

To,
The Members,

The Directors are pleased to present the 38th Annual Report with the Audited Standalone & Consolidated Financial Statements for the financial year ended March 31, 2026.

1. Financial Results

The Company’s financial performance for the year ended March 31, 2026 is summarised below:

Particulars	₹ in million	
	2025-26	2024-25
Total Revenue	17,249	18,648
Profit before interest & depreciation	2,328	3,335
Interest	621	752
Profit before depreciation	1,707	2,583
Depreciation	1,638	1,344
Profit before taxation	69	1,239
Exceptional items	(851)	-
Profit/(loss) before taxation and after exceptional items	(782)	1,239
Provision for taxation		
- Current tax	(20)	300
- Deferred tax	(275)	30
Profit/(Loss) after tax	(487)	909
Reserves and surplus	11,743	12,375
Earnings Per Share	(3.95)	7.37
Dividend paid on equity share	123	148

2. Company Performance

During FY 2025-26, the Company achieved total revenue of ₹ 17,249 million, compared with ₹ 18,648 million in the previous year, reflecting a decline of 8%. Within the business segments, Pharmaceutical sales decreased by 13% to ₹ 10,210 million, while Crop Protection sales stood at ₹ 6,916 million.

The EBITDA margins deteriorated by 302 bps due to product mix and lower operating profitability and stood at around 13%, decreased from ₹ 3,335 million in the previous year to ₹ 2,328 million in 2025-26. Absolute EBITDA also decreased by ₹ 1,007 million. The Profit Before Tax (PBT) before exceptional items, decreased by 94% from ₹ 1,239 million in the previous year to ₹ 69 million in 2025-26.

Exceptional items in 2025-26 include incremental effect due to change in labour code by ₹ 380 million and ₹ 471 million due to impairment charge.

Profit After Tax (PAT) decreased from ₹ 909 million in the previous year to a loss of ₹ 487 million in 2025-26, primarily due to lower operating profitability and exceptional items recognised during the year. Consequently, Earnings Per Share (EPS) declined from ₹ 7.37 in the previous year to ₹ (3.95) in 2025-26.

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 1.30 for 2025-26, as against 1.26 in the previous year. The Net Debt to Equity Ratio improved from 0.59 in March 2025 to 0.56 in March 2026, while the Debt Service Coverage Ratio (DSCR) declined from 1.45 in the previous year to 0.80 in 2025-26

3. Exports

Exports for the year 2025-26 were ₹ 11,452 million (67% of total sales) as compared to ₹ 11,471 million (62% of total sales) in the previous year. The increase in exports was due to diversifying our product portfolio.

4. Dividend & Reserves

The Company declared an Interim Dividend of 10% (₹ 0.20 per equity share of face value of ₹ 2 each) in February 2026, which was paid in March 2026, for the Financial Year 2025–26. Further, the Board has recommended a Final Dividend of 20% i.e. ₹ 0.40 per equity share of face value 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 2025-26 shall aggregate to 30% i.e. ₹ 0.60/- per equity share of face value of ₹ 2/- each.

As per the Income Tax Act, 2025, 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.

The dividend recommended is in accordance with the Company’s Dividend Distribution Policy. The Policy is available on the Company’s website and can be accessed at <https://www.hikal.com/uploads/documents/HIKAL-DividendDistributionPolicy.pdf>

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

5. 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 March 31, 2026, 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 March 31, 2026, none of the Company’s Directors held instruments convertible into equity shares of the Company.

6. Particulars of Loans, Guarantees and Investments by the Company

The details under Section 186 of the Companies Act, 2013 are given in Note No. 55 to the notes to the financial statements.

7. Deposits

The Company did not accept any deposits and as such there were no overdue deposits outstanding as on March 31, 2026.

8. Material Changes and Commitments

In terms of Section 134(3)(l) of the Companies Act, 2013, except as disclosed in this 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 Annual Report.

9. Significant and Material Orders Passed by the Regulators or Courts

The United States Food and Drug Administration (US FDA) conducted an inspection of the Company’s manufacturing facility at Jigani, Bengaluru, Karnataka in February 2025. Subsequently, in May 2025, the Company received communication from the US FDA classifying the inspection outcome as “Official Action Indicated” (OAI). Further, in August 2025, the Company received a warning letter from the US FDA in respect of the said facility.

The Company has taken cognisance of the observations and is in the process of implementing remediation measures. Corrective and preventive actions (CAPA) have been implemented in alignment with applicable international regulatory standards.

Operations remain supported by other regulatory approvals catering to markets such as Latin America, Mexico, Japan, among others. As part of its risk mitigation strategy, the Company has transitioned certain operations from the Jigani facility to the Panoli facility, which is US FDA compliant.

