

AGM NOTICE 2013

AGM NOTICE 2013

AGM NOTICE 2013

Name of the Company	Board Position held	Committee Membership
Bharat Forge Aluminium Technik Gmbh	Director	Nil
Bharat Forge Kilsta AB, Sweden	Director	Nil
Bharat Forge Scottish Stampings Ltd., Scotland	Director	Nil
Xapiola Holdings Ltd	Director	Nil
Bharat Forge Hongkong Ltd	Director	Nil
FAW Bharat Forge (Changchun) Co. Ltd., China	Director	Nil
Bharat Forge International Ltd	Director	Nil
AB SKF, Sweden	Director	Nil

- b. Mr. Shivkumar Kheny, aged 65 years, is BE (Mech). Mr. Kheny is a Director of the Company since 13<sup>th</sup> August, 1996. He is also on the board of several reputed companies, including many listed companies. He has 39 years rich experience in business, industry and commercial activities. He holds 6350 equity shares of the company.  
The other Directorship/Committee Membership of Mr. SM Kheny is as follows:

Name of the Company	Board Position held	Committee Membership
Kalyani Steels Ltd	Director	Shareholders' Grievance Remuneration Committee
Kalyani Engg. & Construction Co. Ltd	Director	
Kalyani Highway Developers Ltd	Director	
Kalyani Infrastructure Projects Ltd	Director	
Kalyani Habitat Ltd	Director	
India International Infrastructure Engineers Ltd	Director	
Nandi Engineering Ltd	Director	
Nandi Highway Developers Ltd	Chairman	
Nandi Infrastructure Capital Co., Ltd	Director	
Hospet Steels Ltd	Director	
Hospet Power Ltd	Director	
Bangalore Turf Club Ltd	Director	
Nandi Intellectual Properties Pvt. Ltd	Director	
Kalyani Coke & Cogeneration Pvt. Ltd	Director	
Kheny Investments Pvt. Ltd	Director	
Viswakalyan Chits Pvt. Ltd	Director	

- c. Dr. Wolfgang Welter (65 years) retired as a Board Member of Bayer CropScience AG. Bayer is a global enterprise and a leader in the fields of health care, nutrition, high-tech materials and crop protection with a turnover of Euro 35.1 billion.  
Dr. Welter brings a wealth of experience through his efforts at his previous companies where he was responsible for cost savings, supply chain consolidation and integration of global suppliers in the value chain. His technical expertise and years of experience will be extremely beneficial to Hikal.  
Dr. Welter is very well known in the global industry and will bring lot of experience to Hikal Ltd. He is very familiar with the Indian Chemical Industry having sourced products and services from India.

Dr. Welter does not hold any Directorship in any company and does not hold any shares in Hikal. It is in the interest of the company to have Dr. Welter as a board member and receive the benefit of his experience.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 7

At the 20<sup>th</sup> Annual General Meeting held on 21<sup>st</sup> August, 2008, the members had approved the re-appointment of Mr. Jai Hiremath as Vice Chairman & Managing Director for a period of five years from 1<sup>st</sup> July 2008 to 30<sup>th</sup> June 2013 and the remuneration payable to him.

Mr. Jai Hiremath was re-designated as Chairman & Managing Director with effect from 9<sup>th</sup>, February, 2012.

Mr. Jai Hiremath is to be reappointed as Chairman & Managing Director of the company for a period of 5 years commencing 1<sup>st</sup> July, 2013 to 30<sup>th</sup> June, 2018.

The Board of Directors at their meeting held on 16<sup>th</sup> May, 2013, has approved the reappointment and the terms of remuneration as detailed in the resolution.

Pursuant to the provisions of paragraph 1 of part III of schedule XIII to the Act, the members are requested to approve the reappointment and payment of remuneration as set out in Item No. 7 of the notice.

No Director, excepting Mr Jai Hiremath, Mrs. Sugandha Hiremath and Mr. Sameer Hiremath, is interested or concerned in the Resolution at item No. 7 of the notice.

The above may be regarded as an 'abstract of the terms of appointment and memorandum of interest' under section 302 of the Companies Act, 1956.

