HESTER

Hester Biosciences Limited
Head Office
Pushpak, 1st Floor
Panchvati Circle
Motilal Hirabhai Road
Ahmedabad 380006
Gujarat, India
Phone +9179 26445106

Plant Address
Village Merda-Ardraj
Taluka Kadi
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Gujarat 382721, India
Phone +9179 26445105

Email mail@hester.in
Toll Free 1 800 233 7937
www.hester.in

CIN L99999GJ1987PLC022333

23 December 2019

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

Scrip Code: 524669

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

Symbol: HESTERBIO

Respected Sir / Madam,

Subject: Postal Ballot Notice

This is in reference to our letter dated 19 December 2019 in regards to Calendar of Events for conducting Postal Ballot and E-voting for seeking the members approval.

Pursuant to Section 110 of Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, we attached herewith Notice of the Postal Ballot and e-voting for obtaining the approval of Members of the Company by Special Resolutions.

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

Sincerely,
For Hester Biosciences Limited



Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Enclosure: Notice of the Postal Ballot

HESTER BIOSCIENCES LIMITED

CIN: L99999GJ1987PLC022333
Registered Office: 1st Floor, Pushpak, Panchvati Circle, Motilal Hirabhai Road, Ahmedabad - 380006, Gujarat
Ph.:+91 79 26445106 Fax: +91 79 26445105 Email: mail@hester.in Website: www.hester.in

POSTAL BALLOT NOTICE

Dear Member(s),

Notice is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read together with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment(s) thereof for the time being in force), that the resolutions appended below are proposed to be passed by the Members through postal ballot / electronic voting (e-voting). The explanatory statement pertaining to the aforesaid resolutions setting out the material facts concerning each item and the reasons thereof is annexed hereto with a Postal Ballot Form for your consideration.

The Board of Directors of the Company has appointed Mr. Tapan Shah, Practicing Company Secretary, as the Scrutiniser ('Scrutiniser') for conducting the postal ballot / e-voting process in a fair and transparent manner.

Members are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed in the enclosed self-addressed Business Reply Envelope no later than 17:00 hours IST on 23 January 2020. Postage will be borne and paid by the Company. Postal Ballot Form(s), if sent at the expense of the Member(s), will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given on the Business Reply Envelope. Please note that if any Postal Ballot Form is received after the said date, it will be considered that no reply has been received from the member.

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in the Notes under the section 'Voting through Electronic Means: References to postal ballot(s) in this Postal Ballot Notice include votes received electronically.

The Scrutiniser will submit his report to the Chairman or any other authorised director of the Company after the completion of the scrutiny of the postal ballots (including e-voting). The result of the postal ballot shall be declared on or before 25 January 2020 and communicated to the stock exchanges, depository, registrar and share transfer agent and shall also be displayed on the Companys' website: www.hester.in.

Resolutions:

Item No. 1 - Issuance of equity shares, and/or equity linked securities and/or securities convertible into equity shares through Qualified Institutional Placement (QIP) or preferential allotment

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 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any amendments thereto or re-enactment thereof for the time being in force), the Companies (Prospectus and Allotment of Securities) Rules, 2014, all other applicable rules under the Companies Act, 2013, Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time (the "SEBI Regulations"), Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, the Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations 2004, as amended from time to time, and the enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the stock exchanges where equity shares of face value INR 10 each of the Company are listed, read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to other applicable laws, rules, regulations, guidelines, notifications and circulars issued by various competent authorities / bodies, whether in India or abroad and subject to such approvals, consents, permissions and sanctions of the Securities and Exchange Board of India ("SEBI"), Government of India ("GOI"), Reserve Bank of India ("RBI"), Foreign Investment Promotion Board ("FIPB"), Department of Industrial Policy & Promotion ("DIPP") and all other appropriate and / or competent authorities or bodies and subject to such conditions and modifications, as may be prescribed by any of them in granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred as "Board" which term shall include any Committee thereof which the Board may have constituted to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded to offer, create, issue and allot in one or more tranches, to investors whether Indian or Foreign, including Foreign Institutions, Qualified Institutional Buyers ("QIB"), Non-Resident Indians, Corporate Bodies, Mutual Funds, Banks, Insurance Companies, Pensions Funds, trusts, stabilizing agents or otherwise or any combination thereof, whether or not such investors are shareholders, promoters, directors or associates of the Company, through issue of Equity Shares and / or equity linked securities and/or securities convertible into equity shares through Qualified Institutional Placement (QIP) or preferential allotment (referred to as "Securities"), for up to an aggregate amount of INR 150 Crores equivalent thereof in one or more foreign currency, inclusive of premium that may be fixed on such Securities under Chapter VIII of the SEBI Regulations at such price, being not less than the price determined in accordance with the pricing formula specified under the SEBI Regulations (or such other formula as may be prescribed by SEBI) or such lower price as may be permissible under the SEBI Regulations or notifications, considering the prevailing market conditions and other relevant factors and where necessary in consultation with the Lead Managers, Merchant Bankers, Underwriters, Guarantors, Financial and / or Legal Advisors, Depositories, Registrars and other agencies and on such terms and conditions as may be determined and deemed appropriate by

