
**HIKAL<sup>®</sup>**

Ref: HL:SVW:2012

 09<sup>th</sup> February, 2012

The Deputy General Manager  
Bombay Stock Exchange Limited  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400 001

→ The National Stock Exchange of India Ltd  
Exchange Plaza  
Bandra Kurla Complex  
Bandra (East)  
Mumbai – 400 051

**COMPANY CODE No. 524735**
**Symbol : HIKAL**

Dear Sirs,

Re : Intimation in terms of Clause No. 41 of Listing Agreement.

We are enclosing herewith the Unaudited Financial Results of our Company for the quarter ended 31<sup>st</sup> December 2011, along with Limited Review Report issued by our Auditors B S R & Company, which were taken on record by the Board of Directors at their meeting held on 09<sup>th</sup> February, 2012.

The Board has deferred the decision of declaring Interim Dividend.

Thanking you,

Yours faithfully,  
for **HIKAL LTD.**,

**S.V. WAHALEKAR**  
Sr. Vice President Finance  
& Company Secretary

Encl : As above.

**HIKAL LTD**



**Unaudited Financial Results**  
for the quarter ended December 31, 2011

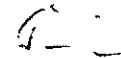
Rs. In Lacs ( Except for per share data )

|                                                                                           | Quarter Ended |                |               | Nine Months Ended |               | Year Ended |
|-------------------------------------------------------------------------------------------|---------------|----------------|---------------|-------------------|---------------|------------|
|                                                                                           | 31st December | 30th September | 31st December | 31st December     | 31st December | 31st March |
|                                                                                           | 2011          | 2011           | 2010          | 2011              | 2010          | 2011       |
| Sales / income from operations                                                            | 19,027        | 14,868         | 10,591        | 48,582            | 35,524        | 51,148     |
| Less: Excise duty                                                                         | 479           | 408            | 512           | 1,294             | 1,326         | 1,797      |
| Net sales / income from operations                                                        | 18,548        | 14,460         | 10,079        | 47,288            | 34,198        | 49,351     |
| Total expenditure                                                                         |               |                |               |                   |               |            |
| a) Decrease /(increase) in stock in trade and work in progress                            | 1,236         | (985)          | (1,015)       | 608               | (2,351)       | (1,707)    |
| b) Consumption of raw materials and utilities                                             | 9,051         | 8,141          | 5,810         | 24,959            | 20,184        | 28,293     |
| c) Employees cost                                                                         | 1,379         | 1,451          | 1,279         | 4,221             | 3,830         | 5,270      |
| d) Depreciation                                                                           | 1,076         | 1,070          | 942           | 3,173             | 2,818         | 3,819      |
| e) Other expenditure                                                                      | 2,368         | 2,145          | 1,429         | 5,967             | 3,501         | 4,965      |
| f) Total expenditure                                                                      | 15,110        | 11,822         | 8,445         | 38,928            | 27,982        | 40,640     |
| Profit from operations before other income, interest and impact of forward contracts      | 3,438         | 2,638          | 1,634         | 8,360             | 6,216         | 8,711      |
| Other Income                                                                              | 110           | 98             | 78            | 346               | 220           | 296        |
| Profit Before Interest and impact of forward contracts                                    | 3,548         | 2,736          | 1,712         | 8,706             | 6,436         | 9,007      |
| Interest and finance charges                                                              | 1,171         | 1,224          | 1,163         | 3,522             | 2,940         | 4,124      |
| Profit from ordinary activities before tax and impact of forward contracts                | 2,377         | 1,512          | 549           | 5,184             | 3,496         | 4,883      |
| - Exchange loss (Refer note no.4 below)                                                   | 1,111         | 217            | 256           | 1,527             | 1,001         | 1,275      |
| - Reversal of cash flow hedge reserve (Refer note no.2 below)                             | -             | -              | (220)         | (371)             | (585)         | (960)      |
| Profit after impact of forward contracts but before tax                                   | 1,266         | 1,295          | 513           | 4,028             | 3,080         | 4,568      |
| Provision for taxation                                                                    |               |                |               |                   |               |            |
| -Current taxes                                                                            | 305           | 294            | 119           | 892               | 608           | 904        |
| -Minimum Alternative Tax credit                                                           | (305)         | (294)          | (119)         | (892)             | (608)         | (904)      |
| -Deferred tax                                                                             | (38)          | 151            | (4)           | 130               | 56            | 139        |
| Net Profit after tax                                                                      | 1,304         | 1,144          | 517           | 3,898             | 3,024         | 4,429      |
| Paid-up equity share capital                                                              | 1,644         | 1,644          | 1,644         | 1,644             | 1,644         | 1,644      |
| Reserves excluding revaluation reserves                                                   |               |                |               |                   |               | 29,584     |
| Earnings per share ( face value Rs. 10/-)                                                 |               |                |               |                   |               |            |
| - Basic                                                                                   | 7.93          | 6.96           | 3.14          | 23.71             | 18.39         | 26.94      |
| - Diluted                                                                                 | 7.93          | 6.96           | 3.12          | 23.71             | 17.89         | 26.37      |
| - Cash                                                                                    | 14.48         | 13.47          | 8.87          | 43.01             | 35.54         | 50.17      |
| Public shareholding                                                                       |               |                |               |                   |               |            |
| - No of shares                                                                            | 5,125,963     | 5,125,963      | 5,128,240     | 5,125,963         | 5,128,240     | 5,127,690  |
| - Percentage of shareholding                                                              | 31.18%        | 31.18%         | 31.19%        | 31.18%            | 31.19%        | 31.19%     |
| Promoters and promoter group shareholding                                                 |               |                |               |                   |               |            |
| a) Pledged / Encumbered                                                                   |               |                |               |                   |               |            |
| - No of shares                                                                            | -             | -              | -             | -                 | -             | -          |
| - Percentage of shares (as a % of the total shareholding of promoters and promoter group) | -             | -              | -             | -                 | -             | -          |
| - Percentage of shares (as a % of the total share capital of the company)                 | -             | -              | -             | -                 | -             | -          |
| b) Non-encumbered                                                                         |               |                |               |                   |               |            |
| - No of shares                                                                            | 11,314,137    | 11,314,137     | 10,536,110    | 11,314,137        | 10,536,110    | 11,312,410 |
| - Percentage of shares (as a % of the total shareholding of promoters and promoter group) | 100.00%       | 100.00%        | 93.14%        | 100.00%           | 93.14%        | 93.14%     |
| - Percentage of shares (as a % of the total share capital of the company)                 | 68.82%        | 68.82%         | 64.09%        | 68.82%            | 64.09%        | 68.81%     |

