

Report Junction

Just the right chemistry

Just the right chemistry





From a single manufacturing unit in 1988, to a fully-integrated manufacturing company that is recognised and respected by some of the most prestigious names in the pharmaceuticals and agrochemicals business, Hikal has indeed come a long way.

Right from the very beginning, we at Hikal were clear about our mission. We chose to work in tandem with national and international corporations as a partner rather than a competitor as an independent source of quality chemical products. Health care, crop protection and fine chemicals... these were the spheres we sought to make our mark in, and have done so successfully for over a decade.

Today, as the new millennium gathers momentum, we have much to look back on with pride and satisfaction as we continue to create just the right chemistry for performance, for progress, for partnerships. We have earned the recognition and respect of some of the most well-known names in the industry. We have long-term contracts with a host of prestigious companies.

An ISO 9002 accreditation has enabled us to make our name synonymous with products of quality. Our commitment to safety and the environment has brought us accolades both at home and abroad. We recently received the British Council Safety Award, and we are working towards the ISO 14001 certification for environmentally-safe working practices. For us however, our richest rewards will always come from the enduring bonds we have formed with clients, business partners, vendors, employees, shareholders and the community at large.



'... we have exceeded expectations,
earning for ourselves the coveted
position of "Partner of Choice".'

The year that was...

Dear Shareholders,

It is always a pleasure to greet you, more so when we have good news to convey. Last year was yet another eventful one for us at Hikal.

Your company took some significant steps forward on its path to becoming a global player. Hikal has won respect at an international level for its performance in the fields of pharmaceuticals, crop protection and fine chemicals.

Recently, an international consultancy firm conducted a worldwide survey on quality operations in pharmaceutical chemical manufacturing where Hikal was on par in its practices with leading international companies. This recognition is particularly gratifying because, from the start, the aim of all at Hikal has been to achieve global best practices.

World leaders in their respective spheres have sought partnerships with us, and we, on our part, have lived up to their expectations.

It would, in fact, be correct to state that on several occasions we have exceeded expectations, earning for ourselves the coveted position of "Partner of Choice".

Doing business The Hikal Way has paid dividends. However, we have never measured our success in financial terms alone. Today's definition of success includes placing a high premium on environmental and social standards and at Hikal, we are happy to say,

these concerns are way up on our list of priorities. Today, we go well beyond what is expected of us, and we are always on the look out for ways and means to enhance both human and environmental safety levels. Which is why our efforts have been applauded at the international level.

The past year has been lined with milestones, and for this we have to thank the Hikal team. The company grows because of the members of this team, their drive and determination, their will power and work ethics.

To reflect our diversification into bulk drug manufacture and Contract Research, we have changed our name to "Hikal Limited". We have also brought out a new logo in keeping with our strategy and philosophy to represent "Partnership", "Integrity", "Chemistry", "Technology" and "Care".

We would like to take this opportunity to say to our shareholders, customers and business associates: thank you for your faith in us and we look forward to meeting your demands and exceeding your expectations at every given opportunity.