the Board in its absolute discretion at the time of such issue and allotment considering the prevailing market conditions and other relevant factors in consultation with the merchant banker(s) to be appointed, so as to enable to list on any stock exchanges in India and / or on any of the overseas stock exchanges, wherever required and as may be permissible."

"RESOLVED FURTHER THAT such Securities shall be fully paid up and the allotment of such Securities shall be completed within 12 months from the date of the shareholders resolution approving the proposed qualified institutional placement of Equity Shares or such other time as may be allowed by the SEBI Regulations from time to time."

"RESOLVED FURTHER THAT the Equity Shares so issued shall in all respects rank pari passu with the existing Equity Shares of the Company and shall be listed with the stock exchanges where the Company's existing equity shares are listed."

"RESOLVED FURTHER THAT the Securities issued in foreign markets shall be deemed to have been made abroad and / or in the market and / or at the place of issue of the Securities in the international market and may be governed by the applicable laws."

"RESOLVED FURTHER THAT the Securities to be created, issued allotted and offered in terms of this Resolution shall be subject to the provisions of the Memorandum and Articles of Association of the Company."

"RESOLVED FURTHER THAT in the event the Equity Shares are issued in the course of QIP under Chapter VIII of SEBI Regulations, the relevant date for the purpose of the pricing of the Equity Shares shall be the meeting in which the Board decides to open the issue."

"RESOLVED FURTHER THAT in the event the Equity Shares are issued in the course of QIP under Chapter VIII of SEBI Regulations, the pricing shall be determined in compliance with principles and provisions set out in the regulation 85 of Chapter VIII of the SEBI Regulations and the Board may offer a discount of not more than 5% (five per cent) on the price calculated for the QIP or such other discount as may be permitted under said SEBI Regulations."

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Securities, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the terms thereof, finalisation and approval of the offer documents(s), private placement offer letter, determining the form, proportion and manner of the issue, including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted, issue price, premium amount on issue / conversion / exercise / redemption, rate of interest, redemption period, fixing record date, listings on one or more stock exchanges in India or abroad, entering into arrangements for managing, underwriting, marketing, listing and trading, to issue placement documents and to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and for other related matters and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such offer(s) or issue(s) or allotment(s) as it may, in its absolute discretion, deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint merchant bankers, underwriters, depositories, custodians, registrars, trustees, bankers, lawyers, advisors and all such agencies as may be involved or concerned in the issue and to remunerate them by way of commission, brokerage, fees or the like (including reimbursement of their actual expenses) and also to enter into and execute all such arrangements, contracts / agreements, memorandum, documents, etc., with such agencies, to seek the listing of Securities on one or more recognised stock exchange(s), to affix common seal of the Company on any arrangements, contracts / agreements, memorandum, documents, etc. as may be required."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised in consultation with the merchant banker(s), advisors and / or other intermediaries as may be appointed in relation to the issue of Securities, is authorised to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the issue and allotment of Securities and listing thereof with the stock exchanges or otherwise as may be required in relation to the issue and to resolve and settle all questions and difficulties that may arise in the issue, offer and allotment of Securities, including finalisation of the number of Securities to be issued in each tranche thereof, form, terms and timing of the issue of Securities including for each tranche of such issue of Securities, identification of the investors to whom Securities are to be offered, utilisation of the proceeds and other related, incidental or ancillary matters as the Board may deem fit at its absolute discretion, to make such other applications to concerned statutory or regulatory authorities as may be required in relation to the issue of Securities and to agree to such conditions or modifications that may be imposed by any relevant authority or that may otherwise be deemed fit or proper by the Board and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit and to settle any questions, difficulties or doubts that may arise in relation to the any of the aforesaid or otherwise in relation to the issue of Securities."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers herein conferred to any officer of the Company."

