

Board’s Report

To,

The Members,

The Directors are pleased to present the 37th Annual Report with the Audited Standalone & Consolidated Financial Statements for the financial year ended 31 March 2025.

1. Financial Results

Particulars	₹ in million	
	2024-25	2023-24
Total Revenue	18,648	17,871
Profit before interest & depreciation	3,335	2,694
Interest	752	564
Profit before depreciation	2,583	2,130
Depreciation	1,344	1,176
Profit before taxation	1,239	954
Provision for taxation		
- Current tax	300	284
- Deferred tax	30	(25)
Profit after tax	909	695
Reserves and surplus	12,375	11,629
Dividend on equity share	148	148

2. COMPANY PERFORMANCE

The Company achieved revenue of ₹ 18,648 million in 2024-25, against ₹ 17,871 million in the previous year, recording a growth of 4%. The sales of the pharmaceutical business recorded an increase of 6% to ₹ 11,681 million, while the sales of the Crop Protection saw a growth of 1% to ₹ 6,917 million.

The EBIDTA margins improved by 281 bps on the back of stable raw material prices, improved product mix and ongoing business excellence initiatives and stood at around 18%, increased from ₹2,694 million in the previous year to ₹ 3,335 million in 2024-25. Absolute EBITDA also increased by ₹ 641 million. The Profit before Tax (PBT) increased by 30% from ₹ 954 million in the previous year to ₹ 1,239 million in 2024-25. Profit After Tax (PAT) witnessed a growth of 31% from ₹ 695 million in the previous year to ₹ 909 million in 2024-25. The Earning per Share (EPS) also increased from ₹ 5.64 in the previous year to ₹ 7.37 in 2024-25.

The Company is incurring substantial capital expenditure for growth in the Pharmaceutical and Crop Protection businesses to augment capacities for existing products and to create capacities for new products, as well as investments in Research & Technology.

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 1.26 for 2024-25, as against 1.28 in the previous year. The net Debt to Equity Ratio improved from 0.67 in March 2024 to 0.59 in March 2025, while the Debt Service Coverage Ratio (DSCR) declined from 1.52 in the previous year to 1.45 in 2024-25.

3. EXPORTS

Exports for the year 2024-25 were ₹ 11,471 million (62% of total sales) as compared to ₹11,082 million (63% of total sales) in the previous year. The increase in exports was due to diversifying our product portfolio.

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, (SEBI 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 2024-2025 declared and paid in the month of February 2025 an interim dividend of 30% i.e. ₹ 0.60 per share of face value of ₹ 2/- each. Further, the Board has recommended a Final Dividend of 40% i.e. ₹ 0.80 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 2024-25 shall aggregate to 70% i.e. ₹ 1.40/- per share of face value ₹ 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. MATERIAL CHANGES AND COMMITMENTS

In terms of Section 134(3)(l) of the Companies Act, 2013, except as disclosed in this Integrated Annual Report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and the date of this Integrated Annual Report.

8. 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 2025, 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 2025, none of the Company's Directors held instruments convertible into equity shares of the Company.

9. 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.

10. 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.

11. DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013, and the Company's Articles of Association, Mr. Amit Kalyani (DIN - 00089430), Director, retires by rotation at the forthcoming Annual General Meeting (AGM), and being eligible, offers himself for re-appointment.

Mr. Shrikrishna Adivarekar (DIN: 06928271) was reappointed as an Independent Director of the Company for the second consecutive term of 5 years with effect from 22 December 2024 by the Members by passing a special resolution at the 36th Annual General Meeting of the Company held on 17 September 2024.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 14 May 2025 re-designated Mr. Sameer Hiremath as Vice Chairman and Managing Director of 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 Regulation 16(1) (b) of SEBI Listing Regulations as amended. In the opinion of the Board, the Independent Directors possess the integrity, requisite qualifications 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 2024-25, are mentioned in the Corporate Governance Report, which forms an integral part of this Annual Report.

12. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, and SEBI Listing Regulations, as amended, a structured questionnaire was prepared after taking into consideration 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 Nomination and Remuneration Committee has reviewed the implementation and compliance of effective evaluation of performance of the Board, its committees and individual directors. The Board of Directors expressed their satisfaction with the evaluation process.

13. 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 <https://www.hikal.com/uploads/documents/HikalWhistleBlowerPolicyRev2024.pdf>.

14. NOMINATION & 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 Nomination and Remuneration 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 <https://www.hikal.com/uploads/documents/RemunerationPolicy.pdf>

15. 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 made 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>.

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

No significant or material order has been passed by the regulators or courts or tribunals impacting the going concern status of the Company and its future operations.

17. 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.

18. 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.

Your Company implemented proper Internal Financial Controls, and these financial controls were adequate and effectively operated during FY 2024-25.

19. 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 2025:

Mr. Jai Hiremath, Executive Chairman (WTD)

Mr. Sameer Hiremath, Vice-Chairman & Managing Director

Mr. Sarangan Suresh, Whole Time Director

Mr. Kuldeep Jain, Chief Financial Officer

Mr. Rajasekhar Reddy, Company Secretary.

20. 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.

21. DIRECTOR'S RESPONSIBILITY STATEMENT

Your Directors state that:

- 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;

- 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 2024-25, and of the profits of the Company for that year;
- 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;
- The annual accounts have been prepared on a going concern basis;
- 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
- 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.

22. STATUTORY AUDITOR

M/s S R B C & CO. LLP has been re-appointed as the Statutory Auditors at the 36th Annual General Meeting of the Company held on 17 September 2024 for the second term of 5 consecutive years to hold the office from the conclusion of 36th Annual General Meeting till the conclusion of 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 financial statements of the Company for the year ended 31 March 2025, does not contain any qualifications, adverse or disclaimer remarks. No fraud has been reported by the Auditors to the Audit Committee or the Board.

23. COST AUDITOR

The Company has maintained cost accounts and records as specified in the Central Government under Section 148(1) of the Companies Act, 2013. For FY 2024-25, M/s. V. J. Talati & Co., (FRN: R00213), Cost Accountants conducted the audit of the cost records of the Company.

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 2025-26. The requisite resolution for ratification of remuneration payable to Cost Auditors for the financial year 2025-26, by the shareholders has been set out in the Notice of AGM. The cost audit report for the financial year 2023-24 was filed with the Ministry of Corporate Affairs, Government of India on 13 August 2024.

24. 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 (ICSI Unique Code L2023MH013400), Practicing Company Secretaries to conduct the Secretarial Audit of the Company.

The Secretarial Audit Report in Form MR 3 for the financial year ended 31 March 2025, 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.

The Annual Secretarial Audit Report issued by the Secretarial Auditor in terms of Regulation 24A of the Listing Regulations has been submitted to the Stock Exchanges and is available on the website of the Company <https://www.hikal.com/documents/corporate-governance>.

Pursuant to the amendments to the SEBI Listing Regulations, the Board, on the recommendation of the Audit Committee, has approved and recommended to the Members, the appointment of M/s Dhrumil M. Shah & Co. LLP (ICSI Unique Code L2023MH013400), as the Secretarial Auditor of the Company, for a period of five consecutive years inclusive of FY 2026.

Brief details as required under the SEBI Listing Regulations, are provided in the Notice of 37th AGM. The Directors recommend the appointment of M/s Dhrumil M. Shah & Co. LLP (ICSI Unique Code L2023MH013400), as the Secretarial Auditor for approval by the Members.

25. 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 www.hikal.com/uploads/documents/corporate-socialresponsibility-polic-srijan.pdf.

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

26. 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.

An Internal Complaints Committee, as required under the provisions of the POSH Act 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 2024-25, the Company did not receive any complaints of sexual harassment and no cases were filed under the POSH Act.