ITEM NO. 8

Mr. Sameer Hiremath was reappointed as Deputy Managing Director of the Company for a period of 5 years commencing from 1<sup>st</sup> July 2008 to 30<sup>th</sup> June 2013. His reappointment was approved by the shareholders in the 20<sup>th</sup> Annual General Meeting held on 21<sup>st</sup> August, 2008.

The shareholders conferred the authority to vary / increase the remuneration, perquisites, allowances and benefits payable to Mr Sameer Hiremath, Deputy Managing Director to the Board of Directors of the Company in the event of any statutory amendment or modifications or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956 or otherwise within the ceiling limits prescribed therein and pursuant to the provisions of paragraph 1 of Part III of Schedule XIII to the Act.

Mr. Sameer Hiremath was re-designated as President & Joint Managing Director with effect from 10<sup>th</sup> November, 2011.

Mr. Sameer Hiremath is to be reappointed as Whole-Time-Director, designated as President and Joint Managing Director of the company for a period of 5 years commencing 1<sup>st</sup> July, 2013 to 30<sup>th</sup> June, 2018.

The Board of Directors at their meeting held on 16<sup>th</sup> May, 2013, has approved the reappointment and the terms of remuneration as detailed in the resolution.

The Directors recommend the resolution set out at item No.8 of the notice to the members for approval.

No Director, excepting Mr. Sameer Hiremath, Mr. Jai Hiremath and Mrs. Sugandha Hiremath, is interested or concerned in the Resolution at item No. 8 of the notice.

The above may be regarded as an 'abstract of the terms of appointment and memorandum of interest' under section 302 of the Companies Act, 1956.

By Order of the Board of Directors  
For **Hikal Ltd.**

Registered Office :

717/718, Maker Chamber V,  
Nariman Point,  
Mumbai 400 021  
Dated : 16th May, 2013

**Sham Wahalekar**  
Company Secretary

NOTICE is hereby given that 25<sup>th</sup> Annual General Meeting of Hikal Ltd., will be held on Thursday, 22<sup>nd</sup> August, 2013 at 11.00 a.m. at Centrum Hall 'A' 1<sup>st</sup> Floor Centre 1, World Trade Centre, Cuffe Parade, Mumbai – 400 005, to transact the following business:

Ordinary Business

- To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 and Profit and Loss Account for the year ended on that date along with the Reports of Auditors and Directors thereon.
- To declare dividend on equity shares
- To appoint a Director in place of Mr. B.N. Kalyani, Director, who retires by rotation and being eligible, offers himself for reappointment.
- To appoint a Director in place of Mr. Shivkumar Kheny, Director, who retires by rotation and being eligible, offers himself for reappointment.
- To appoint a Director in place of Dr. Wolfgang Welter, Director, who retires by rotation and being eligible, offers himself for reappointment.
- To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business

- To consider and, if thought fit to pass, with or without modification(s), the following resolution as special resolution  
“RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with the amended provisions of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including the rules made thereunder and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force and subject to the approval of Central Government, if necessary and such other approvals as may be required, the consent of the company be and is hereby accorded to the reappointment of Mr. Jai Hiremath as Chairman & Managing Director of the Company, for a period of 5 years w.e.f. 1<sup>st</sup> July, 2013 upto 30<sup>th</sup> June, 2018 as set out hereunder”

a) Salary :

Basic Salary of ₹12.75 Lacs (Rupees Twelve Lacs Seventy Five Thousand) per month to ₹21.00 Lacs (Rupees Twenty one Lacs) per month.

b) Perquisites & Allowances :

In addition to the basic salary, Chairman & Managing Director will also be entitled to following perquisites and other allowances subject to a maximum of ₹98 Lacs per annum calculated in accordance with the provisions of the Income Tax Act :

- Furnished accommodation or house rent allowance in lieu thereof, house maintenance allowance, reimbursement of expenses or allowances for utility such as gas, electricity, water, furnishings and repairs, bonus, performance incentive/bonus, medical reimbursement, club fees, leave travel concession (for self and family), medical insurance, personal accident insurance, reimbursement of actual traveling and entertainment expenses.
- Contribution to Provident Fund, Superannuation Fund will not be included in the computation of the ceiling or perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable will not exceed half a month's salary for each completed year of service.
- Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- Provision of car for use on company's business and telephone at residence will not be considered perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company to the Chairman & Managing Director".
- Any other benefits, schemes, awards as may be paid or may become applicable to other senior executives of the company and as may be decided by the Board from time to time.

c) Commission:

Remuneration by way of commission will also be allowed in addition to salary and perquisites. The amount of it based on the net profits of the company in a particular year, shall be subject to the overall ceilings laid down in Section 198 and Section 309."

