

**HESTER**

**Hester Biosciences Limited**

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**CIN** L99999GJ1987PLC022333

**31 January 2023**

To,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

To,  
**National Stock Exchange of India Limited**  
Exchange Plaza,  
Bandra - Kurla Complex,  
Bandra (E), Mumbai 400 051

**Scrip Code: 524669**

**Symbol: HESTERBIO**

**Dear Sir/ Madam:**

**Subject: Outcome of Board Meeting**

This is with reference to our letter dated 23 January 2023 intimating the date of the Board Meeting for consideration of the Standalone and Consolidated Unaudited Financial Results for the quarter and nine months ended 31 December 2022.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that the Board of Directors, in their meeting held today, approved the standalone and consolidated unaudited financial results for the quarter and nine months ended 31 December 2022, as recommended by the Audit Committee of the Board.

We attach herewith:

- 1) The approved standalone and consolidated unaudited financial results and limited review reports
- 2) A Press Release issued in this regard

We will be publishing an extract of the results in the newspaper as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board Meeting commenced at 11:18 a.m. (IST) and concluded at 12:28 p.m. (IST).

You are requested to take the above information on your record.

**Sincerely**  
**For Hester Biosciences Limited**



**Vinod Mali**  
**Company Secretary & Compliance Officer**

Enclosure: As above

**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 DECEMBER 2022**

Amount in INR Million

Sr. No.	Particulars	Quarter Ended			Nine Months Period Ended		Year Ended
		31 December 2022	30 September 2022	31 December 2021	31 December 2022	31 December 2021	31 March 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	<b>Income</b>						
1	Revenue from Operations	707.73	720.03	540.01	1,933.04	1,691.00	2,193.51
2	Other Income	9.62	21.77	12.22	43.73	35.76	46.57
3	<b>Total income</b>	<b>717.35</b>	<b>741.80</b>	<b>552.23</b>	<b>1,976.77</b>	<b>1,726.76</b>	<b>2,240.08</b>
4	<b>Expenses</b>						
	(a) Cost of material consumed	63.79	68.62	77.64	192.75	265.66	349.31
	(b) Purchases of stock-in-trade	130.67	139.09	113.93	356.05	268.23	392.97
	(c) Change in inventories of finished goods, traded goods and work in progress	10.54	8.49	(50.31)	33.72	(75.87)	(125.26)
	(d) Employee benefits expense	125.79	130.41	96.70	355.39	294.23	391.19
	(e) Finance cost	31.37	17.43	3.65	61.49	10.85	24.68
	(f) Depreciation and amortisation expense	24.37	23.37	23.34	71.67	69.54	95.02
	(g) Other expenses	187.07	215.60	149.74	555.46	433.60	579.61
	<b>Total expenses</b>	<b>573.60</b>	<b>603.01</b>	<b>414.69</b>	<b>1,626.53</b>	<b>1,266.24</b>	<b>1,707.52</b>
5	<b>Profit before tax</b>	<b>143.75</b>	<b>138.79</b>	<b>137.54</b>	<b>350.24</b>	<b>460.52</b>	<b>532.56</b>
6	<b>Tax Expense</b>						
	Current tax	28.96	35.24	35.33	84.37	122.89	142.53
	Deferred tax	7.50	0.10	(3.37)	5.08	(8.06)	(5.14)
	<b>Total tax expense</b>	<b>36.46</b>	<b>35.34</b>	<b>31.96</b>	<b>89.45</b>	<b>114.83</b>	<b>137.39</b>
7	<b>Profit after tax</b>	<b>107.29</b>	<b>103.45</b>	<b>105.58</b>	<b>260.79</b>	<b>345.69</b>	<b>395.17</b>
8	<b>Other Comprehensive Income</b>						
	Items that will not be reclassified to Profit or Loss						
	Remeasurement Gain/(Loss) on Defined Benefit Plans	(0.15)	0.24	(1.10)	(0.44)	(3.32)	(2.10)
	Income tax impact	0.04	(0.06)	0.28	0.11	0.84	0.53
	<b>Total Other Comprehensive Income</b>	<b>(0.11)</b>	<b>0.18</b>	<b>(0.82)</b>	<b>(0.33)</b>	<b>(2.48)</b>	<b>(1.57)</b>
9	<b>Total Comprehensive Income for the period / year</b>	<b>107.18</b>	<b>103.63</b>	<b>104.76</b>	<b>260.46</b>	<b>343.21</b>	<b>393.60</b>
10	Paid-up equity share capital						85.07
11	Other Equity						2,599.27
12	Earnings Per Share (Face Value of INR 10 each) (Not Annualised) - Basic & Diluted (INR)	12.61	12.16	12.41	30.66	40.64	46.45