- a. Number of complaints filed during the financial year 2024-25: NIL
- b. Number of complaints disposed off during the financial year 2024-25: NIL
- c. Number of cases pending for more than 90 days - NIL

27. MATERNITY BENEFIT

During the year under review the company has complied with the applicable provisions relating to Maternity Benefits Act 1961.

28. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (“IEPF”)

• Transfer of Unclaimed Dividend to IEPF

During the financial year, final dividend relating to the year ended 31 March 2017 and the interim dividend for the year ended 31 March 2018, amounting to ₹ 381219/- 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 2025

The Shareholders are requested to lodge their claims with the Registrar and Share Transfer Agents of the Company i.e. MUFG 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 2025, 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, 7305 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.

29. SAFETY AND ENVIRONMENT

The company's safety principles are fundamental rules and guidelines designed to prevent accidents, injuries, and illnesses in the workplace. These principles are crucial for maintaining a safe and healthy work environment, fostering a positive safety culture, and ensuring compliance with relevant regulations. We strongly believe in “Our Safety My Responsibility” and it was chosen as theme during safety month celebration during March – 25. The core guiding principle for EHS in “Our Safety My Responsibility” is prioritising safety and health as fundamental rights for all workers, with the goal of preventing all injuries and illnesses. This involves a commitment to a proactive, risk-based approach, clear communication, care for others and a culture of shared responsibility where every employee actively participates in maintaining a safe and healthy work environment.

30. DEPOSITS

The Company did not accept any deposits and as such there were no overdue deposits outstanding as on 31 March 2025.

31. 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. The Company has conducted various in-house skill developmental programmes and also

has sponsored for various external seminars for other developmental programmes to enhance the skill set of the employees at various levels. The total workforce of the Company stood at 3112 as on 31 March 2025, including 2062 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. However, 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_lagm@hikal.com.

32. 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 Board's Report, is given in the enclosed **“Annexure F”** which forms a part of this Report.

33. 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 SEBI Listing Regulations, is annexed to this Annual Report.

34. 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 2024-25.

35. AWARDS & RECOGNITIONS

The details of the Awards and Recognitions earned by the Company during the financial year 2024-25 have been provided as part of this Integrated Annual Report at page no. 25.

36. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no instances of these matters during FY 2025:

- i. There has been no change in the nature of business of the Company
- ii. There were no applications made or proceeding pending under the Insolvency and Bankruptcy Code, 2016
- iii. There was no instance of one-time settlement with any bank or financial institution.

37. 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.

38. 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

Date: 7 August 2025
Place: Mumbai

Jai Hiremath
Executive Chairman
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 2024 to 31 March 2025)	Hikal LLC, USA (1 April 2024 to 31 March 2025)
1.	Share Capital	151	-
2.	Reserves	(151)	1
3.	Total Assets	-	9
4.	Total Liabilities	-	9
5.	Investments	-	-
6.	Total Revenue	-	75
7.	Profit/(loss) Before Tax	-	(1)
8.	Provision for Tax	-	-
9.	Profit/(loss) After Tax	-	(1)
10.	Proposed Dividend	-	-
11.	% of Shareholding	100	100

Jai Hiremath
Executive Chairman
DIN:00062203

Sameer Hiremath
Vice Chairman and Managing Director
DIN: 00062129

V Ramachandra Kaundinya
Independent Director
DIN: 00043067

Date: 7 August 2025
Place: Mumbai

Kuldeep Jain
Chief Financial Officer

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	
(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	Nil
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	
2.	Details of material contracts or arrangement or transactions at arm's length basis:	
(a)	Name(s) of the related party and nature of relationship	Mr. Anish Swadi, relative of Directors
(b)	Nature of contracts/ arrangements/ transactions	Appointment as Senior President – Animal Health & Business Transformation (Office of Profit)
(c)	Duration of the contracts/ arrangements/ transactions	Five years commencing from 1 October 2021
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	As per the Resolution passed at Item no. 7, at the 33 rd AGM held on 2 September 2021.
(e)	Date(s) of approval by the Board, if any	6 May 2021
(f)	Amount paid as advances, if any	N. A.