Item No. 2 - Re-appointment of Mr. Rajiv Gandhi as a CEO & Managing Director for the term of 3 year with effect from 1 April 2020

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 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and an Articles of Association of the Company, and subject to such consent(s), approval(s) and permission(s) as may be required in this regard and subject to such conditions as maybe imposed by any authority while granting such consent(s), permission(s) and approval(s), approval of the members be and is hereby accorded for the Re-appointment of Mr. Rajiv Gandhi (DIN: 00438037) as a CEO & Managing Director for the period of 3 years starting from 1 April 2020 to 31 March 2023 as per terms and conditions as contained in the explanatory statement annexed hereto."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to vary, alter and modify the terms and condition of remuneration structure of Mr. Rajiv Gandhi, CEO & Managing Director of the Company, within the limits prescribed in the explanatory statement to this resolution and to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution."

By Order of the Board of Directors
For Hester Biosciences Limited

Place: Ahmedabad
Date: 18 December 2019

Vinod Mali
Company Secretary & Compliance Officer

Notes:

1. The explanatory statement pursuant to Section 102 of the Act stating all material facts and the reasons for the proposal is annexed herewith.
2. The Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on 20 December 2019. The Postal Ballot Notice is being sent to Members in electronic form to the email addresses registered with their Depository Participants (in case of electronic shareholding) / the Company's registrar and share transfer agents (in case of physical shareholding). For Members whose email IDs are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode.
3. Members whose names appear on the Register of Members / List of Beneficial Owners as on 20 December 2019 will be considered for the purpose of voting. A person who is not a Member as on the relevant date should treat this notice for information purposes only.
4. Resolutions passed by the Members through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the Members.
5. The Members can opt for only one mode of voting, i.e., either by physical ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Postal Ballot Forms will be treated as invalid.
6. In case a member wishes to obtain a printed Postal Ballot Form or a duplicate, he or she may send an email to investor@hesterbiosciences.co.in. The registrar and transfer agent / Company shall forward the same to the Member.
7. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Members as on 20 December 2019. The postal ballot period commences on 25 December 2019 (9:00 Hours IST) and ends on 23 January 2020 (17:00 Hours IST).
8. In compliance with Sections 108 and 110 of the Companies Act, 2013 and the Rules made thereunder, the Company has provided the facility to Members to exercise their votes electronically and vote on all resolutions through the e-voting service facility arranged by CDSL. The instructions for electronic voting are annexed to this Notice.
9. A Member cannot exercise his vote by proxy on postal ballot.
10. Members wishing to exercise their vote by physical postal ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed to the Scrutiniser, so that it reaches the Scrutiniser no later than the close of working hours (i.e. 17:00 Hours IST) on 23 January 2020. If any postal ballot is received after 17:00 Hours IST on 23 January 2020, it will be considered as no reply from the Member has been received.
11. The Scrutiniser will submit his report to the Chairman or any other director after the dispatch, scrutiny, and the result of the voting by postal ballot will be announced by the Chairman or any director of the Company duly authorised, on or before 25 January 2020 at the registered office of the Company and will also be displayed on the Company website (www.hester.in) and communicated to the stock exchanges, depository, registrar and share transfer agent on the said date.
12. The last date for the receipt of duly completed Postal Ballot Forms or e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority. All the material documents referred to in the explanatory statement will be available for inspection at the registered office of the Company during office hours on all working days from the date of dispatch until the last date for receipt of votes by postal ballot / e-voting.

By Order of the Board of Directors
For Hester Biosciences Limited

Place: Ahmedabad
Date: 18 December 2019

Vinod Mali
Company Secretary & Compliance Officer

The instructions for members for voting electronically (both for physical holders as well as demat holders) are as below:

E-voting period commences on 25 December 2019 (9:00 Hours IST) and ends on 23 January 2020 (17:00 Hours IST).

(i) The shareholders should log on to the e-voting website www.evotingindia.com.

(ii) Click on Shareholders.