**Notes:**

- The standalone financial results of Hester Biosciences Limited (the "Company") have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on 31 January 2023.
- The Statutory Auditors have carried out limited review of the standalone financial results of the Company for the quarter and nine months period ended 31 December 2022.
- Following are the details of segment wise revenue, results, segment assets and liabilities:

Amount in INR Million

Particulars	Quarter Ended			Nine Months Period Ended		Year Ended
	31 December 2022	30 September 2022	31 December 2021	31 December 2022	31 December 2021	31 March 2022
<b>Segment Revenue</b>						
a. Poultry Healthcare	323.18	354.52	416.50	1,061.40	1,311.37	1,712.31
b. Animal Healthcare	384.55	365.51	123.51	871.64	379.63	481.20
<b>Total Revenue from Operations</b>	<b>707.73</b>	<b>720.03</b>	<b>540.01</b>	<b>1,933.04</b>	<b>1,691.00</b>	<b>2,193.51</b>
<b>Segment Results</b>						
a. Poultry Healthcare	48.88	80.28	134.25	214.42	454.15	537.88
b. Animal Healthcare	139.15	119.65	(1.10)	243.81	(6.86)	(16.81)
<b>Total Segment Results</b>	<b>188.03</b>	<b>199.93</b>	<b>133.15</b>	<b>458.23</b>	<b>447.29</b>	<b>521.07</b>
a. Finance Costs	31.37	17.43	3.65	61.49	10.85	24.68
b. Other unallocable expenditure/(income) (Net)	12.91	43.71	(8.04)	46.50	(24.08)	(36.17)
<b>Profit before Tax</b>	<b>143.75</b>	<b>138.79</b>	<b>137.54</b>	<b>350.24</b>	<b>460.52</b>	<b>532.56</b>
<b>Segment Assets</b>						
a. Poultry Healthcare	2,452.92	2,556.28	2,204.74	2,452.92	2,204.74	2,362.17
b. Animal Healthcare	567.38	487.03	328.68	567.38	328.68	310.29
Unallocated Assets	2,031.42	1,871.32	988.11	2,031.42	988.11	1,571.96
<b>Total</b>	<b>5,051.72</b>	<b>4,914.63</b>	<b>3,521.53</b>	<b>5,051.72</b>	<b>3,521.53</b>	<b>4,244.42</b>
<b>Segment Liabilities</b>						
a. Poultry Healthcare	129.62	137.13	146.45	129.62	146.45	151.37
b. Animal Healthcare	122.21	79.14	43.74	122.21	43.74	46.12
Unallocated Liabilities	1,940.16	1,945.81	697.39	1,940.16	697.39	1,362.59
<b>Total</b>	<b>2,191.99</b>	<b>2,162.08</b>	<b>887.58</b>	<b>2,191.99</b>	<b>887.58</b>	<b>1,560.08</b>

**Note:**

Unallocated assets and liabilities includes capital work in-progress, capital advances and capital creditors related to Human Vaccine Project as the same is yet to be capitalised.

For and on behalf of the Board of Directors


**Rajiv Gandhi**  
 CEO & Managing Director  
 DIN: 00438037

 Place: Ahmedabad  
 Date: 31 January 2023

# Chandulal M. Shah & Co.

## CHARTERED ACCOUNTANTS

A/6, 6th Floor, Wing-A, Safal Profitaire, Opp. Prahladnagar Garden, Corporate Road, Prahladnagar, Ahmedabad-380015.  
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### Independent Auditor's review report on Quarterly and Year-to-Date Unaudited Standalone Financial Results of Hester Biosciences Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,  
The Board of Directors of  
**Hester Biosciences Limited**

1. We have reviewed the accompanying statement of unaudited financial results of **Hester Biosciences Limited** for the quarter ended on December 31, 2022 and year to date results for the period from April 01, 2022 to December 31, 2022, ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed u/s 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in accordance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a Report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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 Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognized accounting principles and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed or that it contains any material misstatement.