"RESOLVED FURTHER THAT consent of the company be and is hereby accorded to pay to Mr.Jai Hiremath, Chairman & Managing Director, a minimum remuneration as mentioned in the foregoing paragraph plus the perquisites and allowances per month, as mentioned in foregoing resolutions with effect from 1<sup>st</sup> July, 2013 till the expiry of his term i.e. 30<sup>th</sup> June, 2018, which is within the limits prescribed under the Schedule XIII of the Companies Act, 1956 as amended from time to time for payment of managerial remuneration in case of inadequacy of profits".

"RESOLVED FURTHER THAT the aforesaid remuneration and perquisites be paid as minimum remuneration in the event of loss or inadequacy of profits, for any year, during the term of his office."

"RESOLVED FURTHER THAT the Board of Directors may alter and/or vary such revised terms and conditions of remuneration to Mr.Jai Hiremath, Chairman & Managing Director, in accordance with the laws from time to time in force and particularly within the limits specified in Schedule XIII to the Companies Act, 1956, in the event of any statutory amendment or modifications or relaxation thereto".

"RESOLVED FURTHER THAT the all acts, deed or approvals of the Board of Directors of the Company in terms of shareholders approval in this behalf be and are hereby ratified and the Board of Directors be and are hereby further authorised to take such steps expedient or necessary steps as may think fit to give effect to the above resolutions"

8. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with the amended provisions of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including the rules made thereunder and any amendments thereto or any statutory modification or re-enactment thereof for the time being in force and subject to the approval of Central Government, if necessary and such other approvals as may be required, the consent of the company be and is hereby accorded to the reappointment of Mr. Sameer Hiremath as whole-time Director designated as President and Joint Managing Director of the Company, for a period of 5 years w.e.f. 1<sup>st</sup> July, 2013 upto 30<sup>th</sup> June, 2018 as set out hereunder"

a) Salary:

Basic Salary of ₹5.30 Lacs (Rupees Five Lacs Thirty Thousand) per month to ₹8.40 Lacs (Rupees Eight Lacs Forty Thousand) per month.

b) Perquisites & Allowances :

In addition to the Basic salary President & Joint Managing Director will also be entitled to following perquisites and other allowances subject to a maximum of ₹90 Lacs per annum calculated in accordance with the provisions of the Income Tax Act :

- Furnished accommodation or house rent allowance in lieu thereof, house maintenance allowance, reimbursement of expenses or allowances for utility such as gas, electricity, water, furnishings and repairs, bonus, performance incentive/bonus, medical reimbursement, club fees, leave travel concession (for self and family), medical insurance, personal accident insurance, reimbursement of actual traveling and entertainment expenses.
- Contribution to Provident Fund, Superannuation Fund will not be included in the computation of the ceiling or perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable will not exceed half a month's salary for each completed year of service.
- Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- Provision of car for use on company's business and telephone at residence will not be considered perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company to the President & Joint Managing Director".
- Any other benefits, schemes, awards as may be paid or may become applicable to other senior executives of the company and as may be decided by the Board from time to time.

c) Commission:

Remuneration by way of commission will also be allowed in addition to salary and perquisites. The amount of it based on the net profits of the company in a particular year, shall be subject to the overall ceilings laid down in Section 198 and Section 309."

"RESOLVED FURTHER THAT consent of the company be and is hereby accorded to pay to Mr. Sameer Hiremath, President & Joint Managing Director, a minimum remuneration as mentioned in the foregoing paragraph plus the perquisites and allowances per month, as mentioned in foregoing resolutions with effect from 1<sup>st</sup> July , 2013 till the expiry of his term i.e. 30<sup>th</sup> June, 2018, which is within the limits prescribed under the Schedule XIII of the Companies Act, 1956 as amended from time to time for payment of managerial remuneration in case of inadequacy of profits".

