99	569.63	0.87	2,654.75	485.28	90.26	0.39	575.15	2,079.60	1,600.71
Plant and machinery	11,529.86	1,625.48	-	13,155.34	5,178.51	993.31	-	6,171.82	6,983.52	6,351.35
Electrical equipments and installations	277.35	15.98	-	293.33	119.22	22.12	-	141.34	151.99	158.13
Office equipments	170.79	26.48	-	197.27	124.60	22.24	-	146.84	50.43	46.19
Furniture and fixtures	148.60	13.24	-	161.84	77.48	12.78	-	90.26	71.58	71.12
Leasehold improvements	5.58	-	-	5.58	3.92	0.56	-	4.48	1.10	1.66
Vehicles	53.53	3.21	-	56.74	34.75	4.80	-	39.55	17.19	18.78
Ships	35.75	-	-	35.75	12.69	1.79	-	14.48	21.27	23.06
Total	**14,889.55**	**2,254.02**	**0.87**	**17,142.70**	**6,036.45**	**1,147.86**	**0.39**	**7,183.92**	**9,958.78**	**8,853.10**
Capital work in progress	4,020.75	2,376.63	2,254.02	4,143.36	-	-	-	-	4,143.36	4,020.75

Note 4: Property, plant and equipment (Previous year)

Description	Gross Block					Accumulated Depreciation				Net Block	
	As at 1 April 2022	Additions	Deductions	Adjustment of exchange difference on borrowing	As at 31 March 2023	As at 1 April 2022	Charge for the year	Deductions	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Freehold land	582.10	-	-	-	582.10	-	-	-	-	582.10	582.10
Buildings	1,914.90	171.09	-	-	2085.99	406.29	78.99	-	485.28	1,600.71	1,508.61
Plant and machinery	10,006.13	1,542.44	33.44	14.73	11,529.86	4,266.02	933.24	20.75	5,178.51	6,351.35	5,740.11
Electrical equipments and installations	251.46	25.89	-	-	277.35	99.18	20.04	-	119.22	158.13	152.28
Office equipments	153.05	17.74	-	-	170.79	102.67	21.93	-	124.60	46.19	50.38
Furniture and fixtures	129.36	19.24	-	-	148.60	66.16	11.32	-	77.48	71.12	63.20
Leasehold Improvements	5.58	-	-	-	5.58	3.36	0.56	-	3.92	1.66	2.22
Vehicles	53.53	-	-	-	53.53	29.80	4.95	-	34.75	18.78	23.73
Ships	35.75	-	-	-	35.75	10.90	1.79	-	12.69	23.06	24.85
Total	**13,131.86**	**1,776.40**	**33.44**	**14.73**	**14,889.55**	**4,984.38**	**1,072.82**	**20.75**	**6,036.45**	**8,853.10**	**8,147.48**
Capital work in progress	2,851.83	2,945.32	1,776.40	-	4,020.75	-	-	-	-	4,020.75	2,851.83

Notes:

a. Exchange differences (loss) of ₹ Nil (P.Y. loss Rs 14.73 million) has been included in the additions to fixed assets post the exercise of option in terms of Para 46A of AS11 (pursuant to notification dated 29 December 2011 issued by the Ministry of Corporate Affairs.)

b. Refer note 21 and 26 for details of assets hypothecated/mortgaged as security against borrowings.

c. Refer note 50 for details of revenue expenditure capitalised.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

a) For Capital-work-in progress, ageing schedule

Amount of Capital-Work-in-Progress as on 31 March 2024

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
-Projects in Process	1,475.25	1,624.81	1,039.08	4.22	4,143.36
-Projects temperorily suspended	-	-	-	-	-

Amount of Capital-Work-in-Progress as on 31 March 2023

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
-Projects in Process	2,784.79	1,227.28	4.59	4.09	4,020.75
-Projects temperorily suspended	-	-	-	-	-

b) For Capital-Work-in-Progress, whose completion is overdue or has exceeded the cost compared to its original value as on 31 March 2024

Project Locations	To be completed in				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Crop Projects	3,501.15	-	-	-	3,501.15
Pharma Projects	407.38	-	-	-	407.38
Total	**3,908.53**	**-**	**-**	**-**	**3,908.53**

For Capital-Work-in-Progress, whose completion is overdue or has exceeded the cost compared to its original value as on 31 March 2023

Project Locations	To be completed in				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Crop Projects	2,204.12	-	-	-	2,204.12
Pharma Projects	980.72	-	-	-	980.72
Total	**3,184.84**	**-**	**-**	**-**	**3,184.84**

Note 5: Right of use assets

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 1 April 2023	Additions	Deductions	As at 31 March 2024	As at 1 April 2023	Charge for the year	Deductions	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Leasehold land	691.71	-	-	691.71	64.07	9.28	-	73.35	618.36	627.64
Buildings	11.06	29.18	11.06	29.18	9.86	2.71	11.06	1.51	27.67	1.20
Total	**702.77**	**29.18**	**11.06**	**720.89**	**73.93**	**11.99**	**11.06**	**74.86**	**646.03**	**628.84**

Note 5: Right of use assets (Previous Year)

Description	Gross Block				Accumulated Depreciation				Net Block	
	As at 1 April 2022	Additions	Deductions	As at 31 March 2023	As at 1 April 2022	Charge for the year	Deductions	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Leasehold land	691.71	-	-	691.71	54.79	9.28	-	64.07	627.64	636.92
Buildings	11.06	-	-	11.06	7.71	2.15	-	9.86	1.20	3.35
Total	**702.77**	**-**	**-**	**702.77**	**62.50**	**11.43**	**-**	**73.93**	**628.84**	**640.27**

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Note 6: Other intangible assets

Description	Gross Block				Accumulated Amortisation				Net Block	
	As at 1 April 2023	Additions	Deductions	As at 31 March 2024	As at 1 April 2023	Charge for the year	Deductions	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
Computer software	43.53	0.63	-	44.16	42.33	0.80	-	43.13	1.03	1.20
Product Related Intangible	-	115.92	-	115.92	-	15.46	-	15.46	100.46	-
Total	**43.53**	**116.55**	**-**	**160.08**	**42.33**	**16.26**	**-**	**58.59**	**101.49**	**1.20**
Intangible assets under development	100.75	15.17	115.92	-	-	-	-	-	**-**	**100.75**

Note 6: Other intangible assets (Previous year)

Description	Gross Block				Accumulated Amortisation				Net Block	
	As at 1 April 2022	Additions	Deductions	As at 31 March 2023	As at 1 April 2022	Charge for the year	Deductions	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
Computer software	43.34	0.19	-	43.53	36.45	5.88	-	42.33	1.20	6.89
Total	**43.34**	**0.19**	**-**	**43.53**	**36.45**	**5.88**	**-**	**42.33**	**1.20**	**6.89**
Intangible assets under development	96.01	4.74	-	100.75	-	-	-	-	100.75	**96.01**

a) For Intangible assets under development, ageing schedule

Amount of Intangible assets under development as on 31 March 2024

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
-Projects in Process	-	-	-	-	-
-Projects temperorily suspended	-	-	-	-	-

Amount of Intangible assets under development as on 31 March 2023

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
-Projects in Process	4.74	7.47	1.40	87.14	100.75
-Projects temperorily suspended	-	-	-	-	-

b) For Intangible assets under development, whose completion is overdue or has exceeded the cost compared to its original value as on 31 March 2024

Project Locations	To be completed in				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Intangible assets under development	-	-	-	-	-

For Intangible assets under development, whose completion is overdue or has exceeded the cost compared to its original value as on 31 March 2023

Project Locations	To be completed in				
	<1 year	1-2 years	2-3 years	More than 3 years	Total
Intangible assets under development	**100.75**	**-**	**-**	**-**	**100.75**

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Note 7: Non-current investments

		As at 31 March 2024	As at 31 March 2023
Investments in equity instruments:			
A	**Unquoted**		
i	**Other investment - unquoted**		
	223,164 (31 March 2023: 223,164) Equity shares of Rs 10 each of Narmada Clean Tech (formerly known as Bharuch Eco Aqua.Infrastructure Limited) fully paid-up	4.87	4.65
	30,000 (31 March 2023: 30,000) Equity shares of Rs 10 each of Panoli Enviro Technology Limited fully paid-up	0.08	0.08
	14,494 (31 March 2023: 14,494) Equity shares of Rs 100 each MMA CETP Co-operative Society Limited fully paid-up	1.91	1.91
	16% (31 March 2023: 16%) equity shares of Jiangsu Chemstar Chemical Co Limited fully paid-up	0.01	0.01
	33,60,000 (31 March 2023: 33,60,000) Equity shares of Rs 100 each Radiance Mh Sunrise Four Private Limited fully paid-up	33.60	33.60
	12,60,000 (31 March 2023: 12,60,000) Equity shares of Rs 100 each Radiance Mh Sunrise Two Private Limited fully paid-up	12.60	12.60
	Impairment in value of investment (in equity shares of Jiangsu Chemstar Chemical Co Limited)*	(0.01)	(0.01)
B	**Quoted**		
	(At fair value through other comprehensive income)		
	2,900 (31 March 2023: 2,900) Equity shares of Rs 10 each of Union bank of India fully paid-up	0.46	0.20
	Total non-current investments (A + B)	**53.52**	**53.04**
	Aggregate amount of quoted investments	0.46	0.20
	Aggregate market value of quoted investments	0.46	0.20
	Aggregate amount of unquoted investments	53.07	52.85
	Aggregate amount of impairment in value of investments	(0.01)	(0.01)
		53.52	**53.04**

The Group has written-off the value of ₹26.96 millions in investment in Jiangsu Chemstar Chemical Co Limited in the earlier year.