For Chandulal M. Shah & Co.  
Chartered Accountants  
FRN No. 101698W



Place: Ahmedabad  
Date : January 31, 2023

  
Arpit D. Shah  
Partner

M. No. 135188

UDIN:23135188BGXCER2196

**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 DECEMBER 2022**

Amount in INR Million

Sr. No.	Particulars	Quarter Ended			Nine Months Period Ended		Year Ended
		31 December 2022	30 September 2022	31 December 2021	31 December 2022	31 December 2021	31 March 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	<b>Income</b>						
1	Revenue from Operations	749.44	731.53	556.89	1,987.92	1,785.37	2,350.06
2	Other Income	43.91	44.49	27.77	119.63	65.49	137.41
3	<b>Total income</b>	<b>793.35</b>	<b>776.02</b>	<b>584.66</b>	<b>2,107.55</b>	<b>1,850.86</b>	<b>2,487.47</b>
4	<b>Expenses</b>						
	(a) Cost of material consumed	116.85	129.57	146.06	362.01	442.47	606.53
	(b) Purchases of stock-in-trade	69.89	71.67	44.39	170.80	93.17	126.18
	(c) Change in inventories of finished goods, traded goods and work in progress	11.44	12.70	(57.38)	22.87	(62.46)	(105.56)
	(d) Employee benefits expense	146.14	150.98	106.60	415.59	330.65	453.32
	(e) Finance cost	38.90	24.55	9.62	79.46	25.64	40.64
	(f) Depreciation and amortisation expense	52.40	50.30	51.70	153.30	114.50	165.81
	(g) Other expenses	217.53	239.16	166.91	627.31	484.96	669.76
	<b>Total expenses</b>	<b>653.15</b>	<b>678.93</b>	<b>467.90</b>	<b>1,831.34</b>	<b>1,428.93</b>	<b>1,956.68</b>
5	<b>Profit before Share of Profit of Joint Venture entity and Tax</b>	<b>140.20</b>	<b>97.09</b>	<b>116.76</b>	<b>276.21</b>	<b>421.93</b>	<b>530.79</b>
6	Share of Profit in Joint Venture entity	19.78	5.63	-	41.12	-	4.23
7	<b>Profit before tax</b>	<b>159.98</b>	<b>102.72</b>	<b>116.76</b>	<b>317.33</b>	<b>421.93</b>	<b>535.02</b>
8	<b>Tax Expense</b>						
	Current tax	31.84	36.86	36.57	89.76	126.63	147.84
	Deferred tax	6.56	(0.17)	(3.11)	4.36	(9.47)	(7.66)
	<b>Total tax Expense</b>	<b>38.40</b>	<b>36.69</b>	<b>33.46</b>	<b>94.12</b>	<b>117.16</b>	<b>140.18</b>
9	<b>Profit after tax</b>	<b>121.58</b>	<b>66.03</b>	<b>83.30</b>	<b>223.21</b>	<b>304.77</b>	<b>394.84</b>
10	<b>Other Comprehensive Income</b>						
	Items that will not be reclassified to Profit or Loss						
	Remeasurement Gain/(Loss) on Defined Benefit Plans	(0.15)	0.24	(1.10)	(0.44)	(3.32)	(2.10)
	Income tax impact	0.04	(0.06)	0.28	0.11	0.84	0.53
	Items that will be reclassified to Profit or Loss						
	Foreign Currency Translation Reserve	2.94	8.28	(1.15)	20.09	3.84	9.78
	Income Tax Impact	-	-	-	-	-	-
	<b>Total Other Comprehensive Income</b>	<b>2.83</b>	<b>8.46</b>	<b>(1.97)</b>	<b>19.76</b>	<b>1.36</b>	<b>8.21</b>
11	<b>Total Comprehensive Income for the period/year</b>	<b>124.41</b>	<b>74.49</b>	<b>81.33</b>	<b>242.97</b>	<b>306.13</b>	<b>403.05</b>
12	<b>Profit for the period/year attributable to:</b>						
	(i) Owners of the Company	111.86	69.42	84.84	220.96	315.97	393.20
	(ii) Non Controlling Interest	9.72	(3.39)	(1.54)	2.25	(11.20)	1.64
13	<b>Other Comprehensive Income for the period/year attributable to:</b>						
	(i) Owners of the Company	2.83	8.46	(1.97)	19.76	1.36	8.21
	(ii) Non Controlling Interest	-	-	-	-	-	-
14	<b>Total Comprehensive Income for the period/year attributable to:</b>						
	(i) Owners of the Company	114.69	77.88	82.87	240.72	317.33	401.41
	(ii) Non Controlling Interest	9.72	(3.39)	(1.54)	2.25	(11.20)	1.64
15	Paid-up equity share capital						85.07
16	Other Equity						2,514.78
17	Earnings Per Share (Face Value of INR 10 each) (Not Annualised) - Basic & Diluted (INR)	14.29	7.77	9.79	26.24	35.83	46.41