"RESOLVED FURTHER THAT the aforesaid remuneration and perquisites be paid as minimum remuneration in the event of loss or inadequacy of profits, for any year, during the term of his office."

"RESOLVED FURTHER THAT the Board of Directors may alter and/or vary such revised terms and conditions of remuneration to Mr. Sameer Hiremath, President & Joint Managing Director, in accordance with the laws from time to time in force and particularly within the limits specified in Schedule XIII to the Companies Act, 1956, in the event of any statutory amendment or modifications or relaxation thereto".

"RESOLVED FURTHER THAT the all acts, deed or approvals of the Board of Directors of the Company in terms of shareholders approval in this behalf be and are hereby ratified and the Board of Directors be and are hereby further authorised to take such steps expedient or necessary steps as may think fit to give effect to the above resolutions"

Registered Office : By Order of the Board of Directors  
For **Hikal Ltd.**

717/718, Maker Chamber V,  
Nariman Point,  
Mumbai 400 021  
Dated : 16th May, 2013  
**SHAM WAHALEKAR**  
Company Secretary

Notes :

- The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 ("the Act) in regard to the special business set out in item number 7 & 8 above, is annexed hereto.**
- A member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the Company. Proxies, in order to be effective, must be received at the registered office of the Company not less than forty eight hours before the Annual General Meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from 16<sup>th</sup> August, 2013 to 22<sup>nd</sup> August, 2013 (both days inclusive).
- Pursuant to section 205A(5) of the Companies Act, 1956, as amended, any money transferred to the unpaid dividend account of the company which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the unpaid dividend account shall be transferred by the company to the Investor Education and Protection Fund of the Central Government and the shareholders will not be able to claim any unpaid dividend from the said fund or from the company thereafter.
- Members are requested to notify any correction / change in their name / address including Pin Code number immediately to the Company's registrar / Depository participant. In the event of non-availability of members' latest address either in Company's records or in depository participant's records, members are likely to miss notices and other valuable correspondence sent by the Company.
- Members are requested to kindly mention their Folio Number / Client ID number (in case of demat shares) in all their correspondence with the Company's registrar in order to reply to their queries promptly.

- Members are requested to bring the Notice of AGM to the meeting. Further, members are requested to bring the Attendance Slip with them duly filled in and hand over the same at the entrance of the meeting hall.
- Information as required by clause 49 (IV) (G) (i & ia) of the Listing Agreement with Stock Exchanges in respect of reappointment of Directors :
  - Baba Kalyani is the Chairman and Managing Director of Bharat Forge Ltd, a \$2.5 billion conglomerate serving several sectors including automotive, oil and gas, power, locomotive & marine, aerospace, construction & mining. Mr. Kalyani is an M.E. from Birla Institute of Technology & Sciences, Pilani and an M.S. from Massachusetts Institute of Technology, USA.  
Mr. Kalyani has been the recipient of several awards, some of which include CEO of the year 2004 by Business Standard, Entrepreneur of the Year (Manufacturing) 2005 by Ernst & Young and Businessman of the Year 2006 by Business India Magazine. He has been honored by the Government of India which conferred the Padma Bhushan on Mr. Kalyani in 2008 and by the French Government which honored him with the distinction, Chevalier l'Ordre de la Legion d'Honneur (Knight of the National Order) in 2011 in recognition of his important contribution to enhance relations between India and France in the economic and commercial fields. For playing a major role in strengthening the economic relationship between India and Germany, he recently received the "Cross of the order of Merit" by the President of the Federal Republic of Germany as well as a Lifetime Achievement award by the Asian Business Leadership forum in Abu Dhabi in 2012.  
He holds 3000 equity shares of the Company.

