



July 22, 2024

BSE Ltd
P J Towers,
Dalal Street,
Mumbai - 400 001.
Scrip Code: 524735

National Stock Exchange of India Ltd
Exchange Plaza,
Bandra-Kurla Complex, Bandra
Mumbai - 400 051.
Symbol: HIKAL

Dear Sir / Madam,

Re: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“LODR Regulations”).

In continuation with our disclosure dated December 1, 2023, about the unfortunate incident that occurred in Surat, Gujarat in January-2022 causing death of 6 persons and hospitalization of around 20 persons at Sachin GIDC due to alleged exposure of NaHS discharged from a tanker (“**Surat Incident**”); the Company has decided to file additional disclosure as under:

The National Green Tribunal (“**NGT**”) Principal Bench, New Delhi, had passed its Order dated March 24, 2023 (“**NGT Order**”) noting that Sodium Hydrosulphide 16-18% (“**NaHS**”) was mentioned as a by-product in the Consent-To-Operate (“**CTO**”) issued by Maharashtra Pollution Control Board and alleging that NaHS 16- 18% is a hazardous chemical. It is alleged in the NGT Order that “*in the course of its manufacturing activities generated hazardous chemicals which were transported to Surat in terms of arrangement with Sangam Enviro Pvt Ltd for unscientific disposal to save cost of scientific incineration*”. The NGT Order alleges that “*movement of such chemicals is also regulated. In the present case, laid down norms have been breached by the entities in question*”. The NGT has further alleged that the Company, amongst others, has violated the norms relating to management, reuse, disposal and movement of NaHS, as by-product or hazardous waste.

The NGT accepted the recommendation of the Joint Committee and directed as under:

- Amount of Rs 15,05,00,000/- (Fifteen crore five lakhs only) towards Environmental Damage Compensation.
- Amount of Rs. 2,13,14,460/- (Two crore thirteen lakh fourteen thousand four hundred sixty only) towards Compensation to pay to the next of kin of the deceased and the victims.
- Amount of Rs. 2,92,680/- (Two lakh ninety thousand six hundred eighty only) towards wastewater lifted and treatment cost.
- Amount of Rs. 24,00,000/- (Twenty-four lakh only) towards State of Gujarat which was paid as immediate relief to next of kin of the deceased.

Pertinently, as per the CTO issued by Maharashtra Pollution Control Board, NaHS 16-18% is a by-product. Also, as per the expert opinion obtained by the Company from Professor of Chemical Engineering - Institute of Chemical Technology (Matunga, Mumbai); NaHS is a stable substance and

Hikal Ltd.

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itself incapable of endangering human life. The Company has, thus, challenged the NGT Order before the Hon'ble Supreme Court, amongst other grounds. *Vide* Order dated April 9, 2024 and April 24, 2024, the Hon'ble Supreme Court has Stayed any coercive action in connection with the NGT Order and directed the Company to deposit an amount of Rs. 5.00 Crores (Rupees Five Crores) with the Registry of the Court within 5 weeks from the date of the said Order and fifty percent of the amount awarded (aggregating to approx. Rs. 98.00 Lakhs), be released to the legal representatives of the deceased (from the deposit of Rs. 5.00 Crores). In compliance *thereto*, the Company has deposited Rs. 5.00 Crores (Rupees Five Crores), on May 8, 2024, with the Registry of the Hon'ble Supreme Court. In summary, as on today, the effect and operation on the coercive action *w.r.t* the NGT Order is Stayed.

The Company is an Environmentally conscious and Care Certified responsible company. The Company stands by its commitment to long term sustainability & ethical way of doing business.

Thanking you,
Yours' sincerely,
for **HIKAL LIMITED**

Rajasekhar Reddy
Company Secretary

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