

**28 July 2017**

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

Respected Sir / Madam,

**Subject: Outcome of Board Meeting held today and Submission of Unaudited Standalone Financial Results for the quarter ended on 30 June 2017**

**Start Time: 9.45 am****Conclusion Time: 10.10 am**

This is in reference to our letter dated 20 July 2017 intimating the date of the Board Meeting for consideration of the Unaudited Standalone Financial Results for the quarter ended on 30 June 2017.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that Board of Directors, in their Meeting held today, have approved the Unaudited Standalone Financial Results for the quarter ended on 30 June 2017.

We attach herewith:

- 1) The approved Unaudited Standalone Financial Results under Regulations 33 of SEBI (LODR) Regulations, 2015 and Limited Review Report from Auditors.
- 2) Press Release issued in this regard

We would like to inform you that, the Board of Directors in their meeting held today, have decided and approved to make an investment in its wholly owned subsidiary Company namely Hester Biosciences Kenya Limited, incorporated in the Kenya, Africa, to the extent of USD 150,000 (US Dollar One Lakh Fifty Thousand Only). The details of Hester Biosciences Kenya Limited are given in the attached annexure.

We are arranging to publish these results in the newspaper as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**Sincerely,  
For Hester Biosciences Limited**



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

**Annexure:** The details of Hester Biosciences Kenya Limited, Wholly Owned Subsidiary Company in Kenya are mentioned as under:

| Sr. | Particulars                                                                                                                                                                                                                                                                     | Details                                                                                                                                                                                                                                                                                                                                                                           |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1   | Name of the target entity, details in brief such as size, turnover etc.;                                                                                                                                                                                                        | Hester Biosciences Kenya Limited                                                                                                                                                                                                                                                                                                                                                  |
| 2   | Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length"; | Not Applicable                                                                                                                                                                                                                                                                                                                                                                    |
| 3   | Industry to which the entity being acquired belongs;                                                                                                                                                                                                                            | Pharmaceuticals                                                                                                                                                                                                                                                                                                                                                                   |
| 4   | Objects and effects of acquisition                                                                                                                                                                                                                                              | To trading of vaccines specific to African animal diseases                                                                                                                                                                                                                                                                                                                        |
| 5   | Brief details of any governmental or regulatory approvals required for the acquisition;                                                                                                                                                                                         | Investment will be under the Automatic Route of Foreign Exchange Management Regulations (FEMA) and subject to necessary regulatory approvals in Kenya, if any.                                                                                                                                                                                                                    |
| 6   | Indicative time period for completion of the acquisition;                                                                                                                                                                                                                       | Investment will be completed within 12 months.                                                                                                                                                                                                                                                                                                                                    |
| 7   | Nature of consideration - whether cash consideration or share swap and details of the same;                                                                                                                                                                                     | Cash Investment in equity shares of the Wholly-Owned Subsidiary.                                                                                                                                                                                                                                                                                                                  |
| 8   | Cost of acquisition or the price at which the shares are acquired;                                                                                                                                                                                                              | Estimated cost of investment in equity of Wholly Owned Subsidiary Company: USD 150,000 (approximately).                                                                                                                                                                                                                                                                           |
| 9   | Percentage of shareholding / control acquired and / or number of shares acquired;                                                                                                                                                                                               | 100%                                                                                                                                                                                                                                                                                                                                                                              |
| 10  | Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);                         | <p>Business: Trading of Veterinary Vaccines and Health Products</p> <p>Date of Incorporation: 28 November 2013</p> <p>Turnover for last three years: Yet to start Business Activity</p> <p>Country of Presence: Kenya</p> <p>Significant Information: This Wholly Owned Subsidiary Company will undertake an operation of Trading of Veterinary Vaccines and Health Products.</p> |