Note 8: Loans

	As at 31 March 2024	As at 31 March 2023
Unsecured and considered good		
To Related party		
Loans to employee	0.43	-
To other than related parties		
Loans to employee	2.92	3.00
	3.35	**3.00**

Note 9: Other financial assets

	As at 31 March 2024	As at 31 March 2023
Unsecured and considered good		
To other than related parties unless otherwise specified		
Deposits with remaining maturity of more than 12 months	5.38	38.35
Security deposit to related parties	71.10	71.10
Security deposit to other than related parties	83.26	77.22
	159.74	**186.67**

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Note 10: Income tax assets (net)

	As at 31 March 2024	As at 31 March 2023
Non-current tax assets (net)		
(Net of provision of Rs 1,001.65 million (31 March 2023: ₹1,001.65 Million))	20.21	20.21
	20.21	**20.21**

Note 11: Other non-current assets

	As at 31 March 2024	As at 31 March 2023
Unsecured and considered good		
To other than related parties		
Prepaid expenses	5.22	9.47
VAT/ CST refund receivable	9.26	9.06
Balance with government authorities	22.48	305.53
Capital advances	81.87	272.99
	118.83	**597.05**

Note 12: Inventories

	As at 31 March 2024	As at 31 March 2023
Valued at the lower of cost and net realisable value		
Raw materials (includes goods in transit of Rs 281.92 Million, 31 March 2023 Rs 52.41 Million)	1,400.64	1,360.01
Packing materials	11.23	8.62
Work-in-progress	867.75	776.38
Finished goods	542.21	828.69
Stores and spares	215.37	193.72
	3,037.20	**3,167.42**

Inventories which comprise raw materials, packing materials, work-in-progress and finished goods are carried at the lower of cost and net realisable value. (See detailed accounting policy in Note 3.7)

The write-down of inventories to net realisable value as at year end amounted to Rs 178.06 million (31 March 2023: Rs 158.06 million). The write down of inventories are included in cost of materials consumed or changes in inventories of finished goods and work-in-progress in the statement of profit and loss.

Note 13: Trade receivables

	As at 31 March 2024	As at 31 March 2023
(Unsecured)		
Trade receivable considered good	5,553.84	4,470.07
Trade receivable which have significant increase in credit risk	82.60	80.20
	5,636.44	**4,550.27**
Impairment allowance (Allowance for bad and doubtful debts)		
Trade receivable considered good	(87.76)	(87.17)
Trade receivable which have significant increase in credit risk	(45.28)	(45.28)
	(133.04)	**(132.45)**
Net trade receivable	**5,503.40**	**4,417.82**

The loss allowance on trade receivables has been computed on the basis of Ind AS 109, Financial Instruments, which requires such allowance to be made even for trade receivables considered good on the basis that credit risk exists even though it may be very low.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Above amounts does not include any amount receivable from directors or other officers of the company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

The Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 46.

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the Group has transferred the relevant receivables to the factor in exchange for cash. However, the group has retained credit risk. The Group therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount subject to factoring agreement is presented as borrowing.

The relevant carrying amounts are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Total transferred trade receivables	717.47	531.05
Associated borrowings [refer note 26]	717.47	531.05

Trade Receivables Ageing as on 31 March 2024

Sr. No.	Particulars	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	4,736.31	811.82	5.71	-	-	-	5,553.84
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	17.79	4.59	14.94	37.32
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	45.28	45.28
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	Total	**4,736.31**	**811.82**	**5.71**	**17.79**	**4.59**	**60.22**	**5,636.44**

Trade Receivables Ageing as on 31 March 2023

Sr. No.	Particulars	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	3,926.93	527.77	15.37	-	-	-	4,470.07
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	16.51	6.11	12.30	34.92
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	30.55	14.73	45.28
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	Total	**3,926.93**	**527.77**	**15.37**	**16.51**	**36.66**	**27.03**	**4,550.27**

Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Note 14: Cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Bank balances in:		
- Current accounts	121.52	260.41
- Fixed deposit account (with original maturity of 3 months or less)	4.31	4.86
Cash on hand	1.20	2.03
Cash and cash equivalents in the statement of cash flows	**127.03**	**267.30**

Note 15: Bank balance other than cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023
Other bank balances:		
Bank deposits due to mature within 12 months of the reporting date	79.67	325.75
Unpaid dividend accounts	2.13	2.44
	81.80	**328.19**

Deposits given as security

1) Margin money deposits with a carrying amount of Rs 85.05 million (31 March 2023- Rs 122.21 million) are earmarked towards non fund based facilities availed from banks

2) Bank deposits with a carrying amount as at 31 March 2024 of ₹Nil (31 March 2023 Rs 203.54 million) are earmarked towards the Company's rupee term loans and external commercial borrowing term loan availed from banks.

Note 16: Loans

	As at 31 March 2024	As at 31 March 2023
(Unsecured, considered good)		
To Related party		
Loans to employees	1.27	-
To parties other than related parties		
Loans to employees	4.01	2.40
	5.28	**2.40**

Note 17: Other financial assets

	As at 31 March 2024	As at 31 March 2023
(Unsecured, considered good)		
To Related Party		
Excess managerial remuneration recoverable (refer note 52)	6.00	-
To Other than related parties		
Interest accrued on bank deposit	1.18	3.55
Unbilled revenue	74.06	146.76
Insurance claim receivable	0.39	16.83
Others	54.90	-
	136.53	**167.14**

Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Note 18: Other current assets

	As at 31 March 2024	As at 31 March 2023
(Unsecured, considered good unless otherwise stated)		
To parties other than related parties		
Advance to suppliers		
Considered good	163.23	172.14
Considered doubtful	50.00	30.00
Advance to suppliers	213.23	202.14
Less: Provision for doubtful advances	(50.00)	(30.00)
	163.23	172.14
Balance with government authorities	475.92	708.84
VAT / CST refund receivable	-	-
Prepaid expenses	135.79	158.96
	774.94	**1,039.94**

Note 19: Share Capital

	As at 31 March 2024	As at 31 March 2023
Authorised share capital (Refer note a below)		
Equity	500	500
Par value per share (Rs.)	2	2
Number of equity shares	250,000,000	250,000,000
Preference shares	250	250
Par value per share (Rs.)	100	100
Number of Preference shares	2,500,000	2,500,000
Issued, subscribed and fully paid up -Equity	246.60	246.60
Par value per share (Rs.)	2	2
Number of equity shares	123,300,750	123,300,750

a. The Board of Directors of the Holding Company at its meeting held on 9 May 2018, approved a proposal to issue bonus shares in the ratio of one equity share of Rs 2 each for every two equity share of Rs 2 each held by the shareholders of the Holding Company as on the record date i.e 25 June 2018 , which was approved by the shareholders by means of an ordinary resolution in the extra ordinary general meeting held on 11 June 2018. The Holding Company allotted 41,100,250 equity shares as fully paid up bonus shares by capitalisation of securities premium amounting to Rs 82.20 million.

b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	As at 31 March 2024		As at 31 March 2023	
	No. millions	₹ in millions	No. millions	₹ in millions
At the beginning of the year	123.30	246.60	123.30	246.60
At the end of the year	**123.30**	**246.60**	**123.30**	**246.60**

c. Terms/rights attached to equity shares

The Holding Company has only single class of equity shares having a par value of Rs 2 (31 March 2023 Rs 2) per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors of holding Company is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

d. Details of shareholders holding more than 5% of shares:

	As at 31 March 2024		As at 31-03-2023	
	No of Shares (millions)	%	No of Shares (millions)	%
Equity shares of Rs 2 (31 March 2023 Rs 2) each fully paid				
Kalyani Investment Company Limited	38.67	31.36	38.67	31.36
Shri Badrinath Investment Private. Limited	19.91	16.15	19.91	16.15
Shri Rameshwara Investment Private Limited	9.81	7.96	9.81	7.96
Sugandha J Hiremath	9.67	7.84	9.67	7.84

e. The Shareholding of Promoters as on 31 March 2024 is as under:

Promoters Name	No. of Shares	% of Total Shares	% Change during the Year
Kalyani Investment Company Limited	38,667,375	31.36%	-
Shri Badrinath Investment Pvt. Ltd.	19,914,862	16.15%	-
Shri Rameshwara Investment Pvt. Ltd.	9,810,000	7.96%	-
Sugandha J Hiremath	9,667,500	7.84%	-
BF Investment Limited	3,273,375	2.65%	-
Jai Hiremath	1,340,625	1.09%	-
Ekdant Investment Pvt. Ltd.	393,802	0.32%	-
Sameer Hiremath	390,975	0.32%	-
Pallavi Anish Swadi	381,000	0.31%	-
Pallavi Trust	187,500	0.15%	-
Sameer Trust	187,500	0.15%	-
Ashok Hiremath	100,000	0.08%	-
Sumer Trust	75,000	0.06%	-
Rhea Trust	75,000	0.06%	-
Nihal Trust	75,000	0.06%	-
Anika Trust	75,000	0.06%	-
Pooja Trust	75,000	0.06%	-
Anish Trust	75,000	0.06%	-
Karad Engineering Consultancy Pvt. Ltd.	63,750	0.05%	-
Decent Electronics Pvt. Ltd.	49,500	0.04%	-
Anish Dilip Swadi	7,500	0.01%	-
Pooja Hiremath	7,500	0.01%	-

The Shareholding of Promoters as on 31 March 2023 is as under:

Promoters Name	No. of Shares	% of Total Shares	% Change during the Year
Kalyani Investment Company Limited	38,667,375	31.36%	-
Shri Badrinath Investment Pvt. Ltd.	19,914,862	16.15%	-
Shri Rameshwara Investment Pvt. Ltd.	9,810,000	7.96%	-
Sugandha J Hiremath	9,667,500	7.84%	-
BF Investment Limited	3,273,375	2.65%	-
Jai Hiremath	1,340,625	1.09%	-
Ekdant Investment Pvt. Ltd.	393,802	0.32%	-
Sameer Hiremath	390,975	0.32%	-
Pallavi Anish Swadi	381,000	0.31%	-
Pallavi Trust	187,500	0.15%	-
Sameer Trust	187,500	0.15%	-
Ashok Hiremath	100,000	0.08%	100%
Sumer Trust	75,000	0.06%	-
Rhea Trust	75,000	0.06%	-
Nihal Trust	75,000	0.06%	-
Anika Trust	75,000	0.06%	-
Pooja Trust	75,000	0.06%	-
Anish Trust	75,000	0.06%	-
Karad Engineering Consultancy Pvt. Ltd.	63,750	0.05%	-
Decent Electronics Pvt. Ltd.	49,500	0.04%	-
Anish Dilip Swadi	7,500	0.01%	-
Pooja Hiremath	7,500	0.01%	-

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

As per records of the Holding Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

In the previous year, one of the shareholder of the Group filed a suit filed in the Bombay High Court, the suit seeks certain actions on part of the Group, Pending any order / direction from the Bombay High Court, there is no impact on the financial statements.