**Notes:**

- The consolidated financial results of Hester Biosciences Limited (the "Company") and its subsidiaries (together referred as the "Group") and its joint venture entity have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on 31 January 2023.
- The Statutory Auditors have carried out limited review of the consolidated financial results of the Group for the quarter and nine months period ended 31 December 2022.
- Following are the details of consolidated segment wise revenue, results, segment assets and liabilities:

Amount in INR Million

Particulars	Quarter Ended			Nine Months Period Ended		Year Ended
	31 December 2022	30 September 2022	31 December 2021	31 December 2022	31 December 2021	31 March 2022
<b>Segment Revenue</b>						
a. Poultry Healthcare	313.67	348.43	419.17	1,046.01	1,321.52	1,718.31
b. Animal Healthcare	435.77	383.10	137.72	941.91	463.85	631.75
<b>Total Revenue from Operations</b>	<b>749.44</b>	<b>731.53</b>	<b>556.89</b>	<b>1,987.92</b>	<b>1,785.37</b>	<b>2,350.06</b>
<b>Segment Results</b>						
a. Poultry Healthcare	38.59	79.47	140.05	210.69	460.77	547.38
b. Animal Healthcare	149.98	88.45	(4.06)	197.02	(18.82)	9.06
<b>Total Segment Results</b>	<b>188.57</b>	<b>167.92</b>	<b>135.99</b>	<b>407.71</b>	<b>441.95</b>	<b>556.44</b>
a. Finance Costs	38.90	24.55	9.62	79.46	25.64	40.64
b. Share of Profit in Joint Venture Entity	19.78	5.63	-	41.12	-	4.23
c. Other unallocable expenditure/(income) (Net)	9.47	46.28	9.61	52.04	(5.62)	(14.99)
<b>Profit before Tax</b>	<b>159.98</b>	<b>102.72</b>	<b>116.76</b>	<b>317.33</b>	<b>421.93</b>	<b>535.02</b>
<b>Segment Assets</b>						
a. Poultry Healthcare	2,529.17	2,622.65	2,278.72	2,529.17	2,278.72	2,360.77
b. Animal Healthcare	2,207.36	2,157.77	2,122.28	2,207.36	2,122.28	2,123.38
Unallocated Assets	1,632.69	1,457.49	549.37	1,632.69	549.37	1,137.46
<b>Total</b>	<b>6,369.22</b>	<b>6,237.91</b>	<b>4,950.37</b>	<b>6,369.22</b>	<b>4,950.37</b>	<b>5,621.61</b>
<b>Segment Liabilities</b>						
a. Poultry Healthcare	236.29	207.15	179.59	236.29	179.59	219.44
b. Animal Healthcare	185.50	232.64	446.84	185.50	446.84	343.50
Unallocated Liabilities	3,115.61	3,090.65	1,744.58	3,115.61	1,744.58	2,384.73
<b>Total</b>	<b>3,537.40</b>	<b>3,530.44</b>	<b>2,371.01</b>	<b>3,537.40</b>	<b>2,371.01</b>	<b>2,947.67</b>

Note:

Unallocated assets and liabilities includes capital work in-progress, capital advances and capital creditors related to Human Vaccine Project as the same is yet to be capitalised.