| UNAUDITED FINANCIAL RESULTS (STANDALONE) FOR THE QUARTER ENDED 30 JUNE 2017 |                                                                                   |               |            |            |            |
|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------|---------------|------------|------------|------------|
| In Million INR                                                              |                                                                                   |               |            |            |            |
| Sr.                                                                         | Particulars                                                                       | Standalone    |            |            |            |
|                                                                             |                                                                                   | Quarter Ended |            |            | Year Ended |
|                                                                             |                                                                                   | 30-06-2017    | 31-03-2017 | 30-06-2016 | 31-03-2017 |
|                                                                             |                                                                                   | Unaudited     | Unaudited  | Unaudited  | Unaudited  |
| 1                                                                           | Net Sales/ Income from Operations                                                 | 290.41        | 355.96     | 307.18     | 1,255.79   |
|                                                                             | Manufacturing Sales                                                               | 235.86        | 327.89     | 272.74     | 1,114.89   |
|                                                                             | Trading Sales                                                                     | 44.54         | 28.07      | 27.65      | 119.99     |
|                                                                             | Other Operational Income                                                          | 10.00         | -          | 6.79       | 20.91      |
| 2                                                                           | Other Income                                                                      | 5.53          | 0.95       | 3.35       | 7.26       |
| 3                                                                           | Total Revenue (1+2)                                                               | 295.94        | 356.91     | 310.53     | 1,263.04   |
| 4                                                                           | Total Expenses                                                                    | 202.72        | 263.21     | 220.46     | 932.17     |
|                                                                             | (a) Cost of material consumed                                                     | 48.37         | 41.85      | 44.42      | 177.67     |
|                                                                             | (b) Purchases of stock-in-trade                                                   | 14.57         | 25.47      | 14.85      | 88.05      |
|                                                                             | (c) Change in inventories                                                         | (14.71)       | 25.05      | 14.64      | 33.21      |
|                                                                             | (d) Employee benefits expenses                                                    | 48.64         | 52.20      | 37.95      | 183.23     |
|                                                                             | (e) Depreciation and amortisation expenses                                        | 13.81         | 16.35      | 12.91      | 55.09      |
|                                                                             | (f) Finance cost                                                                  | 6.16          | 7.76       | 7.81       | 32.08      |
|                                                                             | (g) Other expenses - manufacturing                                                | 46.25         | 52.17      | 39.07      | 175.53     |
|                                                                             | (h) Other expenses - selling, general & administrative                            | 39.64         | 42.36      | 48.81      | 187.31     |
| 5                                                                           | Profit before tax (3-4)                                                           | 93.21         | 93.70      | 90.07      | 330.87     |
| 6                                                                           | Tax Expense                                                                       | 31.45         | 22.59      | 29.88      | 81.47      |
|                                                                             | Current tax                                                                       | 24.93         | 20.48      | 32.32      | 73.84      |
|                                                                             | Deffered tax                                                                      | 6.52          | 2.11       | (2.44)     | 7.63       |
| 7                                                                           | Profit for the period (5-6)                                                       | 61.76         | 71.11      | 60.19      | 249.40     |
| 8                                                                           | Other Comprehensive Income                                                        |               |            |            |            |
|                                                                             | (i) Items that will not be reclassified to Profit or Loss                         | (0.37)        | (0.54)     | (0.31)     | (1.49)     |
|                                                                             | (ii) Income Tax realting to items that will not be reclassified to profit or loss | 0.13          | 0.19       | 0.11       | 0.52       |
| 9                                                                           | Total Comprehensive Income for the period (7+8)                                   | 61.52         | 70.76      | 59.99      | 248.43     |
| 10                                                                          | Paid-up equity share capital (face value of INR 10)                               | 85.07         | 85.07      | 85.07      | 85.07      |
| 11                                                                          | Reserve & Surplus                                                                 | -             | -          | -          | 1,135.85   |
| 12                                                                          | Earnings Per Share (of INR 10 each) (Not Annualised) - Basic & Diluted            | 7.23          | 8.32       | 7.05       | 29.20      |