Note 20: Other equity

	Note	As at 31 March 2024	As at 31 March 2023
Capital reserve	i	0.44	0.44
Capital redemption reserve	ii	509.82	509.82
Securities premium	iii	381.23	381.23
State subsidy	iv	5.50	5.50
Contingency reserve	v	30.00	30.00
General reserve	vi	1,779.58	1,779.58
Equity instruments through other comprehensive income	vii	(1.89)	(2.24)
		2,704.68	**2,704.33**

A Notes

		As at 31 March 2024	As at 31 March 2023
i	**Capital reserve**		
	Opening balance	0.44	0.44
	Additions during the year	-	-
	Closing balance	**0.44**	**0.44**
ii	**Capital redemption reserve**		
	Opening balance	509.82	509.82
	Additions during the year	-	-
	Closing balance	**509.82**	**509.82**
iii	**Securities premium**		
	Opening balance	381.23	381.23
	Additions during the year	-	-
	Closing balance	**381.23**	**381.23**
iv	**State subsidy**		
	Opening balance	5.50	5.50
	Additions during the year	-	-
	Closing balance	**5.50**	**5.50**
v	**Contingency reserve**		
	Opening balance	30.00	30.00
	Additions during the year	-	-
	Closing balance	**30.00**	**30.00**

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

		As at 31 March 2024	As at 31 March 2023
vi	**General reserve**		
	Opening balance	1779.58	1779.58
	Additions during the year	-	-
	Closing balance	**1779.58**	**1779.58**
vii	**Equity instruments through other comprehensive income**		
	Opening balance	(2.24)	(2.56)
	Additions during the year	0.35	0.32
	Closing balance	**(1.89)**	**(2.24)**

B Nature and purpose of reserves

i. Capital reserve

Capital reserve is created on merger/amalgamation.

ii. Capital redemption reserve

Capital redemption reserve represents redemption of redeemable cumulative preference shares in earlier years. The same can be used to issue fully paid bonus shares.

iii. Securities premium account

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares inaccordance with provisions of Companies Act, 2013.

iv. State subsidy

State subsidy is created on receipt of government grants for setting up the factories in backward areas. The same will be utilised for expansion of business.

v. Contingency reserve

Contingency reserve is created by transferring funds from retained earnings to meet future contingencies.

vi. General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

vii. Equity instruments through other comprehensive income

The Holding Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the Equity instruments through Other Comprehensive Income within equity. The Holding Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

C Dividends

The following dividends were declared and paid by the Holding Company during the years ended:

	31 March 2024	31 March 2023
Final equity dividend paid for financial year 2022-23 at Re 0.60 per equity share	73.98	-
Interim equity dividend paid for financial year 2023-24 at Re 0.60 per equity share	73.98	-
Final equity dividend paid for financial year 2021-22 at Re 0.40 per equity share	-	49.32
Interim equity dividend paid for financial year 2022-23 at Re 0.60 per equity share	-	73.98
Total	**147.96**	**123.30**

After the reporting dates the following dividends were proposed by the directors of holding company subject to the approval at the annual general meeting. These dividends have not been recognised as liabilities in the year to which they pertains to and is recorded in the year in which they have been approved in the Annual General Meeting.

	31 March 2024	31 March 2023
Final equity dividend proposed for financial year 2023-24 at Re 0.60 per equity share	73.98	-
Final equity dividend proposed for financial year 2022-23 at Re 0.60 per equity share	-	73.98
Total	**73.98**	**73.98**

Note 21: Borrowings

	As at 31 March 2024	As at 31 March 2023
Debentures		
1500 (Pr Yr 1500) Redeemable, non-convetible debentures (NCD) of the face value of Rs 10,00,000/- each. (refer note a(i) and c(i) below)	1,239.97	1,461.85
Term loans from banks		
Rupee (refer note a (ii), and c (i) below)	1,265.28	1,328.19
Term loans from financial institutions		
Rupee (refer note a (iii) and c (i) below)	1,723.26	2,108.75
	4,228.51	**4,898.79**

(For current maturities of loans refer note 26)

a. Nature of security:

i Redeemable, non-convetible debentures (NCD) is secured by first pari passu charge on the fixed assets of the Company's plants situated at Taloja, Panoli, Bangalore, R & D centre at Pune and second pari passu charge on entire current assets both present and future.

ii Rupee term loan from banks is secured by first pari passu charge on the fixed assets of the Company's plants situated at Taloja, Panoli, Bangalore, R & D centre at Pune and second pari passu charge on entire current assets both present and future.

iii Rupee term loan from financial institutions is secured by first pari passu charge on the fixed assets of the Company's plants situated at Taloja, Panoli and Bangalore, R & D centre at Pune and second pari passu charge on entire current assets both present and future.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

b Changes in Liabilities arising from Financing Activities

Particulars	As at 1 April 2023	Accural / Reclassi-fication	Cash Flows (net)	Foreign Exchange / Adjustment	As at 31 March 2024
Current borrowings	1,733.14	-	1,152.46	-	2,885.60
Non-current borrowings including current maturities of non-current borrowings	5,746.40	-	(487.23)	2.61	5,261.78
Lease Liabilities	2.30	29.17	(3.08)	-	28.39
Interest on borrowings (including transaction cost)	56.70	810.33	(783.86)	-	83.17
Total Liabilities from Financing Activities	**7,538.54**	**839.50**	**(121.71)**	**2.61**	**8,258.94**

Changes in Liabilities arising from Financing Activities (previous year)

Particulars	As at 1 April 2022	Accural / Reclassi-fication	Cash Flows (net)	Foreign Exchange / Adjustment	As at 31 March 2023
Current borrowings	2,725.98	-	(992.84)	-	1,733.14
Non-current borrowings including current maturities of non-current borrowings	4,018.40	-	1,687.73	40.27	5,746.40
Lease Liabilities	5.79	-	(3.49)	-	2.30
Interest on borrowings (including transaction cost)	30.76	670.84	(644.90)	-	56.70
Total Liabilities from Financing Activities	**6,780.93**	**670.84**	**46.50**	**40.27**	**7,538.54**

c. i) Terms of repayment as on 31 March 2024 are as under:

		US $ in Million	₹ In Million	Repayment Terms	Closing interest rate as at 31.3.2024
(i)	a	-	321.73	Repayable in 9 quarterly instalments, next installment due on 05.06.2024; equated average instalments of ₹35.75 Million	10.34%
	b	-	375.10	Repayable in 12 quarterly instalments, next installment due on 06.05.2024, equated average instalments of ₹31.26 Million	9.65%
	c	-	999.63	Repayable in 24 quarterly instalments, next installment due on 30.09.2024, equated average instalments of ₹41.65 Million	9.02%
(ii)	a	-	2,098.25	Repayable in 17 quarterly instalments, next installment due on 01.06.2024; equated average instalments of ₹123.43 Million	10.20%
(iii)	a	-	1,467.08	Repayable in 13 half yearly instalments, next installment due on 15.06.2024 equated average instalments of ₹112.85 Million	9.24%

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

c. ii) Terms of repayment as on 31 March 2023 are as under:

		US $ in Million	₹ In Million	Repayment Terms	Closing interest rate as at 31.3.2023
(i)	a	-	469.30	Repayable in 13 quarterly instalments, next installment due on 05.06.2023; equated average instalments of ₹36.10 Million	9.35%
	b	-	517.70	Repayable in 16 quarterly instalments, next installment due on 06.05.2023, equated average instalments of ₹32.36 Million	9.20%
	c	3.52	289.60	Repayable in 3 quarterly instalments, next installment due on 12.06.2023; equated average instalments of US $ 1.17 Million	3M Libor + 2.60 bps
	d	-	647.23	Repayable in 24 quarterly instalments, next installment due on 30.09.2024, equated average instalments of ₹26.97 Million	8.39%
(ii)	a	-	2,360.12	Repayable in 21 quarterly instalments, next installment due on 01.06.2023; equated average instalments of ₹112.39 Million	9.70%
(iii)	a	-	1,461.85	Repayable in 13 half yearly instalments, next installment due on 15.06.2024 equated average instalments of ₹112.45 Million	9.16%
(iv)	a	-	0.66	Repayble monthly EMI of ₹0.13 Million	8.60%

Note 22: Non-current Lease liability

	As at 31 March 2024	As at 31 March 2023
Lease liability	26.31	-
	26.31	**-**

Note 23: Long -term provisions

	As at 31 March 2024	As at 31 March 2023
Provision for gratuity (Refer note 44)	147.21	131.53
Provision for compensated absences (Refer note 44)	132.70	110.71
	279.91	**242.24**

Note 24: Deferred tax liabilities (net)

	As at 31 March 2024	As at 31 March 2023
Deferred tax liabilities (Refer note 42)	300.37	327.15
	300.37	**327.15**

Note 25: Other non current liabilities

	As at 31 March 2024	As at 31 March 2023
Advance received from customers	593.45	436.40
	593.45	**436.40**

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Note 26: Short-term borrowings

Secured

	As at 31 March 2024	As at 31 March 2023
Loans from banks		
Working capital loan -Rupee (refer note a (i) and b below)	2,168.13	1,202.09
Bill discounting (Refer note a (ii))	717.47	531.05
Current maturities of long-term debt	1,033.27	847.61
	3,918.87	**2,580.75**

a. Nature of security and terms of repayment for secured borrowings:

i Working capital loans from all banks are secured by first pari passu charge on all current assets of the Company and second pari passu charge on fixed assets both present and future situated at Company's plants at Bangalore, Taloja and Panoli.

ii Loans availed under bill discounting facility are against specific receivables, having tenure of 30 to 90 days and carrying interest ranging between 1.50% to 1.80% p.a.

b. Working capital loans are repayable on demand and carry interest ranging from 7.90% to 10.05% p.a.

