

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/aggm.

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, Practising 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-police-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
Date: 1 August 2024
Place: Mumbai
DIN: 00062203

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

Date: 1 August 2024
Place: Mumbai

Sd/-
Sameer Hiremath
Managing Director
DIN: 00062129

Sd/-
Kuldeep Jain
Chief Financial Officer

Sd/-
V Ramachandra Kaundinya
Independent Director
DIN: 00043067

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 | |
| (c) | Duration of the contracts/ arrangements/ transactions | |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | |
| (e) | Date(s) of approval by the Board, if any | |
| (f) | Amount paid as advances, if any | |

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

Place: Mumbai
Date: 01 August 2024

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

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:

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

- 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.
- Average net profit of the company as per sub-section (5) of section 135: ₹1770.00 million
 - Two percent of average net profit of the Company as per sub-section (5) of section 135: ₹35.40 million
 - Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil
 - Amount required to be set off for the financial year, if any: ₹0.59 million
 - Total CSR obligation for the financial year [(5b)+(5c)-(5d)]: ₹34.81 million
- Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹34.68 Million
 - Amount spent in Administrative Overheads: ₹0.13 Million
 - Amount spent on Impact Assessment, if applicable: Not Applicable
 - Total amount spent for the Financial Year [(6a)+(6b)+(6c)]: ₹34.81 million
 - 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 | | |

- 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 | | |
|---------|---|--------------------------------------|------------------|----------------------------|---|------|--------------------|
| | | | | | CSR Registration number, if applicable | Name | Registered Address |
| (1) | (2) | (3) | (4) | (5) | (6) | | |
| - | - | - | - | - | - | - | - |

(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

Date: 1 August 2024
Place: Mumbai

Sd/-
Jai Hiremath
Executive Chairman and Chairman of CSR Committee
DIN: 00062203

Sd/-
Sameer Hiremath
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 Ishs 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 (MTR) 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

| Particulars | ₹ in million | |
|----------------|---------------|---------------|
| | 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

| Particulars | ₹ in million | |
|--|--------------|---------|
| | 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 | - | - |

¹Mr. B. N. Kalyani ceased to be a Director w.e.f. 29 December 2023

²Mr. Prakash Mehta and Dr. Kannan Unni ceased to be Directors w.e.f. 31 March 2024 (End of the day)

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⁵Mr. Ravi B Kapoor was appointed as Independent Director w.e.f. 11 January 2024

⁶Mrs. 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

¹Mr. B. N. Kalyani ceased to be a Director w.e.f. 29 December 2023

²Mr. Prakash Mehta and Dr. Kannan Unni ceased to be Directors w.e.f. 31 March 2024 (End of the day)

³Mr. Ranjit Shahani passed away on 9 March 2024

⁴Mr. Berjis Minoo Desai and Mr. V Ramachandra Kaundinya were appointed as Independent Directors w.e.f. 1 October 2023

⁵Mr. Ravi B Kapoor was appointed as Independent Director w.e.f. 11 January 2024

⁶Mrs. 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 |

¹Mr. B. N. Kalyani ceased to be a Director w.e.f. 29 December 2023

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⁵Mr. Ravi B Kapoor was appointed as Independent Director w.e.f. 11 January 2024

⁶Mrs. 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 |

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²Mr. Prakash Mehta and Dr. Kannan Unni ceased to be Directors w.e.f. 31 March 2024 (End of the day)

³Mr. Ranjit Shahani passed away on 9 March 2024

⁴Mr. Berjis Minoo Desai and Mr. V Ramachandra Kaundinya were appointed as Independent Directors w.e.f. 1 October 2023

⁵Mr. Ravi B Kapoor was appointed as Independent Director w.e.f. 11 January 2024

⁶Mrs. 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:

| 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 |

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²Mr. Prakash Mehta and Dr. Kannan Unni ceased to be Directors w.e.f. 31 March 2024 (End of the day)

³Mr. Ranjit Shahani passed away on 9 March 2024

⁴Mr. Berjis Minoo Desai and Mr. V Ramachandra Kaundinya were appointed as Independent Directors w.e.f. 1 October 2023

⁵Mr. Ravi B Kapoor was appointed as Independent Director w.e.f. 11 January 2024

⁶Mrs. 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:

- 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.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 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:

- 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.
- 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:

- use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
 - Devising a policy on diversity of Board of Directors.
 - 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.
 - 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.
 - 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 |

| Name of the Director | Number of meetings attended |
|-------------------------|-----------------------------|
| 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:

- Director's background, knowledge and skills are relevant to the Board and business of the Company.
- Whether the Director devotes sufficient time for Board matters and actively participates in the matters that are being discussed at the meetings.
- Whether the Director is available for any discussions/inputs outside of Board/Committee meetings.
- Whether the Director helps in bringing an independent judgement to bear on the deliberations especially on strategy, risk management and performance of the Company.
- Whether the Director works towards safeguarding the interest of all stakeholders in the Company.
- 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. | <ol style="list-style-type: none"> 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. | <ol style="list-style-type: none"> 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 |
|----------------|--|--|---|
| | | | <p>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.</p> <p>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.</p> |
| 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. | <p>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.</p> <p>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.</p> |

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:

| | |
|---------------------------------|--------------------------------|
| 1 st Quarter results | on or before August 14, 2024 |
| 2 nd Quarter results | on or before November 14, 2024 |
| 3 rd Quarter results | on or before February 14, 2025 |
| 4 th 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

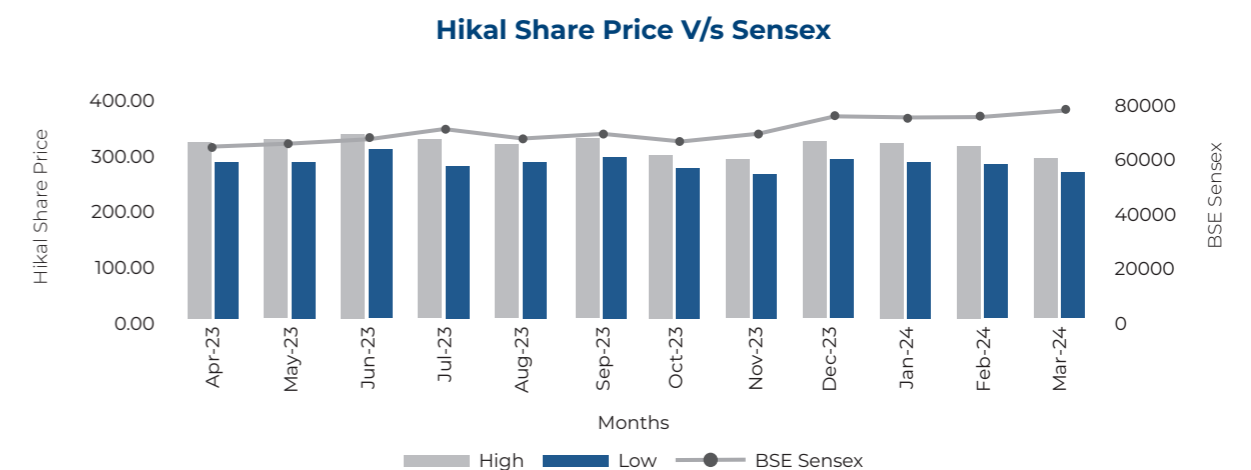
CIN No. - L24200MH1988PTC048028

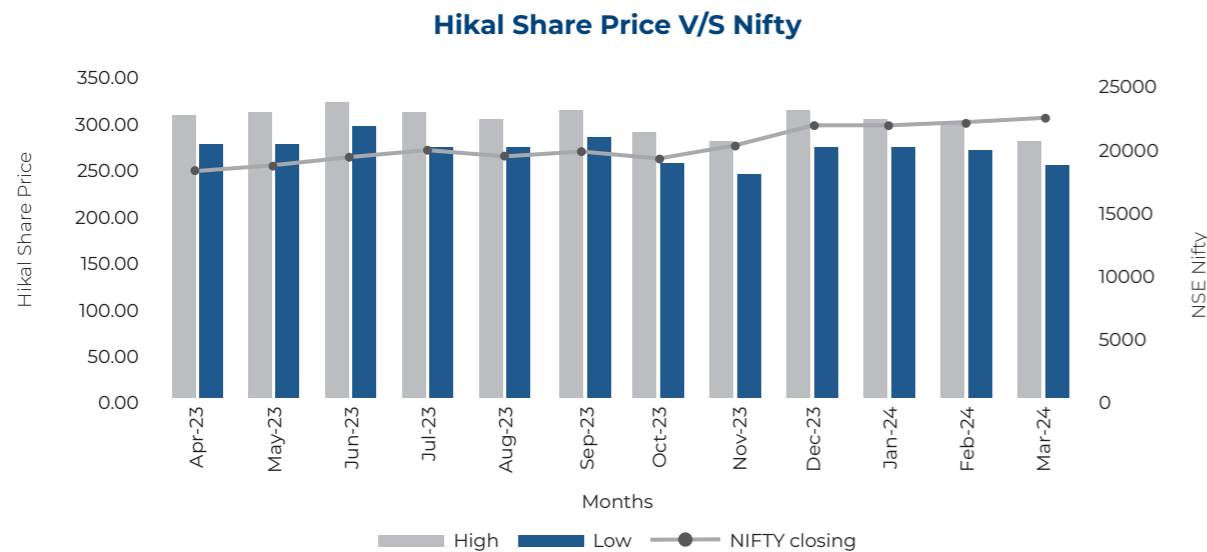
(H) Market Price Data

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:



**(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.

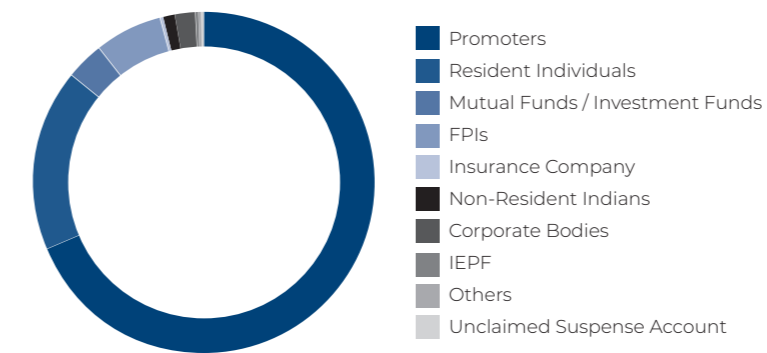
If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

(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 | 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 | 20,283,718 | 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 | 1,534,377 | 1.24 |
| Corporate Bodies | 2,341,137 | 1.90 |
| IEPF | 277,600 | 0.23 |
| Others | 1,510,467 | 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:

- MIDC, Taloja, Dist. Raigad, Maharashtra
- MIDC, Mahad, Dist. Raigad, Maharashtra
- GIDC, Panoli, Dist. Bharuch, Gujarat
- KIADB, Jigani, Bengaluru, Karnataka
- 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/-

Sameer Hiremath

Managing Director

DIN: 00062129

Sd/-

Kuldeep Jain

Chief Financial Officer

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

Place: Mumbai
Date: 1 August 2024

FCS 8021 | CP 8978
UDIN: F008021F000860785

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 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, 6 th 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 |

| 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 |

| 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) |
|--------|---------------------------------------|--|--|---|--|
| 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. | <ul style="list-style-type: none"> • 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 | Nil |
| Punishment | Nil | 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 | Total (A) | Percentage of employees covered by | | | | | | | | | |