Except as above the Company has not received any significant or material orders from any regulators or courts or tribunals impacting the going concern status of the Company and its future operations.

10. Annual Return

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

11. 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

12. Directors and Key Managerial Personnel

Board of Directors

As on March 31, 2026, the Board of Directors comprised of ten Directors, five of which are Independent Directors (including two woman Independent Directors), two Non-Executive Directors (including a women Non-Executive Director), three Executive Directors comprised of Executive Chairman, Vice-Chairman and Managing Director and Whole-Time Director.

In accordance with the provisions of Section 152 of the Companies Act, 2013, and the Company's Articles of Association, Mr. Sarangan Suresh (DIN - 10562713), Director, retires by rotation at the ensuing Annual General Meeting (AGM). The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, have recommended his re-appointment.

Mr. Berjis Desai (DIN: 00153675), Non-Executive Independent Director of the Company, resigned from the Board with effect from October 01, 2025 and, consequent to his resignation, ceased to be a member of the Audit Committee and Nomination and Remuneration Committee.

Nomination and Remuneration Committee and the Board of Directors approved the appointment of Mr. Sandip Parikh (DIN: 00030990) with effect from May 27, 2026 as an Independent Director of the Company for a period of 5 (Five) consecutive years, which has been approved by the Members through Postal Ballot on July 04, 2026. Mr. Sandip Parikh is a Fellow Chartered Accountant and a Law Graduate with extensive experience in taxation, audit & assurance, transaction advisory, corporate restructuring and corporate governance.

The Board of Directors, at its meeting held on August 26, 2026, proposed the appointment of Mr. Sameer Hiremath (DIN: 00062129) as the Chairman and Managing Director of the Company, effective October 01, 2026, along with the remuneration payable to him, subject to the approval of the Members at the ensuing Annual General Meeting.

In the opinion of the Board, all 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.

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 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended.

Details of the number of board meetings, held during the financial year 2025-26, are mentioned in the Corporate Governance Report, which forms an integral part of this Annual Report.

Key Managerial Personnel

Mr. Jai Hiremath, Executive Chairman and Whole-Time Director, Mr. Sameer Hiremath, Vice-Chairman & Managing Director, Mr. Sarangan Suresh, Whole Time Director, Mr. Kuldeep Jain, Chief Financial Officer and Mr. Rajasekhar Reddy, Company Secretary, are the Key Managerial Personnel ("KMP") of the Company in accordance with the provisions of Section 2(51) and 203 of the Companies Act, 2013.

During the year, there were no changes in the KMP.

13. 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 the Companies Act, 2013 and SEBI Listing Regulations. In a separate meeting of Independent Directors held on March 17, 2026, 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.

14. 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>

15. 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>

16. 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 Companies Act, 2013 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>

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 Vice Chairman and Managing Director of the company.

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 2025-26.

19. 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 2025-26, and of the loss for the 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.

20. 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 September 17, 2024 for a 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 Auditors have confirmed that they are not disqualified from continuing as the Auditors of the Company.

The Auditor's report does not contain any qualification, reservation, adverse remark or disclaimer, however, has an emphasis of matter paragraph. The observations made by the Auditors in their Report are self-explanatory and, therefore, do not call for any further comments. The notes to the financial statements referred in the Auditors' Report are self-explanatory and do not call for any further comments.

21. Cost Auditor

The Company has maintained cost accounts and records as specified by the Central Government under Section 148(1) of the Companies Act, 2013. For FY 2025-26, 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 2026-27. The requisite resolution for ratification of remuneration payable to Cost Auditors for the financial year 2026-27, by the shareholders has been set out in the Notice of AGM. The cost audit report for the financial year 2024-25 was filed with the Ministry of Corporate Affairs, Government of India, on September 04, 2025.

22. Secretarial Auditor

M/s Dhrumil M. Shah & Co. LLP, Practicing Company Secretaries, were appointed as the Secretarial Auditors of the Company, for a period of 5 (Five) consecutive financial years, commencing from the financial year 2025-26 to 2029-30, at the 37th AGM held on September 23, 2025.

The Secretarial Audit Report in Form MR 3 for the financial year ended March 31, 2026, 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 Secretarial Compliance Report issued by the Secretarial Auditor in terms of Regulation 24A of the SEBI 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>.

M/s Dhrumil M. Shah & Co. LLP has confirmed that they are not disqualified from continuing as the Secretarial Auditor of the Company.

23. Corporate Social Responsibility (CSR)

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

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

24. 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 2025-26, the Company did not receive any complaints of sexual harassment and no cases were filed under the POSH Act.