The other Directorship / Membership of Mr. B.N. Kalyani is as follows :

Name of the Company	Board Position held	Committee Membership
Bharat Forge Ltd.	Chairman & Managing Director	Shareholders' Grievance
Kalyani Steels Ltd.	Chairman	Audit Committee
Automotive Axles Ltd.	Director	Shareholders' Grievance Remuneration Committee
Nandi Infrastructure Corridor Entreprises Ltd.	Director	Nil
Kalyani Hyes Lemmerz Limited	Director	Nil
Kalyani Carpenter Special Steels Ltd	Chairman	Audit Committee
Meritor HVS (India ) Ltd	Director	Nil
BF Utilities Limited	Chairman	Nil
Nandi Economic Corridor Enterprises Ltd	Director	Nil
BF-NTPC Energy Systems Ltd	Director	Nil
BF Investment Limited	Director	Nil
Kalyani Alstom Power Ltd.	Director	Audit Committee
Alstom Bharat Forge Power Ltd.	Director	Nil
Impact Automotive Solutions Ltd.	Director	Nil
Bharat Forge Daun GmbH, Germany	Director	Nil
Bharat Forge America Inc	Director	Nil
CDP Bharat Forge GmbH, Germany	Director	Nil

## PROXY FORM

**HIKAL LIMITED** : Regd. Office : 717/718, Maker Chamber V, Nariman Point, Mumbai-400 021

I/We, the undersigned

of \_\_\_\_\_ being a member/s of HIKAL LTD,

Mumbai, hereby appoint \_\_\_\_\_ of \_\_\_\_\_

or failing him

\_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 22<sup>nd</sup> August, 2013 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

Membership Folio Nos./Client ID/DPID \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Affix a  
Re. 1  
revenue  
stamp

(Signature of member)

Note:

The Proxy Form must be deposited with the Registered Office of the company at 717/718, Maker Chamber V, Nariman Point, Mumbai 400 021 not less than 48 hours before the time for holding the meeting.

## ATTENDANCE SLIP

**HIKAL LIMITED** : Regd. Office : 717/718, Maker Chamber V, Nariman Point, Mumbai - 400 021

Please complete this attendance slip and hand it over at the entrance of the meeting hall

Membership Folio Nos./Client ID/DPID \_\_\_\_\_

Name of the Shareholder / Proxy : \_\_\_\_\_

Address : \_\_\_\_\_

No. of Shares Held : \_\_\_\_\_

I/We hereby record my/our presence at Annual General Meeting of the company being held on Thursday, the 22nd August, 2013 at Centrum Hall 'A', 1st Floor, Centre 1, World Trade Centre, Cuffe Parade, Mumbai 400 005.

\_\_\_\_\_  
Signature of Shareholder/proxy \*

\*Strike whichever is not applicable



## The right chemistry for sustainability

Hikal has made a significant investment in state-of-the-art equipment and research and development, which have contributed significantly towards energy conservation. The company has undertaken several energy saving initiatives by enhancing the performance of its equipment. Energy efficiency drives the design and selection of new equipment. For instance, hydrofoil agitators have replaced conventional agitators to reduce power consumption. The company has installed energy saving systems to minimize energy consumption wherever applicable. In process applications, Variable Frequency Drives (VFD) have been used to optimize power consumption wherever applicable. Compact Fluorescent Lamps (CFL) in street lights at factories have replaced Mercury Vapour Lamps (MVL) to conserve energy.

### Triple Bottom Line Performance

Hikal initiated the Total Quality Management program in 2005. The company is committed to providing innovative

products and services to its employees. It promotes equality in the workforce and prevents any form of discrimination based on race, gender, national origin, religion, age, sexual orientation and politics. Hikal upholds best practices and invests in its intellectual capital.

Hikal undertakes a benchmarking study for salary structure on a regular basis and follows transparent remuneration processes and fair business practices. Hikal imparts on-the-job training to employees on various subjects including technical aspects such as lab safety, fire equipment handling techniques and the proper handling of hazardous chemicals. While these training programs instill better work habits among employees, it also improves the organization's safety attitude.

Hikal is committed to improved productivity and production. The company has a problem-solving team that works on the workplace issues of its employees. Hikal is an emerging preferred workplace in the chemicals industry. Hikal strives to be an employer of choice for highly motivated and talented people.

Hikal adheres to principles of speed, quality, cost, performance, value for customer, scrutiny of assumptions and most importantly, respect for diversity in talent.