Note 27: Current lease liability

	As at 31 March 2024	As at 31 March 2023
Lease liability	2.08	2.30
	2.08	**2.30**

Note 28: Trade payables

	As at 31 March 2024	As at 31 March 2023
Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	260.81	504.66
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	2,527.66	2,628.01
	2,788.47	**3,132.67**

The Group's exposure to currency and liquidity risk related to trade payable is disclosed in Note 46.

Trade Payables ageing schedule as on 31 March 2024

Particulars	Not Due	<1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro Enterprises and Small Enterprises	193.46	66.50	0.01	0.70	0.14	260.81
(ii) Others	1,893.09	626.88	4.87	2.42	0.40	2,527.66
(iii) Disputed dues – Micro Enterprises and Small Enterprises	-	-	-	-	-	
(iv) Disputed dues - Others	-	-	-	-	-	
Total	**2,086.55**	**693.38**	**4.88**	**3.12**	**0.54**	**2,788.47**

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Trade Payables ageing schedule as on 31 March 2023

Particulars	Not Due	<1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro Enterprises and Small Enterprises	400.29	101.99	2.05	0.22	0.11	504.66
(ii) Others	2,085.08	533.29	8.72	0.83	0.09	2,628.01
(iii) Disputed dues – Micro Enterprises and Small Enterprises	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**2,485.37**	**635.28**	**10.77**	**1.05**	**0.20**	**3,132.67**

Note 29: Other financials liabilities

	As at 31 March 2024	As at 31 March 2023
Interest accrued but not due on borrowings	83.17	56.71
Payables for capital purchases	156.04	243.32
Employee benefits payable	166.27	185.59
Unpaid dividend (Refer note 57)	2.13	2.44
	407.61	**488.06**

Note 30: Other current liabilities

	As at 31 March 2024	As at 31 March 2023
Advances from customers	181.77	182.88
Statutory dues payable		
-Provident fund	17.70	17.24
-Employees' state insurance	0.08	0.12
-Tax deducted at source	35.84	31.63
- Goods and Services Tax	48.94	4.35
-Employees' national pension scheme	0.67	0.25
-Profession tax	0.39	0.42
	285.39	**236.89**

Note 31: Current provisions

	As at 31 March 2024	As at 31 March 2023
Provision for gratuity (Refer note 44)	23.16	19.48
Provision for compensated absences (Refer note 44)	20.64	15.65
	43.80	**35.13**

Note 32: Income tax liabilities (net)

	As at 31 March 2024	As at 31 March 2023
Provision for tax		
(Net of advance tax Rs 1,762.00 million (31 March 2023: Rs 1,457.75 million))	120.11	139.74
	120.11	**139.74**

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Note 33: Revenue from Operations

		For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of products		17,453.95	19,886.22
Sale of services		232.62	160.83
	(A)	**17,686.57**	**20,047.05**
Other operating revenues			
Export incentive		36.88	32.72
Compensation received from customer		85.04	-
Scrap sales		37.51	41.44
Others		-	109.09
	(B)	**159.43**	**183.25**
Revenue from operations	(A+B)	**17,846.00**	**20,230.30**

Note 33.1: Disaggregation of revenue from contracts with customers

The Group derives revenue from sale of products from following major segments:

Particulars			For the year ended 31 March 2024	For the year ended 31 March 2023
1	**Revenue from contacts with customers**			
	Sale of products (Transferred at point in time)			
	India		6,598.54	6,362.69
	Outside India		10,855.41	13,523.53
		(A)	**17,453.95**	**19,886.22**
	Sale of services (transferred over period of time)			
	India		6.10	-
	Outside India		226.52	160.83
		(B)	**232.62**	**160.83**
2	**Other operating revenues**			
	Export incentive		36.88	32.72
	Compensation received from customer		85.04	-
	Scrap Sales		37.51	41.44
	Others		-	109.09
		(C)	**159.43**	**183.25**
	Total revenue (A + B + C)		**17,846.00**	**20,230.30**
	Product lines			
	Crop protection		6,844.30	9,078.50
	Pharmaceuticals		11,001.70	11,151.80
			17,846.00	**20,230.30**

For the opening and closing balance of receivables from contracts with customers refer note no 13.

There is no significant difference between revenue recognised and revenue as per contract with customers

Contract Balances

Particulars	As at 31 March 2024	As at 31 March 2023
Trade Receivables	5,503.40	4,417.82
Contract Liabilities	775.22	619.28
Contract Assets	74.06	146.76

Trade Receivables are non interest bearing and are generally on term of 30-120 days. Increase in Debtors due to increase in volume in the last quarter of the financial year.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Contract liability include long term advances which are received to deliver product on long term period and short term advances are adjusted against product delivered in current year. Increase due to additional advance received during the year.

Contract Assets represents unbilled revenue from ongoing development contracts. Decreased due to billing during the year.

Note 34: Other income

	As at 31 March 2024	As at 31 March 2023
Dividend received on non-current investment	0.02	-
Interest income on		
Bank deposit	10.63	17.67
Other	6.32	1.89
Foreign exchange gain (net)	-	21.26
Profit on sale of investment	3.70	13.23
Profit on sale of Property, Plant and equipments (net)	1.62	-
Sundry balance written back	2.19	-
Miscellaneous income	0.04	0.05
	24.52	**54.10**

Note 35: Cost of materials consumed

	For the year ended 31 March 2024	For the year ended 31 March 2023
Raw material consumed		
Opening stock	1,360.01	1,632.11
Add: Purchases	8,092.11	10,943.79
Less: Closing stock	1,400.64	1,360.01
	8,051.48	**11,215.89**

Note 36: Changes in inventories of finished goods and Work-in-progress

	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening stock		
Finished goods	828.69	798.52
Work-in-progress	776.38	660.98
	1,605.07	**1,459.50**
Less: Closing stock		
Finished goods	542.21	828.69
Work-in-progress	867.75	776.38
	1,409.96	**1,605.07**
	195.11	**(145.57)**

Note 37: Employee benefits expense

	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries and wages	2,145.79	1,930.48
Contribution to provident and other funds	108.43	100.57
Gratuity expenses (Refer note 44)	24.89	22.22
Staff welfare expense	186.18	171.14
	2,465.29	**2,224.41**

(Currency: Indian Rupees in million)

Note 38: Finance costs

	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on rupee term loans	282.71	176.31
Interest on foreign currency term loans	11.13	23.94
Interest on working capital loans	165.70	160.66
Interest on bills discounted	70.94	48.02
Other finance costs	7.74	1.02
Interest expenses on lease liabilities	1.06	0.40
Bank charges	21.79	45.13
Exchange difference to the extent considered as an adjustment to borrowing costs	2.61	25.53
	563.68	**481.01**

Note 39: Depreciation and amortisation expenses

	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment	1,147.86	1,072.82
Amortisation on intangible assets	16.26	5.88
Depreciation on right of use assets	11.99	11.43
	1,176.11	**1,090.13**

Note 40: Other expenses

	For the year ended 31 March 2024	For the year ended 31 March 2023
Consumption of stores and spares	393.74	352.37
Contract labour charges	279.58	232.04
Power and fuel	1,701.59	1,869.07
Advertisement	0.80	2.42
Rent (Refer note 45)	20.25	25.27
Rates and taxes	14.08	20.96
Insurance	132.15	120.47
Repairs and maintenance		
- Plant and machinery	309.22	263.27
- Buildings	130.80	88.14
- Others	222.56	178.44
Printing and stationery	27.06	20.95
Legal and professional charges	461.13	428.85
Travelling and conveyance	88.72	73.84
Vehicle expenses	14.64	14.78
Postage, telephone and telegrams	12.36	13.79
Payment to auditors (Refer note 49)	8.80	7.57
Director's sitting fee/ Commission	17.10	11.20
Sales and distribution expenses	254.19	264.91
Commission on sales	25.75	26.84
Security service charges	58.89	47.70
Sundry balance written off	-	1.73
Service charges	29.34	31.69
Loss on sale of Property, Plant and Equipment(net)	-	6.96
Foreign exchange loss (net)	0.28	-
Provision for doubtful debts/advances	21.02	44.78
Corporate Social Responsibility expenses (CSR) (Refer note 48)	34.81	37.54
Miscellaneous expenses	204.94	179.30
	4,463.80	**4,364.88**

(Currency: Indian Rupees in million)

41 Tax expense

(a) Amounts recognised in balance sheet

	As at 31 March 2024	As at 31 March 2023
Income tax liabilities (Net of advance tax Rs 1,762.00 million (31 March 2023: Rs 1,457.75 million))	120.11	139.74

	As at 31 March 2024	As at 31 March 2023
Income tax assets (Net of provision of Rs 1,001.65 million (31 March 2023: 1,001.65 million))	20.21	20.21

Note: The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off income tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(b) Amounts recognised in statement of profit and loss

	For the year ended 31 March 2024	For the year ended 31 March 2023
Current income tax		
Current tax	283.74	304.75
	283.74	**304.75**
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(24.71)	(34.92)
Deferred tax expense	**(24.71)**	**(34.92)**
Tax expense for the year	**259.03**	**269.83**