- Number of complaints filed during the financial year 2025-26: NIL
- Number of complaints disposed off during the financial year 2025-26: NIL
- Number of cases pending for more than 90 days: NIL

25. Particulars of Employees and Related Disclosures

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 3133 as on March 31, 2026, including 2152 permanent employees.

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report and is annexed as **"Annexure F"**.

A statement providing details of the employees in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been provided in a separate annexure which forms part of the Directors' Report. In terms of Section 136 of the Companies Act, 2013, the Reports and Accounts are being sent to the shareholders, excluding the information required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any shareholder interested in obtaining the same may write to the Company Secretary & Compliance Officer at secretarial@hikal.com.

26. 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 March 31, 2018, sales proceed of fractional bonus shares issued on June 22, 2018 and the interim dividend for the year ended March 31, 2019, amounting to ₹ 2,39,728/- that had not been claimed by the shareholders were transferred to the Account of IEPF as required under Sections 124 and 125 of the Companies Act, 2013.

• Unclaimed dividend as on March 31, 2026

The Shareholders are requested to lodge their claims with the Registrar and Share Transfer Agent 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 March 31, 2026, 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 Companies Act, 2013, during the financial year, 28,327 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. 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 G"** which forms a part of this Report.

28. Compliance with Secretarial Standards

The Company has followed the applicable Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

29. Maternity Benefit

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

30. Safety and Environment

The Company continues to strengthen its commitment to operational excellence through a robust culture of safety and environmental stewardship. During FY 2025-26, focused initiatives such as the "Safety Culture Transformation" programme were implemented in collaboration with SWASYA Solutions, leveraging global expertise from organisations like Shell and DuPont. Senior leadership underwent intensive training on safety leadership principles to drive visible commitment and influence workforce behaviour. Safety has now been formally elevated as a Core Value, reaffirming the Company's belief that protection of its people is fundamental and deeply embedded in its way of working.

On the environmental front, the Company made notable progress by achieving an approximate reduction of 18% in Scope 1 emissions and 3% in Scope 2 emissions. Continued efforts were directed towards waste minimisation, circularity, and water conservation. The Company maintained transparency in disclosures by submitting its Climate Change and Water reports to CDP, securing ratings of B+ and B- respectively, with a clear target for improvement. Progress towards science-based targets (SBTi) is underway, with approval expected by September 2027. The Company has also commenced Product Carbon Footprint (PCF) assessments, achieving a 38% reduction in PCF for its flagship product Thiabendazole over the past three years. A structured roadmap for further emission reduction and expansion of PCF assessment to additional products has been established to support long-term climate objectives.

31. Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review, as per the SEBI Listing Regulations, is presented in a separate section, which forms part of this Annual Report.

32. Business Responsibility and Sustainability Report

The Company's Business Responsibility and Sustainability Report, in terms of Regulation 34 of the SEBI Listing Regulations, is provided in a separate section and forms part of this Annual Report.

33. Corporate Governance

The Company is committed to maintain the highest standards of governance and has also implemented several best governance practices. A report on Corporate Governance, along with a certificate from M/s Dhruvil 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 provided in a separate section and forms part of this Annual Report.

34. Awards & Recognitions

The details of the Awards and Recognitions earned by the Company during the financial year 2025-26 have been provided as part of this Annual Report.

35. 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 2026:

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

36. Acknowledgments

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.

37. 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.

Date: August 26, 2026
Place: Mumbai

For and on behalf of the Board of Directors

Jai Hiremath
Executive Chairman
DIN: 00062203

“ANNEXURE – A”

Form No. AOC-1

Statement containing the salient features of the financial statements of subsidiaries
[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]

Part A: Subsidiaries

1. Details of Subsidiaries

(₹ in million)			
Number of subsidiaries		2	
CIN/any other registration number of Subsidiary company		U72100MH2000PLC127909	File No 5821482
Name of the subsidiary		Acoris Research Limited	Hikal LLC
Date since when subsidiary was acquired		February 03, 2005	April 07, 2021
Provisions pursuant to which the Company has become a subsidiary (Section 2(87)(i)/ Section 2(87)(ii))		Section 2(87)(ii)	Section 2(87)(ii)
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	From	01/04/2025	01/04/2025
	To	31/03/2026	31/03/2026
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Reporting Currency	-	USD
	Exchange Rate	-	₹ 92.47
Share Capital		151	-
Reserves & Surplus		(151)	-
Total Assets		-	10
Total Liabilities		-	10
Investments		-	-
Turnover		-	118
Profit/(loss) Before Tax		-	(0)
Provision for Tax		-	-
Profit/(loss) After Tax		-	(0)
Proposed Dividend		-	-
% of Shareholding		100%	100%