- Key numbers of the standalone financial results of the Company for the quarter and nine months period ended 31 December 2022 are as under:

Particulars	Quarter Ended			Nine Months Period Ended		Year Ended
	31 December 2022	30 September 2022	31 December 2021	31 December 2022	31 December 2021	31 March 2022
Total income	717.35	741.80	552.23	1,976.77	1,726.76	2,240.08
Profit before tax	143.75	138.79	137.54	350.24	460.52	532.56
Profit after tax	107.29	103.45	105.58	260.79	345.69	395.17
Total comprehensive income	107.18	103.63	104.76	260.46	343.21	393.60

The Standalone Financial Results are available at the Company's website [www.hester.in](http://www.hester.in) and on the website of the stock exchanges [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

For and on behalf of the Board of Directors



**Rajiv Gandhi**  
CEO & Managing Director  
DIN: 00438037

Place: Ahmedabad  
Date: 31 January 2023

# Chandulal M. Shah & Co.

## CHARTERED ACCOUNTANTS

A/6, 6th Floor, Wing-A, Safal Profitaire, Opp. Prahladnagar Garden, Corporate Road, Prahladnagar, Ahmedabad-380015.  
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### Independent Auditor's review report on Quarterly and Year-to-date Unaudited Consolidated financial results of Hester Biosciences Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To  
The Board of Directors of  
**Hester Biosciences Limited**

1. We have reviewed the accompanying statement of unaudited consolidated financial results of **Hester Biosciences Limited** (the "Holding company"), its subsidiaries and joint venture entity (the Holding, its subsidiaries and joint venture entity together referred to as the "Group") for the quarter ended on December 31, 2022 and year to date results for the period from April 01, 2022 to December 31, 2022 (the "Statement"), attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed u/s 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a Report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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 Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We have also performed procedures in accordance with the Circular No. CIR/CFD/CMDI/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The statement includes the results of the following subsidiaries and joint venture:

Sr. No.	Name of the Company	Relationship
1	Texas Lifesciences Private Limited	Subsidiary
2	Hester Biosciences Nepal Private Limited	Subsidiary
3	Hester Biosciences Africa Limited	Subsidiary
4	Hester Biosciences Kenya Limited	Subsidiary
5	Hester Biosciences Tanzania Limited	Subsidiary
6	Thrishool Exim Limited	Joint Venture Entity

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognized accounting principles and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)



Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. The unaudited consolidated financial results include the interim financial statements of 2 subsidiaries which have been reviewed by other auditors, whose interim financial statements reflect total income of INR 112.63 million and INR 253.80 million, total net profit after tax of INR 27.12 million and INR 3.70 million and total comprehensive income of INR 27.12 million and of INR 3.70 million for the quarter ended on December 31, 2022 and for the period from April 01, 2022 to December 31, 2022 respectively and as considered in the consolidated unaudited financial results. The interim financial statements of these subsidiaries have been reviewed by the other auditors whose reports have been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of such other auditors and the procedures performed by us as stated in paragraph 3 above.
7. The unaudited consolidated financial results include the interim financial statements of 3 subsidiaries which have not been reviewed by their auditors, whose interim financial statements reflect total income of INR 52.11 million and INR 104.72 million, total net profit / (loss) after tax of INR (34.08) million and INR (84.15) million and total comprehensive income/ (loss) of INR (33.58) million and of INR (83.77) million for the quarter ended on December 31, 2022 and for the period from April 01, 2022 to December 31, 2022 respectively as considered in the consolidated unaudited financial results. The management has certified these financial statements and other financial information.
8. The accompanying Statement includes the group's share of Net Profit after tax of INR 19.78 million and INR 41.12 million for the quarter ended on December 31, 2022 and for the period from April 01, 2022 to December 31, 2022, in respect of the joint venture entity. The management has certified these interim financial statements and other financial information of the joint venture entity.
9. Certain of these subsidiaries and joint venture entity are located outside India whose financial results have been prepared in accordance with accounting principles generally accepted in their respective countries ('local GAAP'). The Holding Company's management has converted the financial results of such subsidiaries and joint venture entity from local GAAP to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture entity, is based on the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

Our conclusion on the statement in respect of the matters stated in paragraph 6, 7, 8 and 9 above is not modified with respect to our reliance on the work done and the reports of the other auditors and the financial statements and financial information certified by the Management.