(iii) Now Enter your User ID:

(a) For CDSL: 16 digits beneficiary ID,

(b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

(c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in dematerialised form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

For Members holding shares in Dematerialised Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both dematerialised shareholders as well as physical shareholders) Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.
Dividend Bank Details OR **Date of Birth (DOB)**	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your dematerialised account or in the Company records in order to login. If both the details are not recorded with the depository or Company please enter the Member ID / Folio Number in the Dividend Bank details field as mentioned in instruction (iv).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in dematerialised form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the dematerialised account holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the "HESTER BIOSCIENCES LIMITED" to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If dematerialised account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) Note for Non - Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA), which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.

(xix) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Contact Details

Company	:	1st Floor, Pushpak, Panchvati Circle, Motilal Hirabhai Road, Ahmedabad 380 006 Phone: +91 79 26445106 Fax: +91 79 26445105 Email: investor@hesterbiosciences.co.in • Website: www.hester.in
Registrar and Transfer Agent	:	Link Intime India Private Limited Unit: Hester Biosciences Limited 506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ellisebridge, Ahmedabad 380006 Phone: +91 79 26465179 /86 / 87 E-mail: ahmedabad@linkintime.co.in • Website: www.linkintime.co.in
e-Voting Agency	:	Central Depository Services (India) Limited E-mail: helpdesk.evoting@cdslindia.com
Scrutiniser	:	Mr. Tapan Shah, Practicing Company Secretary E-mail: scrutinizer@tapanshah.in

ANNEXURE TO NOTICE
EXPANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO.1

The Company has good opportunities for its growth and business expansion. This require sufficient resources including funds available and to be allocated, from time to time. The generation of internal funds may not always be adequate to meet all the requirements of the Company's growth plans. It would be therefore, prudent for the Company to have the requisite enabling approvals in place for meeting the fund requirements of its growth and business expansion, capital expenditure, long term working capital, refinancing the existing borrowings and also such other corporate purposes as may be permitted under the applicable laws and as may be specified in the appropriate approvals. This would also help the Company to take quick and effective action to capitalise on the opportunities, primarily those relating to growth and business expansion, as and when available.

The consent of the shareholders is sought for issuing Securities as stated in the resolution which shall result in issuance of further shares of the Company in accordance with the terms and nature of Securities to be issued by the Company. The members of the Company to authorise the Board of Directors or any Committee of the Board to raise funds through to investors whether Indian or Foreign, including Foreign Institutions, Qualified Institutional Buyers ("QIB"), Non-Resident Indians, Corporate Bodies, Mutual Funds, Banks, Insurance Companies, Pensions Funds, trusts, stabilizing agents or otherwise or any combination thereof, whether or not such investors are shareholders, promoters, directors or associates of the Company, through issue of Equity Shares and / or equity linked securities and/or securities convertible into equity shares through Qualified Institutional Placement (QIP) or preferential allotment at a price to be determined as per the SEBI(Issue of Capital and Disclosure Requirement)Regulations or as per other applicable rules and regulations, to the extent of INR 150 Crores (Rupees One Hundred Fifty Crores only) in Indian Rupees and / or an equivalent amount in any foreign currency under section 62 read with section 179 of the Act and other applicable laws. While no specific instruments of Securities have been identified at this stage, the Board may opt for one or more appropriate instrument(s) in the best interest of the Company. Such issue shall be subject to the provisions of the Act and Rules made thereunder, Articles of Association of the Company, Securities and Exchange Board of India (Issue of Capital & Disclosure Requirement) Regulations and other applicable laws.

To meet the requirements for the above purposes and for other general corporate purpose, as may be decided by the board of directors (hereinafter called the "Board" which expression shall include any committee of directors constituted / to be constituted by the Board) from time to time, it is proposed to seek authorisation of the members of the Company in favour of the Board, without the need for any further approval from the members, to undertake the Qualified Institutional Placement ("QIP") with the Qualified Institutional Buyers ("QIBs") in accordance with the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("SEBI Regulations") and Section 42 of the Act, as amended, as set out in the Special Resolution of the accompanying Notice.

The requirement of funds is proposed to be met both from equity issuance of appropriate securities as defined in the resolutions and from both domestic and international markets. Prudence would require the funding to be structured with equity to meet with the objective of optimisation of the cost.