Social Responsibility - Health, Education and Welfare of the Community. Hikal's commitment to the community is the backbone of the company. Hikal organizes annual eye and dental check-ups and a cancer detection camp for the employees of the Indian Chemical Society for the

Hikal has undertaken several community initiatives for the welfare of the villagers. The company has provided a field school for the children of the villagers. Hikal has administered various training programs for children and villagers on management and dealing with cylinder and emergency situations.

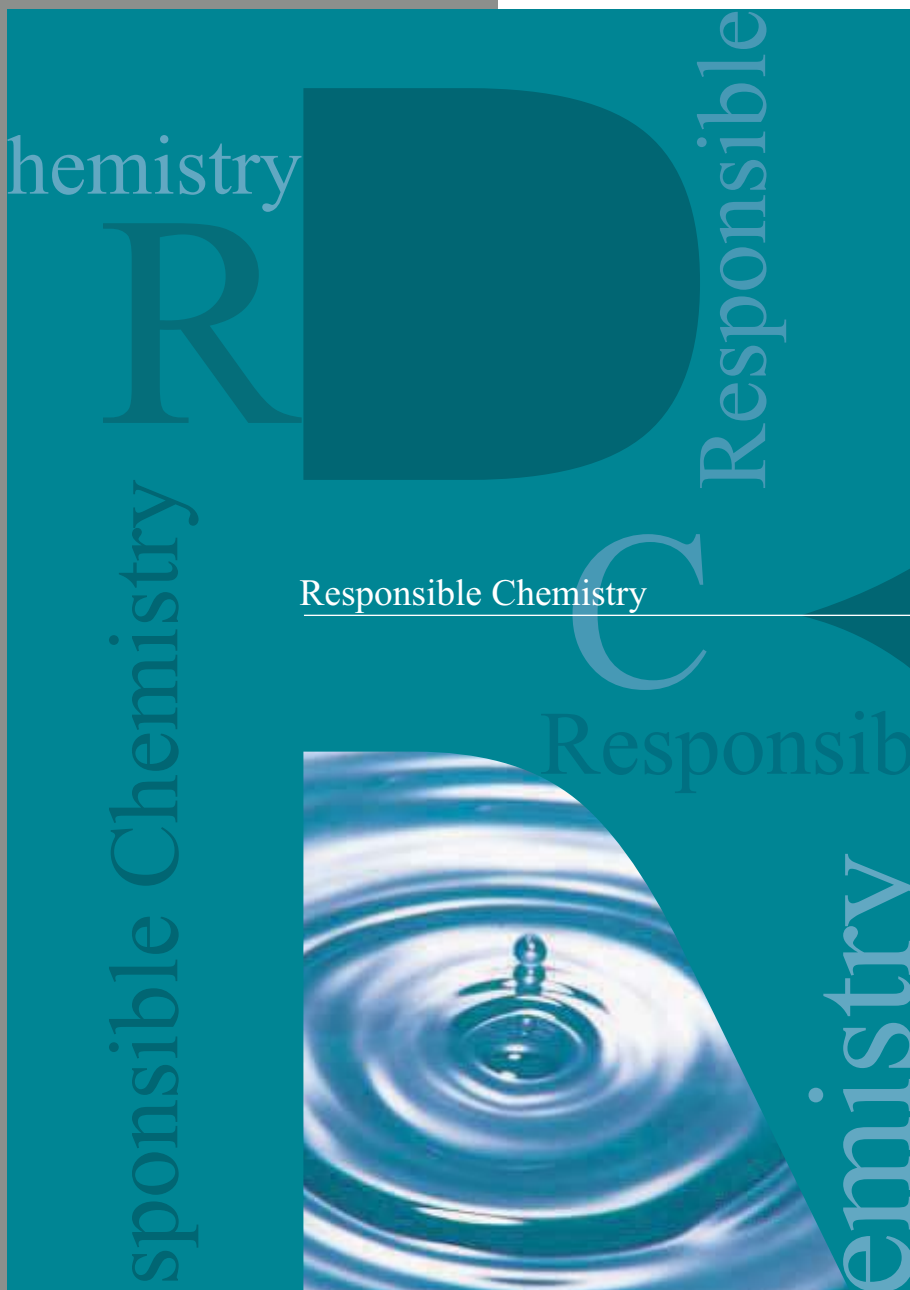
In educational field, Hikal has provided a laboratory, books and school at Nandgaon, Taluka.