1. The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting on February 9, 2012
2. The Company had early adopted the principles of hedge accounting as set out in Accounting Standard 30 – Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India. With effect from April 1, 2011, the Company changed its method of accounting related to forward contracts and long term foreign currency monetary items by recognizing exchange difference in the profit and loss account in the period in which it arise in accordance with Accounting Standard 11 – The Effects of Changes in Foreign Exchange Rates. Had Company continued following principles of Accounting Standard 30, the profit before tax for the quarter ended December 31, 2011 would have been higher by Rs. 1,284 lacs and for the nine months ended December 31, 2011 profit before tax would have been higher by Rs. 1,262 lacs.
3. The results for the quarter and nine months ended December 31, 2011 have been subjected to a "Limited Review" by the Statutory Auditors of the Company. The limited review report has been modified with respect to note no.4 below. The limited review report will be filed with the stock exchanges and will be available on the Company's web site - [www.hikal.com](http://www.hikal.com)
4. The Company has entered into forward/options contracts to hedge its exposure to fluctuations in foreign exchange for approx 30% of future exports. These covers have been staggered over the next three years as the major percentage of the Company's turnover is realized from exports. The Company is of the opinion that the result of these transactions represent unrealised losses that are notional in nature. The management is of the opinion that the fluctuation in currency movements against hedged contracts gets compensated by realization of a higher value of sales realizations and therefore, the actual profit/loss against such outstanding contracts crystallizes only on maturity of such forward contracts. The gain/ loss on these transaction will be recognised as and when they fall due. The mark to market valuation loss is Rs. 7,534 lacs as on December 31, 2011 (corresponding previous period as on December 31, 2010 Rs. 3,409 lacs). Further, due to extant volatility in foreign currency rates the exchange difference of Rs. 1,354 lacs as on December 31, 2011 on outstanding short term working capital loans, will be accounted at the rate prevailing on the date of payment.
5. There were no investors complaints at the beginning of the quarter. During the quarter one complaint was received and same was resolved during the quarter, therefore no complaints were pending as on December 31, 2011.

Place : Mumbai  
Date : February 9, 2012

For HIKAL LTD

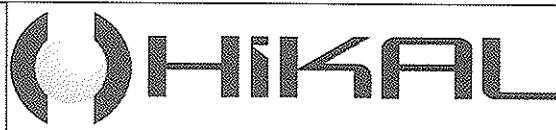


Jai Hiremath  
Vice Chairman &  
Managing Director

**HIKAL LTD**

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

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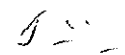