Section 62(1)(c) of the Act provides that, inter-alia, such further Equity Shares may be offered to any persons, whether or not such persons are existing holders of equity shares of the company as on the date of offer, by way of a Special Resolution passed to that effect by the members of the Company. Accordingly, consent of the members is being sought, pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Act and in terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 to issue and allot Securities as stated in the Special Resolution.

Pursuant to the provisions of section 42 and 62 of the Act read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company offering or making an invitation to subscribe aforesaid Equity Shares is required to obtain prior approval of the shareholders by way of a Special Resolution. If approved by the shareholders, QIP shall be completed within Twelve Month from the date of passing of Special Resolution.

In view of the above, it is proposed to seek approval from the shareholders of the Company by way of Special Resolution to offer, create, issue and allot Equity Shares, in one or more tranches, to investors inter alia through QIP by way of private placement and to authorise the Board of Directors including any Committee thereof authorised for the purpose to do all such acts, deeds and things in the matter.

It will be ensured that:

a) The relevant date for the purpose of pricing of the equity shares would, pursuant to Chapter VIII of the SEBI (ICDR) Regulations, be the date of the meeting in which the Board or duly authorised committee thereof decides to open the proposed issue of equity shares;

b) The pricing for this purpose shall be in accordance with regulation 85 of Chapter VIII of the SEBI (ICDR) Regulations. The Company may offer a discount of not more than 5% (Five percent) on the price calculated for the QIP or such other discount as may be permitted under SEBI (ICDR) Regulations, as amended from time to time;

c) The issue and allotment of equity shares shall be made only to Qualified Institutional Buyers (QIBs) within the meaning of SEBI (ICDR) Regulations and such equity shares shall be fully paid up on its allotment;

d) The total amount raised in such manner and all previous QIPs made by the Company in a financial year would not exceed 5 times of the Company's net worth as per the audited balance sheet for the previous financial year;

The resolutions contained in Item No. 1 of the accompanying Notice, accordingly, seek shareholders' approval through Special Resolution for raising funds as above through issue of Securities in one or more tranches and authorising Board of Directors (including any Committee thereof authorised for the purpose) of the Company to complete all the formalities in connection with the issuance of Securities.

None of the directors, key managerial personnel of the Company or their relatives are, in any way, concerned or interested in the said Special Resolution, except to the extent of their equity holdings in the Company / Institution in which they are directors or members.

The Board recommends the resolution set forth in Item No. 1 for the approval of Members.

ITEM NO. 2

Mr. Rajiv Gandhi was re-appointed as a CEO & Managing Director of the Company for a period of 3 years, with effect from 1 April 2017. His present tenure as CEO & Managing Director of the Company is up to 31 March 2020.

The Board of Directors has approved and recommended for re-appointment of Mr. Rajiv Gandhi as a CEO & Managing Director of the Company for a period of 3 years starting from 1 April 2020 to 31 March 2023, subject to the terms and conditions, as mentioned hereinafter, in their meeting held on 18 December 2019 and as recommended by the Nomination and Remuneration Committee to the Board.

He will be entitled to the following remuneration:

I. **Basic Salary:** INR 18,00,000 per month (with increments at such intervals as the Board may decide from time to time).

II. **Commission:** 5% of net profits of the Company or such other quantum of the net profits of the Company as may be approved by the Board of Directors, at its absolute discretion, for each financial year.

III. **Perquisites:** In addition to the salary & commission, the following perquisites shall be allowed to the CEO & Managing Director and the total value of perquisites shall be restricted to an amount equal to the annual salary:

CATEGORY "A"

a. Housing: Free use of furnished residential accommodation owned or leased by the Company with facilities and amenities including water, gas, electricity, maintenance, security, furniture, fixtures, furnishings and all utilities and services.

If no accommodation is provided, CEO & Managing Director shall be entitled to house rent allowance subject to a ceiling of 20% of his salary.

The expenditure incurred by the Company on gas, electricity, water, maintenance, security, furniture, fixtures, furnishings and all utilities and services shall be valued as per Income Tax Rules, 1962 or any re-enactment thereof.

b. Medical Expenses Reimbursement: Medical Expenses actually incurred for self and family shall be reimbursed by the Company under Mediclaim Policy.

c. Leave Travel Concession: Leave Travel Expenses for self and family in accordance with the Policy of the Company.

d. Club Fee: The Company shall pay and / or Reimburse Fees and Expenses (excluding admission and life membership fees) of clubs, subject to a maximum of two clubs.

e. Personal Accident Insurance Premium: The Company shall pay Personal Accident Insurance Premium up to INR 50,000 per annum.