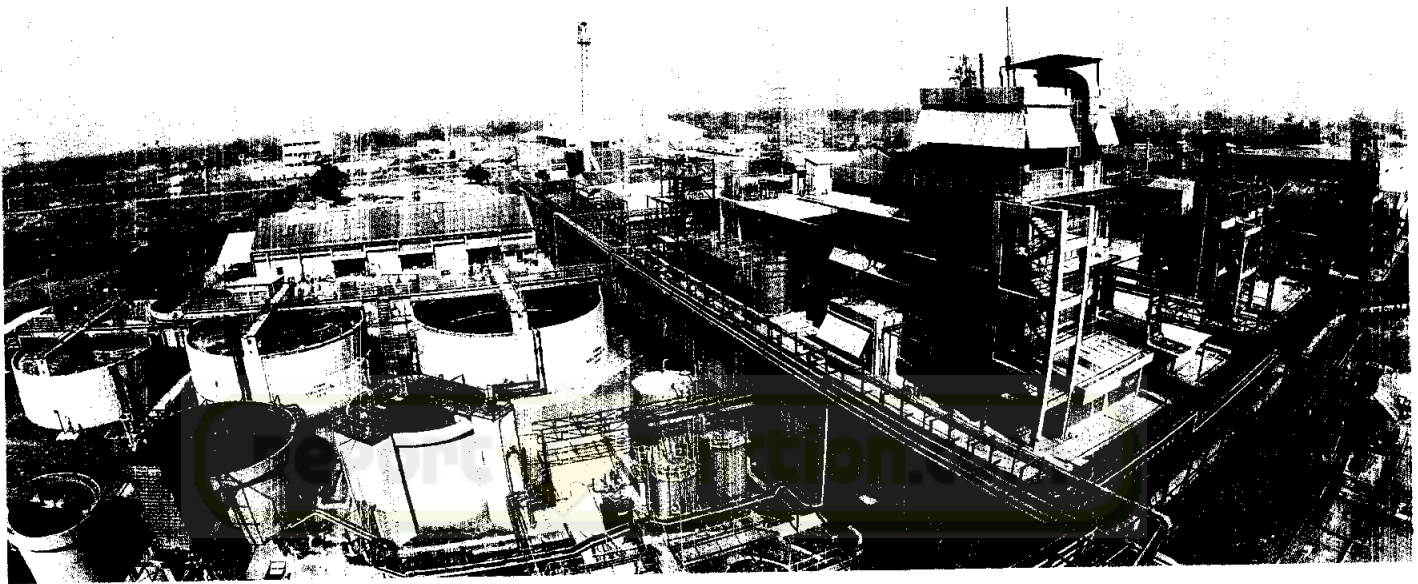
"The past year has been lined with milestones, and for this we have to thank the Hikal Team."



Baba Kalyani
(Chairman)



Jai Hiremath
(Managing Director)



“Despite adverse market conditions,
the sales grew by 2% and profit by 5%
for the year 2001.”

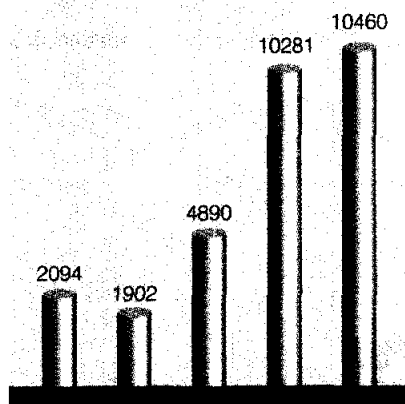
Financial Highlights

Rs. Lacs	March 31, 2001	March 31, 2000	Growth %
Turnover	10460	10281	1.7
Operating profit (PBIDT)	4196	3958	6
Interest	941	940	-
Gross profit	3255	3018	7.9
Depreciation	1441	1291	11.6
Profit after tax	1814	1727	5
Paid-up equity share capital	1005	503	100
Earnings per share (EPS) * (Rs.)	18.05	34.33	-
Dividend per share (Rs.)	5.00	10.00	-

*. The EPS has reduced from Rs. 34.33 to Rs. 18.05 due to issue of Bonus Shares in the ratio of 1:1 on 4th October, 2000.

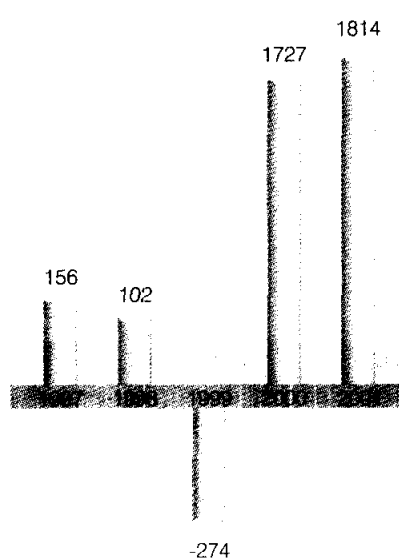
TURNOVER

Rs. In Lacs



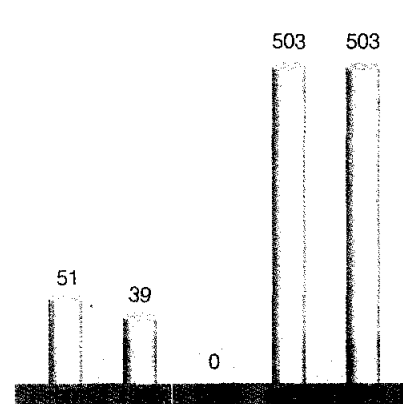
PAT

Rs. In Lacs



DIVIDEND PAYMENT

Rs. In Lacs



Corporate Governance & Management Committee

Corporate Governance

It is a matter of satisfaction that our corporate philosophy and practices are in line with the Code of Corporate Governance. Hikal is taking effective measures to implement the code. During the year the company formed an Audit Committee consisting of three independent directors, which met four times during the year. The internal auditor, Surendra & Co., reports directly to this committee.