2. Number of subsidiaries which are yet to commence operations: NIL
3. Number of subsidiaries which have been liquidated or have ceased to be a subsidiary during the year: NIL

Part B: Associates and Joint Venture:

4. Number of Associate/Joint Ventures: NIL
5. Number of associates or joint ventures which are yet to commence: NIL
6. Number of associates or joint ventures which have been liquidated or have ceased to be associate or joint venture during the year: NIL

For and on behalf of the Board of Directors

Date: August 26, 2026
Place: Mumbai

Jai Hiremath
Executive Chairman
DIN: 00062203

“ANNEXURE – B”

Nomination and Remuneration Policy of the Company

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)	Number of contracts or arrangements or transactions not at arm's length basis	
(b)	Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/ Passport for individuals or any other registration number	
(c)	Name(s) of the related party	
(d)	Nature of relationship	
(e)	Nature of contracts/arrangements/transaction	
(f)	Duration of the contracts/arrangements/transactions	Nil
(g)	Salient terms of the contracts or arrangements or transactions including actual/expected contractual amount	
(h)	Justification for entering into such contracts or arrangements or transactions	
(i)	Date(s) of approval by the Board	
(j)	Amount paid as advances, if any	
(k)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	
(l)	SRN of MGT-14	
2. Details of material contracts or arrangement or transactions at arm's length basis:		
(a)	Number of material contracts or arrangements or transactions at arm's length basis	1
(b)	Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/ Passport for individuals or any other registration number	PAN: AAEPS5561N
(c)	Name(s) of the related party	Mr. Anish Swadi
(d)	Nature of relationship	Relative of Directors
(e)	Nature of contracts/arrangements/transactions	Appointment as Senior President – Animal Health & Business Transformation (Office of Profit)
(f)	Duration of the contracts/arrangements/transactions	Five years commencing from October 01, 2021
(g)	Salient terms of the contracts or arrangements or transactions including actual/expected contractual amount	As per the Resolution passed at Item no. 7, at the 33 rd AGM held on September 02, 2021.
(h)	Date(s) of approval by the Board	May 06, 2021
(i)	Amount paid as advances, if any	N. A.

For and on behalf of the Board of Directors

Date: August 26, 2026
Place: Mumbai

Jai Hiremath
Executive Chairman
DIN: 00062203

“ANNEXURE – D”

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2026

[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 - 400 021

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, 2026** 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, 2026** 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**
 - 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, 2025; **Not applicable**
 - 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;
- Factories Act, 1948;
- Environment Protection Act, 1986;
- Air (Prevention and control of pollution) Act, 1981
- Water (Prevention and control of pollution) Act, 1974
- 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.

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 no events having a major bearing on the Company's affairs in pursuance of the Laws, Rules, Regulations, Guidelines Standards etc. referred to above.

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

Dhrumil M. Shah
Partner

FCS 8021 | CP 8978

UDIN: F008021H001202126

Place: Mumbai
Date: August 26, 2026

*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.
- 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.
- 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.
- Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
- 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.
- 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: 6459/2025

Dhrumil M. Shah
Partner
FCS 8021 | CP 8978
UDIN: F008021H001202126

Place: Mumbai
Date: August 26, 2026

“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/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 ₹ 22.38 million on CSR activities as against the obligation of ₹ 21.70 million (being 2% of the average net profits of the last three financial years), during the financial year 2025-26. The Company has spent an excess amount of ₹ 0.68 million during the previous financial years that can be carried forward for set-off against any shortfall in spending, for a period of three financial years.

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
3	Mrs. Ranjana S Salgaocar	Independent Director	2	2
4	Mrs. Sugandha Hiremath	Non-Executive Director	2	2

- 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/Details-of-various-Hikal-Committees.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: **₹ 1083 million**
 - Two percent of average net profit of the Company as per sub-section (5) of section 135: **₹ 21.70 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)]: **₹ 21.70 million**
- Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **₹ 22.38 million**
 - Amount spent in Administrative Overheads: **Nil**
 - Amount spent on Impact Assessment, if applicable: **Not Applicable**

(d) Total amount spent for the Financial Year [(6a)+(6b)+(6c)]: ₹ 22.38 million

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

Total amount spent for the financial year (in ₹ million)	Amount Unspent (in ₹ million)				
	Total amount transferred to unspent CSR account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 22.38	Not applicable		Not applicable		

(f) Excess amount for set off, if any

Sr. No.	Particular	Amount (in ₹ million)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	21.70
(ii)	Total amount spent for the Financial Year	22.38
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.68
(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)]	0.68

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	2022-23	-	-	-	-	-	-
2	2023-24	-	-	-	-	-	-
3	2024-25	-	-	-	-	-	-