CATEGORY "B"

a. The Company shall contribute towards Provident Fund / Superannuation Fund / Annuity Fund provided that such contributions either singly or put together shall not exceed the tax-free limit prescribed under the Income Tax Act.

b. The Company shall pay Gratuity at the rate not exceeding half month's salary for each completed year of service.

c. Leave on full pay and allowances, as per rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated, but not availed of, will be allowed to be encashed at the end of the term as per rules of the Company.

The perquisite under this Category shall not be included in the computation of ceiling on remuneration.

CATEGORY "C"

a. The Company shall provide a Car with Driver at the entire cost of the Company for use for the business of the Company.
b. The Company shall provide telephone including mobile phone at the residence of the CEO & Managing Director at the entire cost of the Company.
c. The CEO & Managing Director shall not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof. He shall, however, be reimbursed the actual travelling, lodging and boarding expenses incurred by him for attending meetings of the Board of Directors and/or Committees thereof.
d. The remuneration referred to above is subject to provisions as prescribed under the Act, Rules and in Schedule V to the Companies Act, 2013, which has been amended from time to time and includes lastly amended through notification of the MCA as of 12 September 2018.
e. In case of revision is made during any financial year, the proportionate amount is to be considered, except in case of remuneration as mentioned under II and III above.
f. In the event of cessation of office during any financial year, a ratable proportion of the aforesaid remuneration shall be payable by the Company.
g. The CEO & Managing Director shall be entitled to reimbursement of all expenses incurred in connection with the business of the Company.
h. "Family" means the spouse, dependent children and dependent parents of CEO & Managing Director.
i. Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be allowed.

All expenditure actually and properly incurred on Company's business shall be reimbursed to the CEO & Managing Director.

Your Directors recommend the above resolution to be passed as a Special Resolution.

Except Mr. Rajiv Gandhi himself, Mr. Sanjiv Gandhi, Mr. Ravin Gandhi, Dr. Bhupendra Gandhi and Ms. Nina Gandhi, relatives of Mr. Rajiv Gandhi, none of the other Directors, Key Managerial Personnel and their relatives are interested in the proposed resolution.

The Board recommends the resolution set forth in Item No. 2 for the approval of Members.

By Order of the Board of Directors
For Hester Biosciences Limited

Place: Ahmedabad
Date: 18 December 2019

Vinod Mali
Company Secretary & Compliance Officer

DISCLOSURE PURSUANT TO SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013

I. GENERAL INFORMATION:

(i) **Nature of Industry:** The Company is mainly engaged in the business of manufacturing and marketing animal vaccines and health products.

(ii) **Date of commencement of commercial production:** The Company was incorporated on 29 April 1987 and the Company had commenced its production in the year 1997.

(iii) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable

(iv) **Financial performance:** Based on the Audited financial results (standalone) for the last 3 years: (INR In Million)

Particulars	2018-2019	2017-2018	2016-17
Total Revenue	1,742.84	1,371.30	1,263.04
Profit before Depreciation, Finance Expenses & Tax	708.60	514.73	418.04
Depreciation, Finance Expenses & Tax	270.08	209.15	168.64
Exceptional Items	0.00	0.00	0.00
Net Profit after Tax	438.52	305.58	249.40
Paid Up Share Capital	85.07	85.07	85.07
Reserves & Surplus	1,709.30	1,375.71	1,135.85

(v) **Foreign investments or collaborators, if any:** The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company.

II. INFORMATION ABOUT THE APPOINTEE MR. RAJIV GANDHI:

(i) Background details:

Name of Director	Mr. Rajiv Gandhi
Designation	CEO & Managing Director
Education	B. Com, Diploma in Marketing Management & Poultry Management
Past Experience	Mr. Rajiv Gandhi has over 36 years' experience in management, particularly in distribution and marketing of animal health products. Having started as a proprietary business to initially distribute animal health products, the business is now one of India's largest animal and health products producing Company.

(ii) Past remuneration during the last three financial years:

Financial Years	Remuneration (INR in million)
2016-17	18.00
2017-18	24.00
2018-19	21.00

Note: The Company has paid additional INR 32.00 Million as Milestone Bonus for FY 2018-19, as approved by the members in the last Annual General Meeting held on 31 July 2019.