For Chandulal M. Shah & Co.  
Chartered Accountants  
FRN No. 101698W



Arpit D. Shah  
Partner

M. No. 135188

UDIN: 23135188BGXCESS014

Place: Ahmedabad

Date: January 31, 2023



## Press Release

31 January 2023

### Hester Biosciences Q3 & 9M FY23 Results

**Standalone Revenue growth of 31% in Q3, EBITDA grows by 18%**

**Consolidated Revenue growth of 35% in Q3, EBITDA grows by 18%**

Hester today announced the unaudited financial results for Q3 & 9M FY23.

### Standalone Financial Highlights

#### Revenues

(INR Million)

Division	Q3			9M		
	FY23	FY22	Change %	FY23	FY22	Change %
Animal Healthcare*	373.12	123.51	202%	860.21	379.63	127%
Poultry Healthcare	324.96	416.50	-22%	1,023.70	1,274.88	-20%
Product Sales	698.08	540.01	29%	1,883.91	1,654.51	14%
License & services fees	9.65	-	-	49.13	36.49	35%
Revenue from Operations	707.73	540.01	31%	1,933.04	1,691.00	14%

\* includes sales of Petcare Division

#### Animal Healthcare Division

The increase in Q3 sales of Animal Healthcare division is largely attributed to:

- The increased demand for Goat Pox Vaccine to control the outbreak of Lumpy Skin Disease (LSD) in cattle.
- The continued growth in sales of health products resulting from the earlier investments in expansion of sales force, territorial expansion and new product introductions.

#### Poultry Healthcare Division

The Poultry Healthcare division experienced a degrowth of 22% in sales of Q3:

- Poultry vaccines sales have degrown by 28% as the poultry industry continues to be under pressure due to high feed costs and low product realisations leading to significantly lower new bird placements and poor collection cycles.
- The degrowth of vaccine sales was partly offset by the continued growth of the poultry health products sales.

#### Divisional & Product Relevance

The Company has been strategically working on reducing the relevance of any one division or and one product line, whether it is vaccines or health products. From a relevance of 100% of Poultry Healthcare Division, The Company has got the relevance of the division down to a little over 50% in the financial year, till date.

## **Profitability Analysis**

**(INR Million)**

Particulars	Q3			9M		
	FY23	FY22	Change %	FY23	FY22	Change %
Gross Profit margin	71%	74%	-3%	69%	72%	-3%
Operating EBIDTA	180.22	152.31	18%	390.54	468.66	-17%
Operating EBIDTA Margin	26%	28%	-2%	21%	28%	-7%
PAT (excl. OCI)	107.29	105.58	2%	260.79	345.69	-24%
PAT Margin	15%	20%	-5%	13%	20%	-7%
EPS (In INR, not annualised)	12.61	12.41	2%	30.66	40.64	-24%

The Q3 Operating EBITDA grew by 18% due to growth in sales.

### Q3 gross margins:

- There has been an improvement in the margins of health products in Poultry Healthcare and Animal Healthcare divisions.
- There has been a write-off of INR 16 million of expired vaccine stocks in the Poultry Healthcare Division.
- The overall impact has been a reduction of gross margins by 3% in Q3.

Q3 PAT margin declined due to unrealized MTM losses of INR 24.40 million on translation of USD loan, included in Finance costs.

## **Going further**

The Company's focus on the various segments would be as follows:

### Vaccines:

- GoI has commenced its PPR disease national immunization program in sheep & goat. Hester being the supplier under the tender, the first supply of PPR vaccine was executed in January 2023. The total order value under the tender agreement is INR 406.80 million which is to be fully executed by March 2024 in a phased manner as decided by GoI.
- With LSD as a new challenge in the cattle industry, we would be focusing on LSD awareness programs as well as would promote the annual immunisation against LSD through our Goat Pox vaccine.
- Indian Veterinary Research Institute (IVRI) has developed vaccines against LSD in cattle and an Avian Influenza in poultry. Hester has entered into agreements to acquire both the technologies.
- With a view to drive growth in its core veterinary vaccines category, Hester has strengthened its R&D team and lab facilities to work on the development of certain conventional as well as new-age vaccines.