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

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

Sameer Hiremath
Vice Chairman and
Managing Director
DIN: 00062129

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

Date: August 26, 2026
Place: Mumbai

“Annexure – F”

Particulars of Remuneration

Statement of Disclosure of Remuneration

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

A. Ratio of the remuneration of each Director to the median remuneration of all the employees of the Company for FY 2025-26 and % increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, of the Company for FY 2025-26 are as under:

S. No.	Name of Director/ KMP	% Increase/ Decrease in remuneration over previous year	Ratio of remuneration of each Director to median remuneration of the employees
1.	Mr. Jai Hiremath, Executive Chairman	(79.68)	22.16
2.	Mrs. Sugandha Hiremath, Non-Executive, non-Independent Director	(27.84)	2.31
3.	Mr. Amit Kalyani, Non-Executive, non-Independent Director	(67.74)	0.66
4.	Mrs. Ranjana S. Salgaocar, Independent Director	(20.73)	2.15
5.	Mrs. Shivani Bhasin Sachdeva, Independent Director	(51.22)	1.32
6.	Mr. Shrikrishna K. Adivarekar, Independent Director	(51.22)	1.32
7.	Mr. Ramchandra Kaundinya Independent Director	(24.11)	2.81
8.	Mr. Ravi Kapoor Independent Director	(25.23)	2.65
9.	Mr. Sameer Hiremath, Vice Chairman and Managing Director	(77.83)	22.16
10.	Mr. Sarangan Suresh, Whole-Time Director	9.39	9.44
11.	Mr. Kuldeep Jain, Chief Financial Officer	13.78	30.21
12.	Mr. Rajasekhar Reddy Company Secretary	28.66	24.98

B. The percentage increase/(decrease) in the median remuneration of employees in the Financial Year 2025-26: 8%

C. The number of permanent employees on the rolls of Company as on March 31, 2026: 2152

D. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

- Other than Managerial position: 10%
- Managerial position: 9%

E. Affirmation: It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.

“Annexure – G”

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 (“the Act”) read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

I. CONSERVATION OF ENERGY:

a) Steps taken for conservation of energy:

Hikal Ltd. 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 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

- Taloja Plant
 - Use of solar electrical power through open access. Solar units consumed in FY2025-2026 are 1,13,84,382 kWh which resulted in savings of ₹ 1,81,31,719.
 - Increase in share of briquette fuel and reduced use of LSHS: Reduction in LSHS consumption for year 2025-26 was approx. 5,19,499 kg which resulted in saving of ₹ 86,91,021.
 - Use of turbine for cogeneration of electricity using high pressure steam from briquette boiler resulted in saving of 91,880 kWh & ₹ 10,88,488 in FY 2025-26
- Panoli Plant
 - Elimination of CHW supply pump (P-155018) which resulted in stoppage of one pump and yearly saving of 79368 kWh energy & ₹ 6,82,565.
 - Power saving of 291060 kWh achieved through compressed air supply from crop Utility to MPAH Plant resulting in saving of ₹ 27,91,858.
- Pune R&T Facility
 - Replacement of 100 CFL lights with LED lights. 36W CFL lights replaced with 18W LED lights reduced to 6480 kWh for year which resulted in saving of ₹ 64,800.
 - Hot oil circulation pump impeller size trimmed from 160mm to 141mm to achieved desired flow reduced 4608 kwh for year which resulted saving of ₹ 46,080
- Mahad Plant
 - Briquette boiler Steam Fuel Ratio (SFR) was improved through briquette quality and temperature control in the boiler operation which resulted in the briquette quantity saving of 62124 Kg annually and corresponding saving was ₹ 5,89,564.
 - Use of Solar electrical power through open access for Mahad Unit. Solar units consumed in FY 2025-2026 are 49,12,612 kWh which resulted in saving of ₹ 206 lacs.

Crop Business (Total Investment and Savings):

Total Investment – No capex investment in FY2025-2026. Total Yearly Savings - ₹ 128.64 lakh

PHARMA Business

The following energy saving initiatives have been implemented at Panoli and Jigani 1 & 2 sites of Pharma Business:

- Jigani 1
 - Site renewable power consumption increased to 86 % [Solar, Wind power, and Cogen boiler power (73% v/s 86%)]
 - Used turbine for cogeneration of electricity using high pressure steam from briquette boiler resulted into 4382422 kWh & ₹ 41,63,514 saving in this year – Jigani 1
 - Increased the efficiency of brine chilling plants BRU-1114 and BRU-1402 in utility-01 & BRU-1111 and BRU-1113 in utility-02 which resulted in 603900 kWh & ₹ 44,65,714 saving.