(iii) Recognition or awards:

Mr. Rajiv Gandhi has been awarded the "AMA - Metrochem Outstanding Manager of the Year 2015" from Ahmedabad Management Association (AMA).

(iv) Job profile and the suitability:

Mr. Rajiv Gandhi, CEO & Managing Director is founder promoter of the Company. Under his leadership, the Company has achieved substantial growth in the industry. He looks after the overall management of the Company with all key managers of functions reporting to him. Due to his in-depth knowledge and experience in animal health industry, along with marketing and distribution exposure, he may be considered as the most suitable person for this position.

(v) Remuneration drawn/proposed:

Mr. Rajiv Gandhi, was re-appointed as CEO & Managing Director for a period of 3 years, with effect from 1 April 2017, with the remuneration terms and conditions, as approved by the members by postal ballot and result of postal ballot declared on 22 December 2016 and 19 December 2019. Actual remuneration drawn during last 3 financial years is shown above. The proposed revised remuneration is already mentioned in the explanatory statement in Item No. 2 of the Special Resolution.

(vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company, the profile of the CEO & Managing Director and the responsibilities shouldered by him and the industry benchmarks, the proposed remuneration is reasonable, justified and commensurate with the remuneration packages paid in the comparable companies in the industry.

(vii) Pecuniary relationship(s) directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration paid to Mr. Rajiv Gandhi, he does not have any pecuniary relationship with the Company other than what has been mentioned under related party transactions in Annual Report 2018-2019. No other Promoter Director is drawing any remuneration except for sitting fees for attending Board and Committee meetings. Further, Mr. Rajiv Gandhi along with his relatives are also holding equity shares in the Company.

III. OTHER INFORMATION:

(i) Reasons of inadequate profits:

The profits of the Company have increased over the years. The Companys' profit after tax for the year ended on 31 March 2019 is INR 438.52 million and INR 184.92 million for the half year ended on 30 September 2019. The proposed remuneration payable to the CEO & Managing Director may exceed the limit prescribed under Section 197 of the Companies Act, 2013 and profits of the Company may be inadequate to such extent.

(ii) Steps taken or proposed to be taken for improvement:

The Company has been profitable consistently for many years on a standalone basis and is expected to continue to do so. The Company continuously takes measures towards improvement in internal efficiencies and productivity.

Every effort is taken to cope with the challenges related to rising input costs through continuous cost review and rationalization of inputs. The Company is also taking steps towards process improvements, imparting training to the workforce on a continued basis, as well as developing and improving customer services.

While pursuing our vision to become a global company, the endeavor remains to improve the bottom line.

(iii) Expected increase in productivity and profits in measurable terms:

The Company has earned profit (after tax) of INR 184.92 million for the half year ended on 30 September 2019 (unaudited figures). The same was in line with the projections. The Company has kept discipline towards credit control as well as inventory management and the product mix, which helped to improve profitability. Further the Company has also taken steps for improving productivity by setting up the Company's own in-house large animal health production unit.

IV. DISCLOSURES:

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the explanatory statement as stated above. Further, the existing remuneration terms and conditions of Mr. Rajiv Gandhi were disclosed under Corporate Governance Report in the Annual Report.

By Order of the Board of Directors
For Hester Biosciences Limited

Place: Ahmedabad
Date: 18 December 2019

Vinod Mali
Company Secretary & Compliance Officer

HESTER

HESTER BIOSCIENCES LIMITED

CIN: L99999GJ1987PLC022333
Registered Office: 1st Floor, Pushpak, Panchvati Circle, Motilal Hirabhai Road, Ahmedabad - 380006, Gujarat
Ph.:+91 79 26445106 Fax: +91 79 26445105 Email: mail@hester.in Website: www.hester.in

POSTAL BALLOT FORM

(To be returned to scrutiniser appointed by the Company)

Postal Ballot Serial No.