### Health Products:

- The large market for Health Products for poultry as well as large animals is complementary to the vaccine market, given that these target the same customer segments in both the divisions. The company will continue to grow the health products business by increasing the field force, improving the productivity of the field force, and introducing new product to meet the unmet as well as the emerging market needs in both the divisions.

Petcare division:

1. Petcare Division, launched during the year is gaining traction. Until date, 10 products have been launched in 15 sales territories. The Company plans to launch additional 3 products in Q4 in the category of deworming and NSAID keeping the seasonal requirements in mind.
2. For the coming year, the Company is planning to launch new products and solutions, increase the field force from 20 currently to 60 in the coming months and add 25 new sales territories from 15, to penetrate further and drive sales growth.

Production and capacity expansion initiatives

1. The Fill-finish (Drug Product) project will be completed in Q1 FY24 as against the earlier forecasted date of Q4 FY23. The delay has been due to the late delivery of few equipment. This expansion, along with the already completed expansion of Bulk Antigen (Drug Substance) production capacity, will double the production capacity in vaccines.

**Status on Hester's initiative towards manufacturing the Drug Substance for Covaxin, a Covid-19 vaccine**

1. Hester, in consortium with Gujarat Biotechnology Research Centre (GBRC), Government of Gujarat (GoG), has entered into an agreement with Bharat Biotech to manufacture the Drug Substance for Covaxin under the Mission Covid Suraksha Scheme of Government of India.
2. The project is to manufacture Drug Substance equivalent of up to 7 million doses per month.
3. The construction of BSL-3 facility is completed. Commissioning activities is ongoing. The facility is expected to be ready for commercial operation by end of FY23.
4. This facility can be repurposed to handle other micro-organisms beyond Covid-19.

**Consolidated Financial Highlights**
**(INR Million)**

Particulars	Q3			9M		
	FY23	FY22	Change %	FY23	FY22	Change %
Revenue from operations	749.44	556.89	35%	1,987.92	1,785.37	11%
Operating EBITDA	177.94	150.31	18%	340.21	460.09	-26%
Net Profit (excl. OCI)	121.58	83.30	46%	223.21	304.77	-27%
EPS (In INR, not annualised)	14.29	9.79	46%	26.24	35.83	-27%

- Consolidated results also include operations of subsidiaries at Nepal and Tanzania.
- Hester Nepal had a turnover of INR 52.62 million with overall Net Profit of INR 24.87 million during Q3 FY 23.
- Consolidated profit in Q3 grew with the improved profitability of Hester India, Hester Nepal and Hester's share in the joint venture entity, Thrishool Exim Limited.
- In Hester Africa, market authorization has been received from Tanzania Medicines and Medical Devices Authority (TMDA) for two important ruminant vaccines, Lumpy Skin Disease and CBPP.
- Hester Nepal has received manufacturing license and marketing authorization for two additional vaccines, Live LASMAS and Inactivated Coryza+.

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**About Hester Biosciences Limited:**

Hester Biosciences Limited is one of the India's leading animal health company, manufacturing vaccines and health products since 1997. Hester has three divisions:

1. Poultry Healthcare division
2. Animal Healthcare division
3. Petcare division

- It is the world's largest manufacturer and supplier of PPR vaccine, having approximately 75% of the world market.
- It has over 90% market share in Goat Pox vaccine in India which is being used to immunise cattle against Lumpy Skin disease.
- It is the second largest poultry vaccine manufacturer, with approximately 35% market share in India.

Hester's vaccine capabilities include multiple platforms such as Chick Embryo Origin, Continuous Cell line, Tissue Culture and Fermentation based live as well as inactivated vaccines.

Hester recently forayed into human vaccines by building a new BSL III drug substance manufacturing facility intended to manufacture Covid-19 and such other human vaccines.

Hester recognises the vision of ONE HEALTH, and works on improving the health of animals by enabling better health for human beings.

For more information, please visit [www.hester.in](http://www.hester.in)