|---------------------------------------|-------------|------------------------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|---------------------|----------|
| | | 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) | Percentage of workers covered by | | | | | | | | | |
|-------------------------------------|-------------|----------------------------------|--------------|--------------------|--------------|--------------------|------------|--------------------|----------|---------------------|----------|
| | | 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 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 | | | FY 2022-23 | | |
|----------|--|--|---|--|--|---|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | 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 | | Permanent workers | |
|--------|---------------------|----------------|---------------------|----------------|
| | Return to work rate | Retention rate | Return to work rate | 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 | | | FY 2022-23 | | |
|----------------------------|--|--|-------------|--|--|-------------|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B/A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | % (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 | | | | | FY 2022-23 | | | | |
|------------------------------|---|-------------------------------|------------|----------------------|-------------|-------------|-------------------------------|------------|----------------------|------------|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (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 | | | FY 2022-23 | | |
|------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (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 assess 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: websites and social media 5. Advertisements. publications. 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 |

| 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 |
|----------------------------------|--|---|-------------------------|---|
| 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: website, and social media 6. Advertisements, publications. | 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 | | | |
| (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 , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , 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 , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , 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 tCO₂/MWh), the scope 2 value for FY 2022-23 was 58,436.80 tonnes CO₂e. However, with the latest market-based emission factor (0.823 tCO₂/MWh), the value has changed to 67,737.30 tonnes CO₂e.

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 ₂ O, 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 ₂ e 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% |

| CSR Projects | No. of persons benefitted from CSR project | % of beneficiaries from vulnerable and marginalised groups |
|--|--|--|
| 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 | | | FY 2022-23 Previous Financial Year | | | Remarks |
|--------------------------------|--------------------------------------|-----------------------------------|----------------|---------------------------------------|-----------------------------------|--|---------|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks | |
| 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.