- Jigani 2
 - Discounted Energy Rate/Rebate Scheme Benefit achieved ₹ 3758870 saving in FY 2025-2026
 - VFD installed for PB 02 exhaust blower achieved 129600 kWh and ₹ 10,10,880 saving.
 - Energy efficient motion sensor installation at employee canteen, OHC and EHS office achieved 4723 kWh and ₹ 64471 saving.

Pharma Business (Total Investment and Savings):

Total Investment - ₹ 6.17 lakh and Total Yearly Savings - ₹ 92.99 lakh

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

In FY 2025 we 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.

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

Total Cost saved is as follows.

Panoli – ₹ 24.83 million

Taloja – ₹ 19.22 million

Mahad – ₹ 20.60 million

Jigani 1 – ₹ 88.92 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 eliminates use of natural gas in our boiler. Total 19697 MT of CNG could be avoided by use of the steam generated from the biofuel. There was saving of ₹ 460 lacs saving.

c) Capital investment in energy conservation:

HIKAL has ENCON committee organization level, which reviews and approve technically feasible and viable projects. There are various energy conservation projects that have been identified and implemented during last two years. There is a total of ₹ 0.62 million invested for pharma energy conservation initiatives during FY 2025-26 from revenue budget.

Brief details of various projects are as below.

Division		million	Lacs	Site	Energy Saving Project
Crop	Energy Saving Initiatives	2.79	27.92	Panoli	Air Compressor saving
		0.68	6.8	Panoli	CHW pump elimination
		8.69	86.91	Taloja	LHS consumption reduction
		0.06	0.65	Pune	100 Nos 36W CFL lights replaced with 18W LED lights
		0.05	0.46	Pune	Hot oil Circulation Pump impeller size trimmed from 160mm to 141mm which reduces power consumption
		0.6	5.9	Mahad	Boiler Steam Fuel Ratio (SFR) improvement
		12.87	128.64		
		18.13	181.31	Taloja	Solar Energy Usage
	Alternative Source Energy Saving	1.09	11	Taloja	Cogeneration of electricity by steam generated from briquette
		20.60	206	Mahad	Solar Energy Usage
		39.82	398.19		

Division		million	Lacs	Site	Energy Saving Project
Pharma	Energy Saving Initiatives	2.67	26.72	Jigani 1	Brine Plant Efficiency Improvement
		1.79	17.93	Jigani 1	Brine Plant Efficiency Improvement
		3.76	37.59	Jigani 2	Discounted Energy Rate/Rebate Scheme Benefit for the year of 2025-2026
		0.06	0.64	Jigani 2	Motion sensor installation at Employee canteen, OHC and EHS office achieved
		1.01	10.11	Jigani 2	VFD installed for PB 02 exhaust blower
	Total Saving	9.30	92.99		
	Alternative Source Energy Saving	88.92	889.24	Jigani 1	Solar Energy Usage
		4.16	41.6	Jigani 1	Cogeneration of electricity by steam generated from briquette
		46.00	460.00	Panoli	Steam Outsourced
		24.83	248.3	Panoli	Solar Energy Usage
	Total Saving	163.91	1639.14		
Total Investment	0.60	6		Pharma Jigani 1 Brine Plant Capex	
	0.02	0.17		Jigani 2 Motion Sensor installation	
Total Investment	0.62	6.17			

II. TECHNOLOGY ABSORPTION:

a) The efforts made towards technology absorption.

- Sludge Paddle Dryer:** *Installed in Effluent treatment plant of Jigani 1 site for reducing quantity of solid waste disposal.*
It is an industrial thermal drying system that reduces the moisture content of heavy, sticky wastewater and bio-sludge by transferring heat indirectly.
- Electrically expansion valves:** *Installed electrically operated expansion valves in Utility-3 of Jigani 1 site 75 TR brine chiller.*
An "electrically pneumatic expansion valve" typically refers to an **Electronic Expansion Valve (EEV)** paired with a pilot solenoid or an electrically actuated pressure regulator, rather than a traditional pneumatic (compressed air) valve. For brine chillers, these advanced electronic valves often using stepper motors are the gold standard for achieving precise, low-temperature superheat control.
- ATEX-certified Air-Operated Double Diaphragm (AODD) pumps:** *Installed in production Block – 2 & Block 6 of Jigani site.*
ATEX Pumps offer several advantages including explosion-proof compliance, safe solvent transfer, minimized contamination risks, and an air-driven mechanism. They are also known for their ability to run dry without damage and handle volatile, flammable, and corrosive materials safely. These pumps are particularly useful in hazardous environments requiring reliable fluid transfer with minimal maintenance, zero heat generation, and enhanced operational safety.
- Agitated Thin Film Evaporator:** *Installed in Taloja for effective solvent removal where product is thermally unstable at higher temperature in conventional Distillation Set up.*
The Agitated Thin Film Evaporator is a highly efficient separation device that uses rotor and wiper blades to spread liquid into a thin, turbulent film against a heated cylindrical wall, it is primarily used for continuous concentration, distillation, and drying of heat sensitive and highly viscous liquids.
- Wet Milling Technology:** *Bead Mill installed in plant for Particle size reduction with wet milling technology for 50 SC formulations.*
- Powder Handling System:** *Powder Handling system with design capacity of 2000 Kg/hr received in plant to avoid manual handling of Powder.*