(c) Amounts recognised in other comprehensive income

	For the year ended 31 March 2024			For the year ended 31 March 2023		
	Before tax	Tax expense / (benefit)	Net of tax	Before tax	Tax expense / (benefit)	Net of tax
Items that will not be reclassified to statement of profit and loss						
Gain / (loss) on remeasurement of defined employee benefit plans	(8.69)	2.19	(6.50)	(8.06)	2.11	(5.95)
Gain / (loss) on change in fair values of investments in equity shares carried at fair value through OCI	0.47	(0.12)	0.35	0.43	(0.11)	0.32
	(8.22)	**2.07**	**(6.15)**	**(7.63)**	**2.00**	**(5.63)**

(d) Reconciliation of effective tax rate

	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before tax	**955.05**	**1,053.65**
Tax using the Company's domestic tax rate (Current year 25.17% and Previous year 25.17%)	240.39	265.20
Tax effect of:		
Non-deductible tax expenses	18.64	4.63
Tax expenses as per statement of profit and loss	**259.03**	**269.83**
Weighted average tax rate	**27.12%**	**25.61%**

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For the year ended 31 March 2024

(Currency: Indian Rupees in million)

42 Deferred tax liabilities (net)

a) Recognised deferred assets and liabilities

	Deferred tax assets		Deferred tax liabilities		Net deferred tax asset/ (liabilities)	
	As At 31 March 2024	As at 31 March 2023	As At 31 March 2024	As at 31 March 2023	As At 31 March 2024	As at 31 March 2023
Property, plant and equipment	-	-	(472.75)	(477.63)	(472.75)	(477.63)
Inventories	44.82	39.78	-	-	44.82	39.78
Trade receivables	33.49	33.34	-	-	33.49	33.34
Loans and advances	12.59	7.55	-	-	12.59	7.55
Provisions	81.48	69.81	-	-	81.48	69.81
Net Deferred tax asset / (liabilities)	**172.38**	**150.48**	**(472.75)**	**(477.63)**	**(300.37)**	**(327.15)**

b) Movement in deferred tax balances

	Net balance As at 1 April 2023	Recognised in statement of profit or loss	Recognised in OCI	As At 31 March 2024		
				Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(477.63)	(4.88)	-	(472.75)	-	(472.75)
Inventory	39.78	(5.04)	-	44.82	44.82	-
Trade receivables	33.34	(0.15)	-	33.49	33.49	-
Loans and advance	7.55	(5.04)	-	12.59	12.59	-
Investment	-	(0.12)	0.12	-	-	-
Provisions	69.81	(9.48)	(2.19)	81.48	81.48	-
Net deferred tax assets / (liabilities)	**(327.15)**	**(24.71)**	**(2.07)**	**(300.37)**	**172.38**	**(472.75)**

c) Movement in deferred tax balances (previous year)

	Net balance As ar 1 April 2022	Recognised in statement of profit or loss	Recognised in OCI	As At 31 March 2023		
				Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Property, plant and equipment	(491.46)	13.83	-	(477.63)	-	(477.63)
Inventories	30.24	9.54	-	39.78	39.78	-
Trade receivables	25.03	8.31	-	33.34	33.34	-
Loans and advances	5.12	2.43	-	7.55	7.55	-
Investments	-	(0.11)	(0.11)	-	-	-
Provisions	68.60	(0.68)	(1.89)	69.81	69.81	-
Loan processing charges	(1.60)	1.60	-	-	-	-
Net deferred tax assets / (liabilities)	**(364.07)**	**34.92**	**(2.00)**	**(327.15)**	**150.48**	**(477.63)**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off income tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

43 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit attributable to equity shareholders of the Holding Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity shareholders of the Holding Company by the weighted average number of equity shares outstanding during the year, after considering adjustment for the effects of all dilutive potential equity shares.

		For the year ended 31 March 2024	For the year ended 31 March 2023
Consolidated profit attributable to equity shareholders (basic and diluted)			
Consolidated profit for the year attributable to equity shareholders	(A)	696.02	783.82
Weighted average number of equity shares for basic and diluted earnings per share			
Number of equity shares at beginning of the year		123,300,750	123,300,750
Number of equity shares outstanding at the end of the year		**123,300,750**	**123,300,750**
Weighted average number of equity shares for the year	(B)	**123,300,750**	**123,300,750**
Basic and diluted earnings per share of face value of Rs 2 each	(A) / (B)	**5.64**	**6.36**

44 Employee benefits

(i) Defined Contribution Plans

The Group makes contributions towards superannuation fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Contribution to defined contribution plans are charged off for the year as under:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Employer's contribution to Providend Fund	107.58	99.28
Employer's Contribution to Others	0.86	1.29

(ii) Defined Benefit Plans

Gratuity:

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The holding Company has obtained insurance policies with the Life Insurance Corporation of India (LIC) for eligible employees at Panoli plant and makes an annual contribution to LIC for amounts notified by LIC. The Group accounts for gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the projected unit credit method. Actuarial gains and losses are recognised as Other Comprehensive Income or Loss.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's consolidated financial statements as at balance sheet date:

Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

(Currency: Indian Rupees in million)

A. Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components

	As at 31 March 2024	As at 31 March 2023
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	163.52	165.66
Current service cost	14.09	12.85
Past service cost	-	-
Interest cost (income)	11.77	10.53
Benefits paid	(15.85)	(32.42)
Actuarial losses/ (gains) recognised in other comprehensive income	-	-
- financial assumptions	2.78	(8.40)
- demographic assumption	-	-
- experience adjustments	5.88	15.30
Balance at the end of the year	**182.19**	**163.52**
Reconciliation of present value of plan assets		
Balance at the beginning of the year	12.52	15.27
Transfer In / (Out) Plan Assets	1.02	1.25
Interest income	0.98	1.16
Return on plan assets, excluding amount included in interest (expense)/ income	(0.03)	(1.16)
Benefits paid	(2.67)	(4.00)
Balance at the end of the year	**11.82**	**12.52**
Net defined benefit (asset)/ liability	**170.37**	**151.00**

B. Plan assets

Plan assets comprise the following

	As at 31 March 2024	As at 31 March 2023
Investment		
Policy of insurance	100%	100%
Bank Special Deposit	0%	0%
Investment in other securities	0%	0%
Corporate Bonds	0%	0%
State Government Bonds	0%	0%
	100%	**100%**

C. The components of defined benefit plan expense are as follows:

	For the year ended 31 March 2024	For the year ended 31 March 2023
Recognised in income statement		
Current service cost	14.09	12.85
Interest cost (net)	10.80	9.37
Total	**24.89**	**22.22**
Recognised in Other Comprehensive Income		
Remeasurement of net defined benefit liability/(asset)	8.65	6.91
Return on plan assets, excluding interest income	0.03	1.15
Total	**8.69**	**8.06**

Notes to the Consolidated Financial Statements
For the year ended 31 March 2024

(Currency: Indian Rupees in million)

D. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	For the year ended 31 March 2024	For the year ended 31 March 2023
Expected return on plan assets	7.00%	7.20%
Discount rate	7.00%	7.20%
Salary escalation rate	6.00%	6.00%
Attrition rate	2.00%	2.00%
Mortality rate table	Indian assured lives mortality (2012-14)	

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	For the year ended 31 March 2024		For the year ended 31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(169.01)	197.23	(151.50)	177.24
Rate of salary increase (1% movement)	194.90	(170.77)	175.16	(153.00)
Rate of employee turnover (1% movement)	(182.94)	181.38	(164.40)	162.58

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

	31 March 2024	31 March 2023
Expected employer's contribution to defined benefit plan for the next year	23.15	19.48

Maturity profile of the defined benefit obligation

Particulars	Up to 1 year	Between 1-2 years	Between 2-5 years	Between 6- 10 years	Total
For the year ended 31 March 2024					
Defined benefit obligations (Gratuity)	24.77	14.16	55.05	76.39	170.37
Total	**24.77**	**14.16**	**55.05**	**76.39**	**170.37**
For the year ended 31 March 2023					
Defined benefit obligations (Gratuity)	20.88	13.28	47.84	69.00	151.00
Total	**20.88**	**13.28**	**47.84**	**69.00**	**151.00**

Other long term employee benefit plans

Compensated absences:

The obligation for leave encashment is recognised in the same manner as gratuity. The Group's liability on account of compensated absences is not funded and hence the disclosures relating to the planned assets are not applicable. Amount of Rs 64.48 million (31 March 2023 Rs 40.62 million) towards compensated absences is recognised as an expense and included in "Employee benefits expense" in the Statement of profit and loss during the year.

(Currency: Indian Rupees in million)

45 Leases:

The Group has a lease contract for building used in its operations. The Lease term is 9 years. Also, the Group has leasehold land for a period upto 99 years. The Group's obligations under its lease is secured by the lessor's title to the leased asset.

The Group also has certain leases of machinery/premises with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below is the carrying amount of right-of-use assets recognised and the movements during the period:

Particulars	Leasehold land	Buildings
As at 1 April 2022	636.92	3.35
Additions	-	-
Depreciation expense	(9.28)	(2.15)
As at 31 March 2023	627.64	1.20
Additions	-	29.18
Depreciation expense	(9.28)	(2.71)
As at 31 March 2024	618.36	27.67

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.

Set out below is the carrying amount of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	As at 31 March 2024	As at 31 March 2023
As at 1 April	2.30	5.79
Additions	29.18	-
Accretion of interest	1.06	0.40
Payments	(4.14)	(3.89)
As at 31 March	28.40	2.30
Current	2.08	2.30
Non current	26.32	-

For Rental expense recorded for short-term leases, refer note 40

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The details of the contractual maturities of lease liabilities as at March 31, 2024 and March 31, 2023 on an undiscounted basis are as follows:

	As at 31 March 2024	As at 31 March 2023
Payable within one year	4.37	2.30
Payable between one year and five years	19.78	-
Payable after more than five years	14.95	-

(Currency: Indian Rupees in million)

46 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. There are no financial assets or financial liabilities not measured at fair value, whose carrying amount is not a reasonable approximation of fair value.

