



A i m i n g    H i g h e r





Hikal enters a phase of numerous possibilities.

Today, we are a trusted partner to  
the global life sciences industry.

Our rich pool of intellectual capital gives us  
the competitive edge.

Our initiatives in process development  
and project execution have begun to yield fruit.



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## Looking back... looking forward

Change begins in the mind. At Hikal, we have brought about a change in our way of thinking. 'Why Not?' has helped redefine us from being a company that was predominantly in the Crop Protection business to become a force to reckon with in the Pharmaceutical Manufacturing business and Research & Development.

Hikal has fared well in 2004-05 with a growth in both turnover and profit after tax of 29% and 23% respectively. This was achieved despite our margins being impacted by the appreciation of the rupee and the increased costs of raw materials due to the hike in crude oil prices.

We achieved a significant milestone by taking a controlling stake in Marsing & Co. A/S., a distribution and marketing company based in Denmark with a widespread presence in Europe, Latin America, Africa and the Middle East. It has enabled us to gain an additional foothold into the global market for our Active Pharmaceutical Ingredients.

The pharmaceutical business grew by 61% during the current year. Exports to the US market have commenced from May 2005, which will result in further growth in the pharma business. We are actively pursuing contract manufacturing opportunities with global pharma companies.

The crop protection business has grown by 20%. New long-term contracts have been initiated with leading companies. Our partnership approach has been instrumental in Hikal becoming the preferred supplier to the top crop protection companies in the world.

Exports for the year increased to Rs.154 crores, a growth of 32%.

R&D continues to be a thrust area. During this year, we formed a 'Scientific Advisory Board' of eminent international scientists to guide our research efforts.

Our adherence to high standards of Environment, Health & Safety is being rewarded. We are emerging as the 'supplier of choice' to leading multinationals. Our record in the field of safety continues to be impressive. We had no reportable lost time accident in any of our plants during the year.

To improve our processes, we implemented Oracle E-Business Suite, an ERP software in record time. We have now built a platform for future growth, the benefits of which will accrue in the coming years.

This year we have published consolidated results with a turnover of Rs.333.13 crores. This includes seven months' (September 1, 2004 to March 31, 2005) turnover of Marsing and twelve months' turnover of Hikal. Hikal is in the process of improving the profitability of Marsing over the next year by rationalization of the product mix into higher margin products, optimization of costs of operations and moving up the value chain, benefits of which will show in the results from the year 2006.

We express our gratitude to all our employees for their unstinting support and cooperation in taking Hikal to where it is today.

And, of course, a big thank you to our loyal shareholders for the trust reposed in us.



Baba Kalyani

Jai Hiremath

**Baba Kalyani**  
Chairman

**Jai Hiremath**  
Vice Chairman & Managing Director

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Prakash Mehta



Kannan Unni



Bimal Raizada



Sugandha Hiremath



Shivkumar Kheny



Sameer Hiremath



Baba Kalyani	Chairman
Jai Hiremath	Vice Chairman & Managing Director
Prakash Mehta	
Kannan Unni	
Bimal Raizada	
Sugandha Hiremath	
Shivkumar Kheny	
Sameer Hiremath	Executive Director



Baba Kalyani

Jai Hiremath

#### **Audit Committee**

Kannan Unni
Prakash Mehta
Bimal Raizada
Sugandha Hiremath



Dr. S. Ramanathan



Sham Wahalekar



G. Shankar



S. Jayaraman



Ashok Anand



Mahesh Godbole