For and on behalf of the Board of Directors

Date: 07 August 2025
Place: Mumbai

Jai Hiremath
Executive Chairman
DIN: 00062203



“ANNEXURE D”
FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2025

[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 2025** 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 2025** 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 subject to following observations:

The Company had submitted a settlement application to SEBI in connection with a Show Cause Notice dated 22 August 2023, regarding alleged non-compliance with disclosure obligations under the SEBI (LODR) Regulations, 2015. The application was reviewed and approved by SEBI’s High Powered Advisory Committee and the Panel of Whole Time Members. In line with the settlement terms, the Company remitted a settlement amount of ₹43,97,250/- and duly disclosed the same to the stock exchanges on 29 November 2024

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 unanimously 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 filed an appeal before the Hon'ble Supreme Court against the NGT order dated 24 March 2023. Vide interim orders dated 9 April and 24 April 2024, the Court directed that no coercive action be taken against the Company and instructed it to deposit ₹50 Million, including ₹9.8 Million to be paid to the legal representatives of the deceased. The amount was deposited on 8 May 2024 and the matter

is currently pending for hearing before the Hon'ble Supreme Court.

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

Place: Mumbai
Date: 07 August 2025

For **Dhrumil M. Shah & Co. LLP**
Practicing Company Secretaries
ICSI URN: L2023MH013400
PRN: 6459/2025

Dhrumil M. Shah
Partner
FCS 8021 | CP 8978
UDIN: F008021G000944761

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.

- 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.

Place: Mumbai
Date: 07 August 2025

For **Dhrumil M. Shah & Co. LLP**
Practicing Company Secretaries
ICSI URN: L2023MH013400
PRN: 6459/2025

Dhrumil M. Shah
Partner
FCS 8021 | CP 8978
UDIN: F008021G000944761

“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 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/programme 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 ₹ 28.77 million on CSR activities. Pursuant to the provisions of the Companies Act, 2013, the Company should have spent ₹ 28.00 million (being 2% of the average net profits of the last three financial years), during the financial year 2024-25. The Company has spent an excess amount of ₹ 0.77 million during the previous financial years can be carried forward for set off against any shortfall in spending, for a period of three financial year.

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	Vice Chairman and Managing Director	2	2
4	Mrs. Ranjana S Salgaocar	Independent Director	2	2
5	Mrs. Sugandha Hiremath	Non-Executive Director	2	2

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: ₹ 1400 million
 - Two percent of average net profit of the Company as per sub-section (5) of section 135: ₹ 28.00 million
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 - Amount required to be set off for the financial year, if any: Not Applicable
 - Total CSR obligation for the financial year [(5b)+(5c)-(5d)]: ₹ 28.00 million
- Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 28.77 Million
 - Amount spent in Administrative Overheads: Nil
 - Amount spent on Impact Assessment, if applicable: Not Applicable
 - Total amount spent for the Financial Year [(6a)+(6b)+(6c)]: ₹ 28.77 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
₹ 28.77 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	28.00
(ii)	Total amount spent for the Financial Year	28.77
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.77
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.77

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 ₹)
					Amount (in ₹)	Date of transfer	Deficiency, if any
1	2021-22	-	-	-	-	-	-
2	2022-23	-	-	-	-	-	-
3	2023-24	-	-	-	-	-	-

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

☐ Yes ☒ No

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

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

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration number, if applicable	Name	Registered Address
-	-	-	-	-	-	-	-

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per sub-section (5) of section 135: Not Applicable

For and on behalf of the Board of Directors

Date: 7 August 2025
Place: Mumbai

Sameer Hiremath
Vice Chairman and Managing Director
DIN: 00062129

Jai Hiremath
Executive Chairman and Chairman of CSR Committee
DIN: 00062203

“ANNEXURE - F”

Information as per Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014, forming part of Boards Report for the year ended 31 March 2025

I. CONSERVATION OF ENERGY:

a) Steps taken for conservation of energy:

Hikal has been following a systematic approach towards energy conservation programme. EnCon (Energy Conservation) committee has been constituted at the corporate level in the year 2021 and Energy Conservation Policy is reviewed regularly. The EnCon Committee drives the initiatives for conservation of energy and natural resources across the Company for achieving long-term sustainability.