As at 31 March 2024	Carrying amount			Fair value			Total
	FVTOCI	FVPTL	Total	Level 1	Level 2	Level 3	
Financial assets							
Investment	53.52	-	53.52	0.46	-	53.06	53.52
	53.52	**-**	**53.52**	**0.46**	**-**	**53.06**	**53.52**

As ar 31 March 2023	Carrying amount			Fair value			Total
	FVTOCI	FVPTL	Total	Level 1	Level 2	Level 3	
Financial assets							
Investment	53.04	-	53.04	0.20	-	52.84	53.04
	53.04	**-**	**53.04**	**0.20**	**-**	**52.84**	**53.04**

B. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Holding Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

Notes to the Consolidated Financial Statements

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(Currency: Indian Rupees in million)

At 31 March 2024, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

	Carrying amount	
	As at 31 March 2024	As at 31 March 2023
India	2,299.24	1,593.77
Other regions	3,337.20	2,956.50
	5,636.44	4,550.27

Impairment

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

	As at 31 March 2024		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	4,736.31	0.56%	26.55
Past due 0-90 days	777.31	2.89%	22.47
Past due 91-180 days	34.51	23.96%	8.27
Past due 181-365 days	5.71	31.17%	1.78
Past due366-730 days	17.79	53.96%	9.60
Past due731-1096 days	4.59	90.41%	4.15
More than 1096 days	60.22	100.00%	60.22
	5,636.44		133.04

	As at 31 March 2023		
	Carrying Amount	Weighted Average Loss Rate	Loss Allowance
Not due	3,926.93	0.51%	20.16
Past due 0-90 days	441.59	3.51%	15.51
Past due 91-180 days	86.18	27.15%	23.40
Past due 181-365 days	15.37	33.31%	5.12
Past due366-730 days	16.51	48.64%	8.03
Past due731-1096 days	36.66	90.56%	33.20
More than 1096 days	27.03	100.00%	27.03
	4,550.27		132.45

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

Particulars	Amount
Balance as at 31 March 2023	**132.45**
Additional provision	0.59
Impairment loss recognised / (reversal)	-
Balance as at 31 March 2024	**133.04**

Cash and cash equivalents

The Group held cash and cash equivalents (including bank deposits) of Rs 214.21 million at 31 March 2024 (31 March 2023: Rs 633.68 million). The cash and cash equivalents (including bank deposits) are held with banks with good credit ratings and financial institution counterparties with good market standing.

Other than trade and other receivables, the Group has no other significant financial assets that are past due but not impaired.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

As at 31 March 2024	Carrying amount	Total	Contractual cash flows		
			Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings and lease liabilities - Non current	4,254.82	4,254.82	-	3,697.16	557.66
Borrowings and lease liabilities - current	3,920.95	3,920.95	3,920.95	-	-
Other financial liabilities - current	407.61	407.61	407.61	-	-
Trade payables	2,788.47	2,788.47	2,788.47	-	-
	11,371.85	**11,371.85**	**7,117.03**	**3,697.16**	**557.66**

As at 31 March 2023	Carrying amount	Total	Contractual cash flows		
			Upto 1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings and lease liabilities - Non current	4,898.79	4,898.79	-	3,943.12	955.67
Borrowings and lease liabilities - current	2,583.05	2,583.05	2,583.05	-	-
Other financial liabilities - current	488.06	488.06	488.06	-	-
Trade payables	3,132.67	3,132.67	3,132.67	-	-
	11,102.57	**11,102.57**	**6,203.78**	**3,943.12**	**955.67**

The gross outflow disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

iv Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Group is exposed to currency risk on account of its operating and financing activities. The functional currency of the Group is Indian Rupee.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Exposure to currency risk

The major currency profile of financial assets and financial liabilities as at 31 March 2024 and 31 March 2023 are as below:

As at 31 March 2024	As At 31 March 2024			
	USD	EUR	CHF	SGD
Financial assets	3,035.95	372.39	-	-
Financial liabilities	1,408.14	151.39	23.01	1.72
Net Exposure	**1,627.81**	**221.00**	**(23.01)**	**(1.72)**

As at 31 March 2023	As At 31 March 2023			
	USD	EUR	CHF	SGD
Financial assets	2,528.27	575.14	-	-
Financial liabilities	1,758.99	163.13	-	-
Net exposure	**769.28**	**412.01**	**-**	**-**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against USD, Euros, Swiz Franc and Singapore dollar at 31 March would have affected the measurement of financial instruments denominated in these currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in INR	Profit or loss before tax		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2024				
USD (3% movement)	48.90	(48.90)	36.60	(36.60)
EUR (3% movement)	6.63	(6.63)	4.96	(4.96)
CHF (3% movement)	(0.69)	0.69	(0.52)	0.52
SGD (3% movement)	(0.05)	0.05	(0.04)	0.04
	54.80	**(54.80)**	**41.00**	**(41.00)**

Effect in INR	Profit or loss before tax		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2023				
USD (3% movement)	23.08	(23.08)	17.27	(17.27)
EUR (3% movement)	12.36	(12.36)	9.25	(9.25)
	35.44	**(35.44)**	**26.52**	**(26.52)**

v. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Group's interest rate risk arises from borrowings. Borrowings issued at fixed and variable rates exposes to fair value interest rate risk. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

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For the year ended 31 March 2024

(Currency: Indian Rupees in million)

	Nominal amount	
	As at 31 March 2024	As at 31 March 2023
Fixed-rate instruments		
Financial assets	97.99	374.36
Financial liabilities	(2,885.60)	(1,733.14)
	(2,787.61)	**(1,358.78)**
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	(5,261.78)	(5,746.40)
	(5,261.78)	**(5,746.40)**

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through statement of profit and loss. Therefore, a change in interest rates at the reporting date would not affect statement of profit and loss.

47 Capital Management

As at 31 March 2024, the Group has only one class of equity shares. In order to maintain or achieve an optimal capital structure, the Group allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

For the purpose of the Group's capital management, capital includes issued capital and other equity reserves. The primary objective of the Group's capital management is to safeguard its ability to continue as going concern and to maintain and optimal capital structure so as to maximise shareholders value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt and adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

	As at 31 March 2024	As at 31 March 2023
Non-current borrowings	4,228.51	4,898.79
Current borrowings	3,918.87	2,580.75
Gross debt	**8,147.38**	**7,479.54**
Less - Cash and cash equivalents	127.03	267.30
Less - Other current bank deposits	81.80	328.19
Adjusted net debt(A)	**7,938.55**	**6,884.05**
Total equity (B)	11,876.61	11,334.70
Adjusted net debt to equity ratio	0.67	0.61
Total capital (A)+(B)	19,815.16	18,218.75
Gearing ratio*	40%	38%

* The Group's ideal gearing ratio is 35% to 40%.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

48 Corporate social responsibility

As per Section 135 of the Act, a CSR committee has been formed by the Group. The funds are utilised during the year on the activities which are specified in Schedule VII of the Act. The utilisation is done by way of direct and indirect contribution towards various activities.

Gross amount required to be spent by the Group during the year: Rs 35.40 million (31 March 2023: Rs 36.77 million)

The areas of CSR activities and contributions made thereto are as follows:

Amount spent during the year on ;	For the year ended 31 March 2024	For the year ended 31 March 2023
Protection of national heritage	4.90	4.03
Promotion of education	17.39	19.66
Environmental sustainability	6.50	1.90
Rural Devlopment Project	-	1.13
Training to stimulate rural sports, nationally recognised sports, Paralympic sports and Olympic sports	-	0.77
Promoting preventive health care and sanitation and making available safe water	5.51	10.05
Others	0.52	-
Total	**34.81**	**37.54**

The Group does not carry any provisions for corporate social responsibility expenses for the current year and the previous year.

Amount of Expenditure incurred on Corporate Social Responsibility

Particulars	31 March 2024	31 March 2023
(a) amount required to be spent by the Holding company during the year	35.40	36.77
(b) amount of expenditure incurred	34.81	37.54
(c) Excess / (shortfall) at the end of the year	(0.59)	0.77
(d) total of previous years shortfall	-	-
(e) reason for shortfall	Adjusted against excess spent in FY 2022-23	NA
(f) nature of CSR activities	As per above table	As per above table
(g) Details of related party transactions, contribution to an entity (in which certain directors of Holding Company are directors) in relation to CSR expenditure.	2.50	-
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	-	-

49 Payment to Auditors' (excluding Goods and Services tax)

	For the year ended 31 March 2024	For the year ended 31 March 2023
- Audit fees	6.11	5.10
- Limited review of quarterly results	2.40	2.40
- Certification and other matters	0.05	0.05
- Out-of-pocket expenses	0.24	0.02
Total	**8.80**	**7.57**

Notes to the Consolidated Financial Statements

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50 Capitalisation of expenditure

During the year, the Group has capitalised the following expenses of revenue nature to the cost of property, plant and equipment (tangible fixed assets)/capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

	For the year ended 31 March 2024	For the year ended 31 March 2023
Finance costs	246.64	189.84
Employee benefit expenses	24.32	48.93
Power & fuel	80.04	24.40
Consultancy Charges	2.24	83.90
Material consumed in trial run	215.19	-
Total	**568.43**	**347.07**

51 Segment information

For management purposes, the Group is organised into business units based on its products and services and has two reportable segments, as follows:

Pharmaceuticals: Segment produces in Active Pharmaceutical Ingredients

Crop protection: Segment manufactures in pesticides, herbicides.

The Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and profit as the performance indicator for all of the operating segments, and review the total assets and liabilities of an operating segment.