7. The pocket filter (a small, laboratory-scale filter with a typical area of around 20 cm²): It is an essential tool in scale-up studies for generating critical filtration, washing data efficiently. This data is then used to design and optimize full-scale production processes, avoiding expensive large-scale trials. The Pocket Filter performs fast, safe demonstrations and tests of filtration, washing and drying.

8. Wet Grinding, milling process instead of Dry milling & Grinding: Dry grinding creates a lot of dust which causes the need for proper filtering systems. This can be of particular importance during grinding of substances whose dust, when mixed with aerial oxygen, can result in explosive mixtures. Elaborate technical solutions such as systems for dust removal and inert gas overlay are often necessary to achieve the required level of safety. The cost for these filtration machines often significantly exceeds that of the actual mill.

The magic LAB® is a unique and multi-functional small-scale laboratory machine. It is designed for mixing, dispersing, wet milling and incorporation of powders into liquids. The magic LAB® is most frequently used for the development of new products or for optimizing existing process techniques, particularly in the chemical, cosmetic, pharmaceutical and food industries. It is an ideal machine for continuous, circulating and batch processing with interchangeable modules. The basic in-line machine is equipped with the single-stage dispersing module ULTRA-TURRAX® UTL. The IKA Wet mill/ homogenizers use the principle of the rotor-stator where the shaft comprises of two components, the internal rotor which rotates at very high speeds during the operation of the disperser surrounded by the stationary stator. This mechanism creates the force results into generation of fine particles from coarser / homogenization of powdered material in slurry form

b) Benefits derived from product improvement, cost reduction, product development or import substitution.

1. Sludge Paddle Dryer: *Installed in Effluent treatment plant for reducing solid waste disposal.*

- In Direct Heating:** Steam enters the hollow rotating shafts, paddles, and the external jacket to heat the equipment without directly exposing the product to flames or hot gases. The automated system cycles rapidly, minimizing downtime and maximizing throughput.
- Material Feeding:** Wet feed (such as ETP sludge, filter cakes, or crystalline paste) is fed continuously or in batches into the dryer chamber.
- Agitation and Shearing:** Counter-rotating shafts equipped with wedge-shaped or hook-shaped paddles mix, squeeze, and move the material forward along the trough. This action breaks down lumps and provides a self-cleaning mechanism, so the sticky product does not cake onto the heated surfaces.
- Vapor Evaporation:** As the material touches the hot walls and paddles, surface moisture rapidly boils off and turns into vapor.
- Vapor Removal and Discharge:** The evaporated moisture is drawn out of the system by an exhaust or vapor-handling setup (such as an ID fan and condenser). The dry product continues moving to the discharge port, where it drops out as a uniform powder or granule.
- Reduction in solid disposal quantity:** Reduced the moisture content from 85-90% to below 10%, the solid waste which directly reduces from 110-120 MT to 25 MT.
- Reduction in Operating cost:** The operating cost reduced from ~ 15 lakh / month to ~4 lakh / month which is a direct benefit of 75% in cost incur for selling solid disposal.

2. Electrically expansion valves: *Installed electrically operated expansion valves in Utility-3 75 TR brine chiller.*

- Precision & operational convenience:** Unlike older mechanical thermal expansion valves (TXVs), the electronic controller measures pressure and temperature to adjust the valve opening in real-time. This ensures the brine temperature stays exact, which is critical for industrial or pharmaceutical processes requiring narrow deadbands.
- Energy Savings:** By maintaining the optimum refrigerant superheat, the evaporator is utilized to its maximum potential. This increases overall cooling efficiency and can reduce compressor energy consumption by ~2%.

- Compressor Protection: Precise superheat control ensures that no liquid refrigerant flows back into the compressor (liquid slugging), heavily reducing wear-and-tear and extending compressor life.
- Excellent Part-Load Performance: Brine chillers often experience dynamic, changing loads. EEVs adapt better to varying loads than capillary tubes or TXVs, maximizing cooling output when needed and curbing it when loads drop.