CROP Business

The following energy saving initiatives have been implemented at Taloja, Mahad and Panoli site of Crop Business:

- To maintain Power Factor, HT Capacitor capacity enhanced from 450 KVAR to 600 KVAR, which resulted in efficient power usage and leads to reduced energy costs, improved voltage stability, and increased capacity of the electrical infrastructure - Taloja
- Transformer Voltage Reduction from 415 V to 405 V helped us enhanced safety, energy conservation, and improved power quality. - Taloja
- We invested in Turbine for cogeneration of electricity from our briquette fed boiler using high pressure steam. This has enhanced assurance for clean energy produced in houses. Earlier it was operated by an external agency on a contract basis. - Taloja
- We replaced our old pump P-525 with a high efficiency pump for saving in Power Consumption in UTILITIES – Taloja.
- We automated our streetlights to reduce power usage. Manual on-off was leading to excess power consumption due to early or late switching power off and on respectively. - Taloja
- We provided cooling water supply line to pilot plants to eliminate separate cooling tower operation of pilot plant, which resulted power saving by stoppage of

Pump P-2910 of pilot plant cooling tower pump. - Taloja

- Flash jet pump was installed in MEE section area to recover flash steam and connected to boiler feedwater tank to recover heat of flash steam. This has improved both the SFR of Briquette and LSHS boiler. - Mahad
- We started recycling condensate tank Flash steam from MPP-1 Melter, which reduced the energy loss of the system. - Panoli
- We started condensate tank Flash steam Utilisation for hot water generation in MPP-1 LLE, to reduce energy loss of steam condensate. - Panoli
- We Eliminated soft water transferring pump by direct make up in 40 KL Boiler soft water storage tank, which resulted into stoppage of one pump and energy conservation. - Panoli

Crop Business (Total Investment and Savings):

Total Investment - ₹ 11.07 Million and Total Yearly Savings - ₹ 22.52 Million

PHARMA Business

The following energy saving initiatives have been implemented at Panoli and Jigani site of Pharma Business:

- There was energy conservation implemented to improve boiler SFR improvement Boiler SFR was enhanced from 3.85 to 3.95 which was equivalent to saving of 697 MT fuel. Due to improved Cogen boiler efficiency running hours of LSHS boiler was reduced which saved 292.39 MT of FO. – Jigani 1
- Motion sensors are installed in the office area to switch off lights automatically when no one is in the office. – Jigani 2
- Retrofit lighting installation at site at Flameproof lighting at process area which was converted to LED from CFL. – Jigani 2
- Power consumption was reduced by replacement of MS-FRP impeller with new PP-FRP impeller for VUE-5001(39000CFM) – Jigani 2

Pharma Business (Total Investment and Savings):

Total Investment - ₹ 0.54 Million and Total Yearly Savings - ₹ 12.76 Million

b) Steps taken by the Company for utilising alternative sources of energy:

Hikal has invested 41 million in M/s FPEL Ujwal private limited, which is in generation of solar and wind power and catering to our Jigani site near Bangalore in Karnataka state.

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 year 2023, hence there is no CAPEX investment in current financial year, we started using Solar and wind power at Mahad, Taloja and Panoli from last financial year i.e. FY2024

There is significant cost saving due to use of alternative source of energy at our Mahad, Taloja and Panoli and Jigani location.

Total Cost saved is as follows.