Based on above, following are reportable segments as per Ind AS 108

Primary Segment (Operating Segment): Based on product lines of Group	Secondary Segment (Geographical Segment) Based on geographical area of operation
Pharmaceuticals	India and Outside India
Crop Protection	

Segment wise classification:-

A i) Primary segment reporting (by business segment)

The Group business segments based on product lines are as under:

- Pharmaceuticals

Segment produces/trades in Active Pharmaceutical Ingredients

- Crop Protection

Segment produces/trades in pesticides and herbicides

ii) Segment revenues, results and other information

Particulars	Crop Protection	Pharmaceuticales	Total of Reportable Segment
External sales	**6,844.30**	**11,001.70**	**17,846.00**
	9,078.50	*11,151.80*	*20,230.30*
Other income	-	-	-
	-	-	-
Segment revenue	**6,844.30**	**11,001.70**	**17,846.00**
	9,078.50	*11,151.80*	*20,230.30*
Segment results	**742.90**	**934.70**	**1,677.60**
	1,032.50	*649.50*	*1,682.00*
Segment assets	**9,211.60**	**14,482.60**	**23,694.20**
	9,762.90	*12,435.30*	*22,198.20*

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Particulars	Crop Protection	Pharmaceuticales	Total of Reportable Segment
Segment liabilities	**1,319.70**	**2,456.70**	**3,776.40**
	1,877.60	*2,165.30*	*4,042.90*
Capital expenditure (included in segment assets)	**933.19**	**1,391.53**	**2,324.73**
	1,532.68	*1,400.78*	*2,933.46*
Depreciation/Amortisation	**405.45**	**750.00**	**1,155.45**
	396.50	*665.67*	*1,062.17*

Figures in italics pertain to previous year

iii) Reconciliation of reportable segments with the financial statements

	Revenues	Results / Net Profits	Assets	Liabilities	Capital Expenditure	Depreciation/ Amortisation
Total of reportable segments	**17,846.00**	**1,677.60**	**23,694.20**	**3,776.40**	**2,324.73**	**1,155.45**
	20,230.30	*1,682.00*	*22,198.20*	*4,042.90*	*2,933.46*	*1,062.17*
Corporate / Unallocated segment	**-**	**158.87**	**1,177.29**	**9,218.48**	**96.79**	**20.66**
	-	*147.34*	*1,656.62*	*8,477.23*	*46.93*	*27.96*
Finance cost	**-**	**563.68**	**-**	**-**	**-**	**-**
	-	*481.01*	-	-	-	-
Taxes	**-**	**259.03**	**-**	**-**	**-**	**-**
	-	*269.83*	-	-	-	-
As per financial statement	**17,846.00**	**696.02**	**24,871.49**	**12,994.88**	**2,421.51**	**1,176.11**
	20,230.30	*783.82*	*23,854.82*	*12,520.12*	*2,980.39*	*1,090.13*

Figures in italics pertain to previous year

B Secondary segment reporting (by geographical segment)

Particulars	India	USA and Canada	Europe	South East Asia	Others	Total
Revenue	**6,679.03**	**2,983.06**	**4,676.54**	**3,136.90**	**370.47**	**17,846.00**
	6,545.94	*3,355.70*	*5,771.79*	*4,321.42*	*235.45*	*20,230.30*
Total assets	**24,871.49**	**-**	**-**	**-**	**-**	**24,871.49**
	23,854.82	-	-	-	-	*23,854.82*
Capital expenditure	**2,421.51**	**-**	**-**	**-**	**-**	**2,421.51**
	2,980.39	-	-	-	-	*2,980.39*

There is a customer which account for revenue of Rs 2,604.53 Million (31 March 2023 Rs 2,954.95 Million) in Crop protection segment other than these there are no transactions with single external customer which amounts to 10% or more of the Group's revenue.

Figures in italics pertain to previous year

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

52 Related party disclosures

The note provides the information about the Group's structure. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

i) List of Related parties

Relationship	Name of the related party
a) Company/ enterprises exercising significant influence through voting power ('significant shareholder')	Kalyani Investment Company Limited ("KICL")
b) Key Management Personnel (KMP)	Jai Hiremath (Executive Chairman)
	Sameer Hiremath (Managing Director)
	Kuldeep Jain (Chief Financial Officer)
	Rajasekhar Reddy (Company Secretary)
c) Enterprises owned or controlled or significantly influenced by key management personnel or their relatives	Decent Electronics Private Limited ("DEPL")
	Karad Engineering Consultancy Private Limited ("KECPL")
	Ekdant Investments Private Limited ("EIPL")
	Shri Rameswara Investment Private Limited ("SRIPL")
	Shri Badrinath Investment Private Limited ("SBIPL")
	Rushabh Capital Services Private Limited ("RCSPL")
	Narmada Clean Tech (w.e.f. 11 January 2024)
	BF Investment Limited
	Sumer Trust
	Rhea Trust
	Nihal Trust
	Anika Trust
	Pooja Trust
	Anish Trust
	Pallavi Trust
	Sameer Trust
	Malvi Ranchoddas & Co (Up to 31 March 2024)
d) Relatives of Key Management Personnel	Anish Swadi
	Pallavi Swadi
	Pooja Hiremath
	Ashok Vishwanath Hiremath
	Sumer Hiremath (w.e.f. 12 February 2023)
e) Non-Executive directors	Baba Kalyani (up to 29 December 2023)
	Amit Kalyani
	Sugandha Hiremath
	Kannan K. Unni (up to 31 March 2024)
	Prakash Mehta (up to 31 March 2024)
	Ranjit Shahani (up to 9 March 2024)
	Shivani Bhasin Sachdeva
	Shrikrishna Adivadekar
	Berjis Desai (w.e.f. 1 October 2023)
	Ramachandra Kaundinya Vinnakota (w.e.f. 1 October 2023)
	Ravi Kapoor (w.e.f. 11 January 2024)
	Ranjana Salgaocar (w.e.f. 23 March 2024)
f) Key Management Personnel of Subsidiary	Sham Wahalekar

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

ii) Details of transactions with related parties

Particulars	Transaction value		Balances outstanding	
	Year ended 31 March 2024	Year ended 31 March 2023	31 March 2024	31 March 2023
Remuneration				
Jai Hiremath	52.83	50.88	-	-
Sameer Hiremath	44.90	41.89	-	-
Anish Swadi	35.38	31.04	-	-
Kuldeep Jain	15.61	14.38	-	-
Rajasekhar Reddy	11.54	9.04	-	-
Commission paid				
Sameer Hiremath	3.00	-	3.00	-
Sitting fees				
Sugandha Hiremath	1.40	1.10	-	-
Baba Kalyani	0.40	0.50	-	-
Amit Kalyani	0.70	0.30	-	-
Kannan K. Unni	2.40	1.30	-	-
Prakash Mehta	2.40	1.40	-	-
Shrikrishna Adivadekar	0.90	0.50	-	-
Ranjit Shahani	1.20	1.00	-	-
Shivani Bhasin Sachdeva	1.30	0.60	-	-
Berjis Desai	0.20	-	-	-
Ramachandra Kaundinya Vinnakota	0.50	-	-	-
Ravi Kapoor	0.30	-	-	-
Ranjana Salgaocar	0.10	-	-	-
Commission to Non-Executive directors				
Sugandha Hiremath	0.59	0.56	0.59	0.56
Baba Kalyani	0.44	0.56	0.44	0.56
Amit Kalyani	0.59	0.56	0.59	0.56
Kannan K. Unni	0.59	0.56	0.59	0.56
Prakash Mehta	0.59	0.56	0.59	0.56
Shrikrishna Adivadekar	0.59	0.56	0.59	0.56
Ranjit Shahani	0.56	0.56	0.56	0.56
Shivani Bhasin Sachdeva	0.59	0.56	0.59	0.56
Berjis Desai	0.30	-	0.30	-
Ramachandra Kaundinya Vinnakota	0.30	-	0.30	-
Ravi Kapoor	0.13	-	0.13	-
Ranjana Salgaocar	0.01	-	0.01	-
Dividend paid				
SBIPL	23.90	19.91	-	-
SRIPL	11.77	9.81	-	-
DEPL	0.06	0.05	-	-
EIPL	0.47	0.39	-	-
KECPL	0.08	0.06	-	-
KICL	46.40	38.67	-	-
Sugandha Hiremath	11.60	9.67	-	-
Jai Hiremath	1.61	1.34	-	-
Sameer Hiremath	0.47	0.39	-	-
Anish Swadi	0.01	0.01	-	-
Baba Kalyani	0.03	0.02	-	-
Kannan K. Unni	0.03	0.03	-	-
Prakash Mehta	0.02	0.02	-	-
Pallavi Swadi	0.46	0.38	-	-
Pooja Hiremath	0.01	0.01	-	-
BF Investment Limited	3.93	3.27	-	-
Sumer Trust	0.09	0.08	-	-
Rhea Trust	0.09	0.08	-	-

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

Particulars	Transaction value		Balances outstanding	
	Year ended 31 March 2024	Year ended 31 March 2023	31 March 2024	31 March 2023
Nihal Trust	0.09	0.08	-	-
Anika Trust	0.09	0.08	-	-
Pooja Trust	0.09	0.08	-	-
Anish Trust	0.09	0.08	-	-
Pallavi Trust	0.23	0.19	-	-
Sameer Trust	0.23	0.19	-	-
Kuldeep Jain	-	-	-	-
Rajasekhar Reddy	-	-	-	-
Sham Wahalekar	0.02	0.01	-	-
Ashok Hiremath	0.12	0.06	-	-
Ravi Kapoor	0.01	-	-	-
Lease rent paid				
RCSPL	1.08	1.08	-	-
Sugandha Hiremath	2.40	2.40	-	-
Jai Hiremath	0.30	0.30	-	-
Security Deposit				
RCSPL	-	-	1.10	1.10
Sugandha Hiremath	-	-	50.00	50.00
Jai Hiremath	-	-	20.00	20.00
Other Recoverables				
Jai Hiremath	6.00	-	6.00	-
Advances Given				
Kuldeep Jain	2.00	-	1.70	-
Advances Given Repaid				
Kuldeep Jain	0.30	-	-	-
Consultancy Charges				
Sham Wahalekar	3.72	3.66	0.30	0.30
Malvi Ranchoddas & Co*	5.58	3.78	-	0.48
Purchase of Services from Enterprises where a KMP is a Director				
Narmada Clean Tech	2.45	-	-	-

For the year ended 31 March 2024 the remuneration paid to one of the managerial person was in excess of limits specified in section 197 of the Companies Act, 2013 ("the Act") and accordingly in section, such excess remuneration of ₹6 million is recognised in the financial statements as a recoverable from the director and will be recovered by the Holding Company in accordance with said provisions of the Act. The remuneration to managerial persons for the year ended 31 March 2024 is in accordance with the limits applicable under the regulation 17(6) of SEBI (listing Obligation and Disclosure Requirements) Regulation, 2015

Terms and conditions of transactions with related parties

1. All related party transactions entered during the year were in ordinary course of business and are on arms length basis.
2. Outstanding balances at year end are unsecured and settlement occures in cash.
3. The remuneration of executive directors is determined by the nomination and remuneration committee.
4. *Outstanding balance does not include escrow account balance with the party.
5. Also refer note 48

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

53 Contingent liabilities and commitments (to the extent not provided for)

A. Contingent liabilities

	As at 31 March 2024	As at 31 March 2023
(i) Direct and Indirect taxes		
Income Taxes*	361.69	292.23
Excise Duty**	39.93	39.93
Cental Sales Tax (CST)***	2.97	2.97
Value Added Tax (VAT)****	11.27	11.27
Goods and Service Tax (GST)*****	73.31	-

*Above does not includes interest and penalty, if any
**In addition to above interest and penalty of ₹40.13 million was levied.
***In addition to above for certain matters, penalty and interest of ₹6.14 million was levied during the assessment.
****in addition to above penalty and interest of ₹11.27 million was levied during the assessment.
*****In addition to above penalty of ₹7.33 million was levied.