In our twenty fifth year, we are even more focused on creating a sustainable culture. Our commitment to Responsible Care<sup>®</sup> is reaffirmed by the changes we are effecting at the early stage Research & Development phase progressing all the way through to commercial manufacturing. The safety of our employees, the environment in which we operate and the well being of the local communities is at the forefront of our attention. We believe 'sustainable chemistry is the right chemistry.'









Our Taloja facility has completed 5.23 million person-hours of accident-free operations.

Hikal<sup>25</sup>

Hikal received the Aditya Birla Award for the 'Best Responsible Care Company' in India.

Hikal adopts a 'green chemistry' approach to achieve sustainable growth, improve productivity and create incremental value for our stakeholders. We blend chemistry along with technology to meet global standards in health, safety and environmental performance.

We use greener routes to isolation, purification and synthesis of molecules. We have implemented biomass conversion and the use of renewable resources to reduce the harmful effects on the environment. We use bio-catalysis to develop new generation processes for products that are not only beneficial economically but also have a positive impact on the environment.

Our facilities meet ISO 14001 standards based on the Environmental Management System framework of the United States Environment Protection Agency and OHSAS 18001 specifications of the Occupational Health and Safety Advisory Services. Our Taloja facility has completed 5.23 million person-hours of accident-free operations.

In 2012-13, we received 'Responsible Care' certification as a company. We subsequently won the Aditya Birla Award for the 'Best Responsible Care Company' in India becoming the first ever life sciences company in India to do so.



We expect growth in both our divisions with increased volumes from our existing products.

**Dear Shareholders,**

After a significant growth in revenues and profitability in 2012, we experienced a challenging year at Hikal. Company revenues were lower by 4.9%. On a positive note, the Crop Protection business grew by 17%, continuing the upward trend from the past year. The Pharmaceutical business experienced price pressure and delays in off take from our customers, which resulted in a revenue decline of 17%. Hikal has a well established business across both segments and a growing global presence.

Despite the difficult economic environment, EBIDTA of the company increased by 1.2% to ₹ 1,907 millions from ₹ 1,883 millions. The company added new products on a commercial scale. The profit before tax before extraordinary items was ₹ 816 million, which was comparable to the prior year despite lower revenues. The profit after tax decreased to ₹ 255 million from ₹ 541 million primarily due to a loss on foreign exchange hedges amounting to ₹ 484 million. Based on the results, we recommend a dividend of 25%.

The outlook for the crop protection business continues to be encouraging. We foresee growth that we experienced last year to continue in the coming year. The pharmaceutical business is back on track and the increase in revenues is expected from our new commercialized products and a long-term supply contract that we recently signed with a global innovator company. A notable achievement was the US FDA audit and approval of our second pharma manufacturing site at Panoli, which produces regulatory starting materials and advanced intermediates for the U.S., Europe and Japanese markets. It will add additional revenues and offer new opportunities for the pharmaceutical

division. Our customer base, products and geographies will be further diversified with this approval.

On the Research and Development front, Acoris, formerly a subsidiary company, is now a division of Hikal and its results are included in the current year. Acoris undertakes contract research business for major multinational clients at the early stage of their pipeline. A significant portion of Acoris resources are focused on adopting new technologies and developing the company's internal product pipeline. Our R&D facility in Bangalore continues to focus on process improvements of commercial manufacturing projects and incorporating new technologies and processes for our customers in contract manufacturing.

On a positive note, the old forward contracts we entered into have been settled and there will be no further losses as a result of these old contracts. Despite the challenging economic environment, the company has increased its operational margins.

Our strategy of becoming a leading sustainable technology-driven contract and custom manufacturing company serving the Crop Protection and Pharmaceutical industries is on track. We continue to implement the recommendations of the 'strategy study' of a leading consulting company, in a phase-wise manner. These measures will allow us to align ourselves more closely with our customers' requirements and enhance operational efficiencies, which will result in increased profitability.