Panoli – INR 27.03 million

Taloja – INR 53.5 million

Mahad – INR 23.80 million

Jigani 1 – INR 29.65 million

We have 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) the Capital investment on energy conservation:

HIKAL has ENCON committee organisation level, which reviews and approve technically feasible and viable projects. There are various energy conservation projects that have been identified and implemented during FY 24-25. There is a total of 11.61 million INR invested for various energy conservation initiatives during FY 2024-25 from revenue budget.

Brief details of various projects are as below.

(Value in INR)			
Location	Details	Revenue Budget (A)	Capex Budget (B)
Taloja	We invested in Turbine for cogeneration of electricity from our briquette fed boiler using high pressure steam. This has enhanced assurance for clean energy produced in houses. It was operated by an external agency on a contract basis.	00	5700000
Taloja	To maintain Power Factor, HT Capacitor capacity enhanced from 450 KVAR to 600 KVAR, which resulted in efficient power usage and leads to reduced energy costs, improved voltage stability, and increased capacity of the electrical infrastructure.	00	600000
Panoli - Crop	We started recycling condensate tank Flash steam from MPP-1 Melter, which reduced the energy loss of the system.	00	900000
Panoli - Crop	We started condensate tank Flash steam Utilisation for hot water generation in MPP-1 LLE, to reduce energy loss of steam condensate.	170000	00
Mahad	We installed flash jet pump to recycle condensate with residual flash steam to boiler feed tank, resulted in energy conservation.	0	3700000
Jigani – 2	Motion sensors are installed in the office area to switch off lights automatically when no one is in the office.	5000	00
Jigani – 2	Retrofit lighting installation at site at Flameproof lighting at process area which was converted to LED from CFL.	56000	00
Jigani – 2	Power consumption reduced by replacement of MS-FRP impeller with new PP-FRP impeller for VUE-5001(39000CFM)	480000	00
Total Investment		711000	10900000
Grand Total Investment (A + B)			116,11,000

II. TECHNOLOGY ABSORPTION:

a) the efforts made towards technology absorption;

1. Automatic Vertical plate Filter:

Automatic vertical plate filters offer several advantages including enhanced filtration efficiency, reduced labour costs, space saving design, and automated operation. They are also known for their ability to handle flammable, toxic, and corrosive materials safely. These filters are particularly useful in industries requiring high-purity filtration with minimal manual intervention and reduced operating costs.

2. Electrically operated diaphragm pumps

Electrically operated diaphragm pumps offer several advantages, including energy efficiency, reduced noise, and easy maintenance. They also provide precise flow control, can handle a wide range of fluids, and are self-priming with the ability to run dry.

3. Water based PU paints

Water-based PU (polyurethane) paint offers several advantages, including low VOC emissions, fast drying times, and excellent durability. It is also known for its resistance to water, chemicals, and abrasion, making it suitable for various commercial and residential applications.

b) the benefits derived like product improvement, cost reduction, product development or import substitution;

1. Automatic Vertical plate Filter:

Key Benefits

1. Enhanced Filtration Efficiency:

High-speed filtration: The automated system cycles rapidly, minimising downtime and maximizing throughput.

Efficient cake washing: Vertical design and automated belt washing systems improve washing efficiency, leading to drier cakes and reduced water consumption.

Reduced error and increased accuracy: Fully automatic operation minimises human error, resulting in more consistent and accurate filtration outcomes.

2. Reduced Labor Costs:

Automated operation: Automatic filter presses require minimal manual intervention, reducing the need for operators and lowering labour costs.

Faster cycle times: Automated processes and efficient cake discharge mean quicker cycle times, further reducing labour requirements.

3. Space Saving Design:

Compact footprint: Vertical design allows for a smaller footprint compared to other filter types, optimising space utilization, especially in facilities with limited space.

4. Safe Handling of Hazardous Materials:

Suitable for hazardous environments: Automatic vertical pressure filters are designed to handle flammable, toxic, and corrosive materials safely, making them suitable for a wide range of industrial applications.