3. ATEX-Certified AODD Pumps: (Implemented in Block API-2 & API-6)

- **Safe Handling of Hazardous Materials**
 - Explosion-proof compliance: ATEX certification ensures safe operations in explosive atmospheres by preventing sparks and static electricity buildup.
 - Flawless solvent transfer: Specifically engineered to handle highly volatile, flammable, and corrosive solvents and chemicals safely.
 - Minimized contamination risks: The seal-less, leak-free design eliminates the risk of toxic emissions or chemical spills in the workspace.
- **Enhanced Operational Safety**
 - Air-driven mechanism: Powered entirely by compressed air, eliminating electrical risks and the need for expensive explosion-proof electric motors.
 - Zero heat generation: The inherently safe operation prevents thermal buildup, protecting temperature-sensitive fluids and hazardous materials.
- **Process Efficiency & Flexibility**
 - Variable flow control: Simple air pressure adjustments allow operators to manage flow rates and discharge pressures smoothly.
- **Reduced Maintenance & Costs**
 - Simplified architecture: A minimal number of moving parts reduces wear and tear, leading to longer service intervals.
 - Lower upkeep costs: High durability and a breakdown-resistant design, significantly lower operational and replacement expenses.
 - Longer diaphragm life: Upgraded material builds resist chemical erosion, reducing downtime for parts replacements.

4. Agitated Thin Film Evaporator at Taloja:

- Short Residence Time: The fluid spends only seconds to minutes in the system preventing thermal degradation of temperature sensitive materials.
- High Viscosity Handling: Unlike traditional Falling Film Evaporators, the mechanical wipers physically push highly viscous substances down the wall without clogging.
- High Evaporation Rates: The Thin Film creates a high surface area to volume ratio, maximizing evaporation efficiency.
- High Solvent Recovery with use of DVP: With use of Dry Vacuum pump for Solvent recovery in ATFE system, the recoveries can be more than 90 % against conventional pump, as solvent can be recovered post Dry Vacuum pump.

5. Wet Milling at Mahad

- Particle size reduction: It reduced particle size of D90 < 10 Micron. Quality: Developed quality 50 SC formulation product with better bacterial & fungal growth regulation
- High viscosity: It handles viscosity up to 3000 cPs.
- No dusting in work environment: This technology eliminates dust hazards.

6. Powder Transfer System Powder Handling at Mahad:

- Closed powder transfer system: Conventional method (of handling powder by unloading from Dryers in open trolleys & then manually handling to ACM machine) is eliminated by closed handling of powder from Dryers to unloader then stored in Silos and transferred in closed loop to ACM Machine.

- Eliminate hazards in Manual handling of powder: It eliminates hazards from manual handling & storage of Diuron powder in work environment.
- Eliminate dust Hazards: It eliminates dust hazards in work environment.

7. Pocket Filter Benefits at Pune R&T:

- Ease of filter media changes out to speed testing.
- Simple and easy to operate and maintain.
- Cost effective testing using reduced product volumes.
- Full scalability of deep bed filtration and washing.
- Small and easily transported.
- Pressures to 90 PSIG/FV in alloy construction.
- Heating jacket standard on alloy units and optional on borosilicate glass units.

8. Wet grinding technology Pune R&T:

- Benefits derived like product improvement, cost reduction, product development or import substitution:
- Flexibility and ease of use: one machine suits many applications and variety of processes.
- Easy and quick exchange of the modules as well as conversion to a complete working plant.
- User-friendly operation via the magic LAB® controller.
- By creating this technology in-house, we will be able to develop sensitive products (with respect to either environmental conditions like moisture or involve safety concerns like low MIE). IKA dispersing machines can be directly integrated into the synthesis process. This allows for the wet milling process to occur simultaneously with other processes and enables the elimination of subsequent process steps. In addition to saving time, the number of required systems and the size of the surfaces (that come in contact with the product) can be significantly reduced. Wet milling with IKA's inline machines is a safe and efficient alternative to dry grinding.

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 millions	
	2025-26	2024-25
(i) Capital	98	47
(ii) Recurring	946	775
Total	1,044	822

Total R&D expenditure as a percentage of total turnover 6.05% in FY 25-26 and 4.42% in FY 24-25.

III. FOREIGN EXCHANGE EARNINGS & OUTGO

Particulars	₹ in millions	
	2025-26	2024-25
Foreign exchange earned in terms of actual inflows	11,891	11,557
Foreign exchange outgo in terms of actual outflows	2,468	2,928

For and on behalf of the Board of Directors

Date : August 26, 2026
Place : Mumbai

Jai Hiremath
Executive Chairman
DIN: 00062203