**Segment wise revenue , results and capital employed**  
as on December 31, 2011

|                                                                   | Rs. In lacs           |                        |                       |                       |               |                                             |
|-------------------------------------------------------------------|-----------------------|------------------------|-----------------------|-----------------------|---------------|---------------------------------------------|
|                                                                   | Quarter ended         |                        | 31st December<br>2010 | Nine months ended     |               | Year Ended<br>31st March<br>Audited<br>2011 |
|                                                                   | 31st December<br>2011 | 30th September<br>2011 |                       | 31st December<br>2011 | 2010          |                                             |
| <b>1. Segment Revenue</b>                                         |                       |                        |                       |                       |               |                                             |
| a) Pharmaceuticals                                                | 13,044                | 8,699                  | 6,799                 | 31,240                | 22,381        | 32,007                                      |
| b) Crop protection products                                       | 5,504                 | 5,761                  | 3,280                 | 16,048                | 11,817        | 17,344                                      |
| <b>Total</b>                                                      | <b>18,548</b>         | <b>14,460</b>          | <b>10,079</b>         | <b>47,288</b>         | <b>34,198</b> | <b>49,351</b>                               |
| Less: Inter segment revenue                                       | -                     | -                      | -                     | -                     | -             | -                                           |
| <b>Net sales/income from operation</b>                            | <b>18,548</b>         | <b>14,460</b>          | <b>10,079</b>         | <b>47,288</b>         | <b>34,198</b> | <b>49,351</b>                               |
| <b>2. Segment Results</b>                                         |                       |                        |                       |                       |               |                                             |
| Profit before interest and tax                                    |                       |                        |                       |                       |               |                                             |
| a) Pharmaceuticals                                                | 3,639                 | 2,428                  | 2,105                 | 8,650                 | 6,736         | 9,031                                       |
| b) Crop protection products                                       | 490                   | 684                    | 136                   | 1,548                 | 894           | 1,517                                       |
| <b>Total</b>                                                      | <b>4,129</b>          | <b>3,112</b>           | <b>2,241</b>          | <b>10,198</b>         | <b>7,630</b>  | <b>10,548</b>                               |
| Less :                                                            |                       |                        |                       |                       |               |                                             |
| i) Interest                                                       | 1,171                 | 1,224                  | 1,163                 | 3,522                 | 2,940         | 4,124                                       |
| ii) Other un-allocable expenditure<br>net off un-allocable income | 1,692                 | 593                    | 565                   | 2,648                 | 1,610         | 1,856                                       |
| <b>Profit before tax</b>                                          | <b>1,266</b>          | <b>1,295</b>           | <b>513</b>            | <b>4,028</b>          | <b>3,080</b>  | <b>4,568</b>                                |
| <b>3. Capital employed</b>                                        |                       |                        |                       |                       |               |                                             |
| a) Pharmaceuticals                                                | 52,523                | 52,776                 | 48,925                | 52,523                | 48,925        | 49,394                                      |
| b) Crop protection products                                       | 27,344                | 28,151                 | 29,217                | 27,344                | 29,217        | 28,610                                      |
| c) Unallocated capital                                            | (34,230)              | (36,574)               | (36,101)              | (34,230)              | (36,101)      | (35,835)                                    |
| <b>Total</b>                                                      | <b>45,637</b>         | <b>44,353</b>          | <b>42,041</b>         | <b>45,637</b>         | <b>42,041</b> | <b>42,169</b>                               |

Place : Mumbai  
Date : February 9, 2012

For HIKAL LTD

  
Jai Hiremath  
Vice Chairman &  
Managing Director

**HIKAL LTD**

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

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**B S R & Company**  
Chartered Accountants

Lodha Excelus  
1st Floor, Apollo Mills Compound  
N. M. Joshi Marg  
Mahalakshmi  
Mumbai - 400 011  
India

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**Review report****To the Board of Directors of  
Hikal Limited**

- 1 We have reviewed the accompanying statement of un-audited financial results ('the Statement') of Hikal Limited ('the Company') for the quarter ended 31 December 2011 and the year to date results for the period 1 April 2011 to 31 December 2011, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
- 2 We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
- 3 *As more fully explained in note no. 4 to the Company's statement of un-audited financial results, the Company has not provided for a "mark-to-market" loss on derivative contracts/receivables aggregating to Rs 7,534 lakhs as at 31 December 2011 (31 December 2010: Rs 3,409 lakhs) and for the exchange difference on working capital loans aggregating to Rs 1,354 lakhs as at 31 December 2011 (31 December 2010: Rs Nil) for the reasons stated by the management in the said note. Consequently, without considering the tax effect, the profit before tax for the quarter and reserves and surplus are overstated by Rs 8,888 lakhs (31 December 2010: Rs 3,409 lakhs).*
- 4 Based on our review conducted as above, *subject to our comments in paragraph 3 above*, nothing has come to our attention that causes us to believe that the accompanying statement of un-audited financial results prepared in accordance with the accounting standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Company**  
Chartered Accountants  
Firm's Registration No: 128032W

  
**Vijay Bhatt**  
Partner

Mumbai  
9 February 2012

Membership No: 036647