No.	Particulars	Details of Member[s]
1.	Name and registered address of the sole/ first named Member	
2.	Name(s) of the joint Member(s), if any	
3.	Registered Folio No. / DP ID No. & Client ID No.* (*Applicable to Members holding shares in dematerialised form)	
4.	Number of Equity Shares held	
5.	I / We hereby exercise my / our vote in respect of the following Special Resolutions to be passed through Postal Ballot for the special business stated in the notice of the Company by sending my / our assent (FOR) or dissent (AGAINST) to the said resolution by placing the tick (✓) mark in the appropriate column below:	

Sr.	Description	No. of shares	I / We assent to the Resolution [FOR]	I/ We dissent to the Resolution [AGAINST]
1.	Issuance of equity shares, and/or equity linked securities and/or securities convertible into equity shares through Qualified Institutional Placement (QIP) or preferential allotment			
2.	Re-appointment of Mr. Rajiv Gandhi as a CEO & Managing Director for the term of 3 year with effect from 1 April 2020			

Place :
Date :

Signature of Shareholder(s)

ELECTRONIC VOTING PARTICULARS

For those opting to vote through electronic means, instead of voting by the above postal ballot facility is available at the web link: http://evotingindia.com. Particulars for electronic voting are as under:

EVSN (Electronic Voting Sequence Number)	USER ID	PASSWORD
191218001		

Notes:

1. Please read the instructions printed overleaf and in the notice of the postal ballot carefully before exercising your vote.
2. Last date for receipt of Postal Ballot Form by the scrutiniser: 23 January 2020, before 5.00 pm. (IST)

INSTRUCTIONS

1. Pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, assent or dissent of the members in respect of the Resolutions contained in the Postal Ballot Notice is being sought through Postal Ballot process.
2. A member desiring to exercise vote by postal ballot, may send duly completed form in the enclosed self-addressed Business Reply Envelope. The envelope bears the name of Mr. Tapan Shah, Company Secretary, appointed as the Scrutiniser by the Board of Directors of the Company.
3. Postage on the Business Reply Envelope will be borne by the Company. However, envelopes containing Postal Ballot, if sent by courier or by Registered Post at the expense of the member will also be accepted.
4. The envelopes containing the Postal Ballot should reach the Scrutiniser no later than the close of business hours i.e. 17:00 hours on 23 January 2020. A Postal Ballot Form received after this date and time will be strictly treated as if the reply from the member has not been received.
5. The Postal Ballot Form should be completed and signed by the Member. An unsigned Postal Ballot Form will be rejected.
6. In case of joint holding, the Postal Ballot Form should be completed and signed (as per the specimen signature registered with the Company / Depository) by the first named Member and in the absence of such Member, by the next named joint-holder. A Member may sign the Postal Ballot Form through an attorney; in such case certified true copy of the Power of Attorney should be attached to the Postal Ballot Form. There will be only one Postal Ballot Form for every folio /client Id irrespective of the number of joint Member(s).
7. In case of shares held by Companies, Trusts, Societies etc., a duly completed Postal Ballot Form should be signed by its authorized signatory. In such cases the duly completed Postal Ballot Form should also be accompanied by a certified copy of the Board Resolution/Authority together with the specimen signature(s) of the duly authorised signatory (ies).
8. A Member neither needs to use all their votes nor needs to cast all their votes in the same way.
9. An incomplete, unsigned, incorrectly completed, incorrectly ticked, defaced, torn, mutilated, over-written, wrongly signed Postal Ballot Form will be rejected. The Postal Ballot shall not be exercised by a proxy.
10. The Scrutiniser's decision on the validity of Postal Ballot Form will be final.
11. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Member as on 20 December 2019.
12. A Member may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the Scrutiniser not later than the date and time specified in Point no. 4 above.
13. Members are requested not to send any other paper along with the Postal Ballot Form (except those authorised by the Company) in the enclosed self-addressed postage prepaid envelope as all Postal Ballot(s) will be sent to the Scrutiniser and any extraneous paper found in such envelope would be destroyed by the Scrutiniser.
14. The Resolution, if assented by requisite majority, shall be considered as passed on 25 January 2020 (i.e. the date of Declaration of the Postal Ballot Result).
15. E-VOTING: The Company is pleased to provide E-Voting facility as an alternate for all the Shareholders of the Company to enable them to cast their votes electronically instead of through physical Postal Ballot. E-Voting is optional. In case a member has voted through E-Voting facility, he does not need to send the physical Postal Ballot Form. In case a member casts his vote through E-Voting facility as well as sends his vote through physical vote, the vote cast through E-voting shall only be considered and the voting through physical Postal Ballot shall not be considered by the Scrutiniser. Members are requested to refer to the Postal Ballot Notice and Notes thereto, for detailed instructions with respect to electronic voting.