(ii) In connection with the alleged improper disposal of by-products by the Holding Company in January 2022, statutory authorities have conducted investigations in relation to alleged non-compliance with certain environmental laws and regulations, and the matter is pending before the Courts and relevant statutory authorities.

In the previous year, consequent to directions of Maharashtra Pollution Control Board (MPCB) the Holding Company had temporarily stopped manufacturing activities at its Taloja plant on grounds of not adhering to conditions stipulated in the relevant Consent to Operate. Subsequently, pursuant to an order of the Honourable Bombay High Court, MPCB granted permission on 29 June 2022 to re-start manufacturing activities at the plant.

In March 2023, the National Green Tribunal, Principal Bench, New Delhi had passed an order accepting the joint committee's reports, which includes recovery of compensation of ₹174.50 millions from the Holding Company for non-compliance with environmental laws and regulations. Gujarat Pollution Control Board subsequently issued a direction to the Holding Company for payment thereof.

The Holding Company approached the Hon'ble Supreme court, which has on, 8 April 2024 stayed recovery of the aforesaid amount, subject to the Holding Company depositing, within a period of five weeks, ₹50 millions with the Court. Of this amount, ₹9.80 millions is to be released to legal representatives of the deceased individuals, for which the Holding Company has recognised a provision as a matter of prudence, and without prejudice to its rights and contentions.

Based on the advice of external legal counsel, the Holding Company believes it has a good case on merits in these matters, and the Holding Company is taking necessary steps, including legal measures, to defend itself. Accordingly, no further provision is required in the financial statements in this respect.

(iii) On 12 July 2023, Karnataka Pollution Control Board served a demand notice to the Holding Company for ₹83. 10 millions as Environmental Compensation however notice does not give details of instance of grounds / non-compliances. Aggrieved by this, Holding Company has approached Hon'ble Karnataka High Court which ruled that the said notice be deemed as show cause notice.. Based on the advice of external legal counsel, the Holding Company believes it has a good case on merits in this matter and accordingly, no provision is required in the financial statement in this regard

(iv) In connection with the closure directions issued in July 2023 by the Gujarat Pollution Control Board ('GPCB') for the Holding Company's Panoli manufacturing Plant, the Holding Company submitted clarifications sought by GPCB, basis which GPCB revoked its July 2023 closure directions until 5 November 2023 and thereafter until 3 June 2024. The Holding Company has submitted its application for permanent revocation of the said closure directions, pending which, the Panoli manufacturing facility continues to operate without any interruption in this regard.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

(v) The Holding Company is subject to legal proceedings, claims and GST audit, which have arisen in the ordinary course of business. The Holding Company has reviewed all its pending litigations and other matters and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable in its financial statements. The Holding Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect of the Holding Company's results of operations or financial condition.

B. Commitments

	As at 31 March 2024	As at 31 March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for, tangible assets (net of advances)	340.64	947.83
Other non cancellable material commitment	2,391.52	957.24

54 Key Ratios

Sr. No.	Particulars	Numerator	Denominator	31-Mar-24	31-Mar-23	Variance (in %)	Reason for variance (if variance is more than 25%)
1	Current Ratio	Current Assets	Current Liabilities	1.28	1.42	10%	
2	Net Debt-Equity Ratio	Debt	Shareholder's Equity	0.67	0.61	10%	
3	Debt Service Coverage Ratio	EBIT	Total Debt Service	1.52	1.77	14%	
4	Return on Equity Ratio	Profit after Tax	Average Equity	6.00%	7.12%	16%	
5	Inventory Turnover Ratio	Cost of goods sold	Average Inventory	2.66	3.43	23%	
6	Trade Receivables Turnover Ratio	Revenue from operation except Export incentive and others	Average Trade Receivable	3.59	4.57	21%	
7	Trade Payables Turnover Ratio	Total Purchases	Average Trade Payable	2.73	3.89	30%	Reduction in purchases as compared to last year and better negotiation with vendors
8	Net Working Capital Turnover Ratio	Revenue from operation except Export incentive and others	Working Capital = Current Assets - Current Liabilities	8.48	7.24	17%	
9	Net Profit Ratio	Net Profit after Tax	Revenue from operation except Export incentive and others	3.91%	3.90%	0%	
10	Return on Capital Employed	EBIT	Equity + borrowings + deferred tax liability	7.70%	8.31%	7%	
11	Return on Investment	Income generated from Invested funds	Average Investment Funds	5.50%	7.07%	22%	

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

55 Contribution to Provident Fund as per Supreme Court Judgement

There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The impact is not expected to be material as per the assessment made by the Holding Company.

56 The Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Holding company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020. The Holding Company will assess the impact and its evaluation once the subject rules are notified. The Holding Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

57 Dues relating to Investor Education and Protection fund

During the year the Holding Company has transferred ₹0.56 million (31 March 2023 ₹0.34 million) to Investor Education and Protection fund. There are no other dues which need to be credited as at the year end to the Investor Education and Protection fund

58 The Group does not have any Benami property, where any proceedings have been initiated or pending against the group for holding any Benami property.

59 The Group does not have any transactions with Companies struck off.

60 The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

61 The Group has not traded or invested in Crypto currency or Virtual currency during the financial year.

62 The Group has not advanced or loaned or invested funds to any other person / entities, including foreign entities (intermediaries) with the understanding that the intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

63 The Group has not received funds to any other person / entities, including foreign entities (Funding party) with the understanding (whether recorded in writing or otherwise) that the holding company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

(Currency: Indian Rupees in million)

64 The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

65 The Holding Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that during the year company has migrated to new database effective January 20, 2024 and in respect of new database audit trail feature is not enabled for direct changes to data when using certain access rights. With respect to legacy database the Holding Company does not possess required information in relation to maintenance audit trail feature.

66 The quarterly returns or statements of Current assets filed by the Holding Company with the banks or financial institutions are in agreement with the books of accounts.

67 Other information

The figures for the previous periods have been regrouped wherever necessary to conform to the current year's presentation.

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No: 324982E/E300003

For and on behalf of the Board of Directors of
Hikal Limited
CIN: L24200MH1988PTC048028

per Vinayak Pujare Partner Membership No: 101143	**Jai Hiremath** Executive Chairman DIN: 00062203		**Sameer Hiremath** Managing Director DIN: 00062129
	Ramachandra Kaundinya Vinnakota Director DIN - 00043067	**Kuldeep Jain** Chief Financial Officer	**Rajasekhar Reddy** Company Secretary
Mumbai 9 May 2024	Mumbai 9 May 2024		Mumbai 9 May 2024

Corporate Information

Board of Directors

Jai Hiremath - Executive Chairman
Sameer Hiremath - Managing Director
Baba Kalyani (upto 29 December 2023)
Prakash Mehta (upto 31 March 2024)
Kannan Unni (upto 31 March 2024)
Ranjit Shahani (upto 9 March 2024)
Sugandha Hiremath
Amit Kalyani
Shivani Bhasin Sachdeva
Shrikrishna K Adivarekar
Berjis Minoo Desai (1 October 2023 onwards)
V Ramachandra Kaundinya (1 October 2023 onwards)
Ravi B Kapoor (11 January 2024 onwards)
Ranjana S Salgaocar (23 March 2024 onwards)
Sarangan Suresh (1 April 2024 onwards)

Chief Financial Officer

Kuldeep Jain

Company Secretary

Rajasekhar Reddy

Statutory Auditors

SRBC & Co. LLP
Chartered Accountants

Secretarial Auditors

Dhrumil M Shah & Co.,LLP

Bankers and Financial Institutions

Citibank N.A.
DBS Bank India Ltd.
Export Import Bank of India
HDFC Bank Ltd.
ICICI Bank Ltd.
IDBI Bank Ltd.
International Financial Corporation
Kotak Mahindra Bank Ltd.
Standard Chartered Bank

Legal Advisor

Malvi Ranchoddas & Co.

Registered Office/ Corporate Office

717/718, Maker Chambers V, Nariman Point
Mumbai - 400021

Administrative Office

Great Eastern Chambers, 6th Floor,
Sector 11, C.B.D. Belapur,
Navi Mumbai - 400614

Works

Mahad, Maharashtra
Taloja, Maharashtra
Panoli, Gujarat
Pharmaceutical Unit - I & II, Jigani, Karnataka
R&D Unit at Hinjewadi Pune, Maharashtra

Registrar & Transfer Agents

Link Intime India Private Limited
C 101, Embassy 247, L.B.S. Marg, Vikhroli (West), Mumbai - 400083
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in
Tel: 1800 1020 878
Fax: 022-4918 6060

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