Management Committee

For any successful company, core values and core purpose remain identified, laid down and after considerable deliberation involving people at every level in the corporate grid. This charts out a blueprint for the way we conduct ourselves in a demanding business environment. Over and above this, however, any successful company must continuously work towards evolving business strategies and practices which keep pace with developments in a fast-changing world.

At Hikal, business plans, strategies and objectives are formulated by the Company's Management Committee which meets once a month. This committee, chaired by the managing director, consists of a team of senior managers representing manufacturing, marketing, finance, research and HRD. Clarity of focus, coupled with effective teamwork on the part of this committee has been one of the major contributing factors to Hikal's growth.



Jagdish Sastry



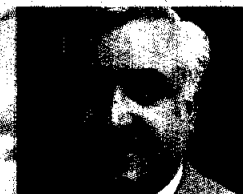
Ashok Rambal



S. Ramanathan



Sham Wahalekar



Santkumar Bhan

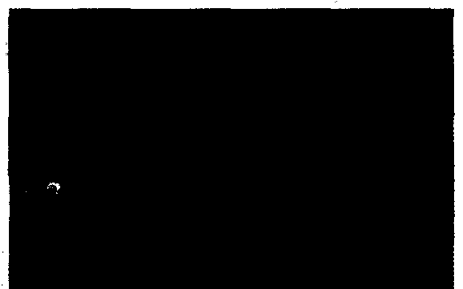
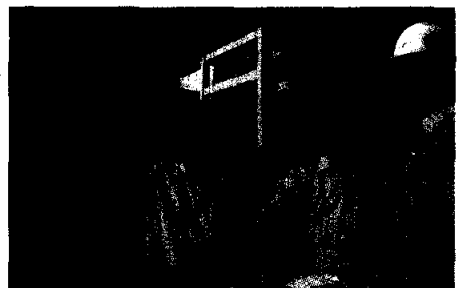
Hikal Team

The story of Hikal's achievements is not written in our plants and processes alone, but in our people. All five hundred of them. When we say our people are our richest resource, it is no cliché. Hard work and consistency of purpose distinguish the men and women at Hikal, who power growth and transform aspiration into achievement with a focus and passion that remains rare.

Our people are imbued with a strong team spirit, as well as a sharply defined sense of personal accountability. They are eager to embrace challenges, take decisions and follow new paths.

The low employee turnover at Hikal is a sure sign that our people feel a sense of belonging and appreciate the company's commitment to their individual growth and success.

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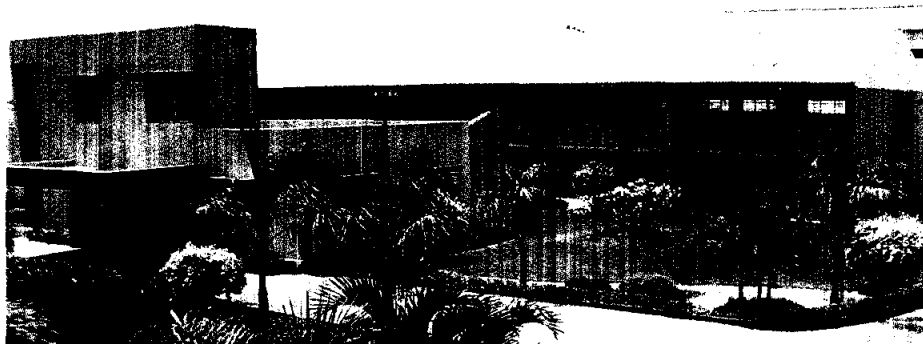


Bangalore beckons

In February 2001, we acquired the R&D and bulk drug manufacturing facility at Bangalore from Recon (now Wintac Ltd.) With this acquisition, we are set to make our presence felt in the field of bulk drugs and pharmaceuticals. This bulk drug unit at Bangalore is a multi-purpose plant capable of handling complex chemistry, including chiral chemistry.

It has received TGA (Australia) and WHO approval and has also been certified ISO 9001 compliant. We are working towards obtaining US FDA approval.

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