5. Other Benefits:

Reduced energy consumption: By minimising manual intervention and optimising filtration processes, these filters can lead to lower energy consumption.

Improved product quality: Effective cake washing and reduced contamination contribute to higher product purity and quality.



Longer filter cloth life: Efficient belt cleaning and reduced cake residue can extend filter cloth life, leading to lower maintenance costs.

Intelligent control systems: Modern units feature intelligent control systems for real-time monitoring, automatic adjustments, and efficient troubleshooting.

2. Electrically operated diaphragm pumps

Key Benefits:

Energy Efficiency: Electric diaphragm pumps consume less energy than air-operated diaphragm pumps, leading to lower operational costs.

Reduced Noise: They operate more quietly than air-operated pumps, making them suitable for noise-sensitive environments.

Precise Flow Control: Electric diaphragm pumps can be controlled to adjust speed and flow rate, allowing for accurate dosing and batching applications.

Wide Fluid Compatibility: They can handle various fluids, including those with high viscosity, corrosive or abrasive properties, and even delicate fluids that might be damaged by other pump types,

Self-Priming: They can draw fluid from a lower level without the need for external priming equipment.

Run-Dry Capability: Many models can operate without fluid for extended periods without damage, beneficial in cases of fluid shortages or interruptions.

Easy Maintenance: The simple design with fewer moving parts leads to easier maintenance and repairs.

Reduced Pulsation: Electric diaphragm pumps often have less pulsation compared to air-operated pumps, which can be an advantage in certain applications.

Leak-Free Operation: The diaphragm acts as a barrier between the fluid and the pump mechanism, minimising the risk of leaks.

Mobility: Electric diaphragm pumps are often lightweight and compact, making them easy to transport and move around.

Potential for Smart Features: Some electric diaphragm pumps can be equipped with smart technology for remote monitoring and control, enhancing their functionality and data-driven decision making.

3. Water based PU paints

Environmental and Health Benefits:

Low VOCs: Water-based PU paints have significantly lower volatile organic compound (VOC) emissions compared to oil-based alternatives, making them a safer and more environmentally friendly choice.

Reduced Odor: They produce less odor during application and drying, which is especially beneficial for indoor projects and sensitive individuals.

Safer for Indoor Use: The low VOCs and reduced odor contribute to better indoor air quality, making them suitable for use in homes and offices.

Performance and Durability:

Fast Drying: Water-based PU paints dry much faster than oil-based options, allowing for quicker project completion and the application of multiple coats in a single day.

Excellent Durability: They offer a durable, scratch-resistant, and long-lasting finish, suitable for high-traffic areas and surfaces exposed to wear and tear.

Water and Stain Resistance: Water-based PU paints are highly resistant to water and stains, making them easy to clean and maintain.

UV and Weather Resistance: They provide good protection against UV radiation and harsh weather conditions, preventing fading and damage.

Chemical Resistance: They can withstand exposure to various chemicals, making them suitable for surfaces in kitchens, bathrooms, and other areas prone to chemical contact.

Maintains Natural Wood Colour: Water-based PU finishes can preserve the natural colour of wood, preventing yellowing over time, unlike some oil-based finishes.

c) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

The Company has not imported or licensed any technology over the last three years.

d) Expenditure on R&D

(₹ in million)		
Particulars	2024-25	2023-24
(i) Capital	47	72
(ii) Recurring	775	734
Total	822	806

(iii) Total R&D expenditure as a percentage of total turnover 4.42% in FY 24-25 and 4.51% in FY 23-24.

III. FOREIGN EXCHANGE EARNINGS & OUTGO

(₹ in million)		
Particulars	2024-25	2023-24
Foreign exchange earned in terms of actual inflows	11,557	11,167
Foreign exchange outgo in terms of actual outflows	2,928	3,528

For and on behalf of the Board of Director

Date: 07 August 2025
Place: Mumbai

Jai Hiremath
Executive Chairman
DIN: 00062203