| REPORT ON SEGMENT REVENUE, RESULTS, ASSETS AND LIABILITIES                  |                                                                                   |               |            |            |            |
| In Million INR                                                              |                                                                                   |               |            |            |            |
| Sr.                                                                         | Particulars                                                                       | Standalone    |            |            |            |
|                                                                             |                                                                                   | Quarter Ended |            |            | Year Ended |
|                                                                             |                                                                                   | 30-06-2017    | 31-03-2017 | 30-06-2016 | 31-03-2017 |
|                                                                             |                                                                                   | Unaudited     | Unaudited  | Unaudited  | Unaudited  |
| 1                                                                           | Segment Revenue (Sales and Other Operating Income)                                |               |            |            |            |
|                                                                             | a. Poultry                                                                        | 267.07        | 293.74     | 285.05     | 1,102.93   |
|                                                                             | b. Large Animal                                                                   | 23.34         | 62.22      | 22.13      | 152.86     |
|                                                                             | Total Revenue                                                                     | 290.41        | 355.96     | 307.18     | 1,255.79   |
| 2                                                                           | Segment Results (Profit before Finance Cost and Taxes)                            |               |            |            |            |
|                                                                             | a. Poultry                                                                        | 96.85         | 83.32      | 96.64      | 325.60     |
|                                                                             | b. Large Animal                                                                   | 2.15          | 17.60      | 0.93       | 35.86      |
|                                                                             | Total Segment Results                                                             | 99.00         | 100.92     | 97.58      | 361.46     |
|                                                                             | a. Finance Costs                                                                  | 6.16          | 7.76       | 7.81       | 32.08      |
|                                                                             | b. Exceptional Items (Income)                                                     | -             | -          | -          | -          |
|                                                                             | c. Other unallocable expenditure/(income) [ Net ]                                 | (0.37)        | (0.54)     | (0.31)     | (1.49)     |
|                                                                             | Profit before Tax                                                                 | 93.21         | 93.70      | 90.07      | 330.87     |
| 3                                                                           | Segment Assets                                                                    |               |            |            |            |
|                                                                             | a. Poultry                                                                        | -             | -          | -          | 1,457.80   |
|                                                                             | b. Large Animal                                                                   | -             | -          | -          | 133.59     |
|                                                                             | Unallocated Assets                                                                | -             | -          | -          | 125.71     |
|                                                                             | Total                                                                             | -             | -          | -          | 1,717.10   |
| 4                                                                           | Segment Liabilities                                                               |               |            |            |            |
|                                                                             | a. Poultry                                                                        | -             | -          | -          | 426.97     |
|                                                                             | b. Large Animal                                                                   | -             | -          | -          | 4.80       |
|                                                                             | Unallocated Liabilities                                                           | -             | -          | -          | 87.96      |
|                                                                             | Total                                                                             | -             | -          | -          | 519.73     |

**Notes:**

1. The unaudited standalone financial results for the quarter ended on 30 June 2017 were reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on 28 July 2017.
2. The unaudited standalone financial results for the quarter ended on 30 June 2017 in respect of the Company were subject to "Limited Review" by the Statutory Auditors of the Company. Further the Ind-AS compliant financial results for the corresponding quarter ended on 30 June 2016, preceding quarter ended on 31 March 2017 and for the previous year ended on 31 March 2017 have not been subject to limited review or audit by the statutory auditors in terms of SEBI circular CIR/CFD/FAC/62/2016 dated 05 July 2016. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.
3. The unaudited standalone financial results have been prepared in accordance with the Indian Accounting Standards (Ind-As) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules, 2016.
4. The Company has transited to the Ind AS with effect from 01 April 2016 and for this purpose comparative figures of the quarter ended on 30 June 2016, 31 March 2017 and for the year ended on 31 March 2017 have been restated and accordingly the impact of transition have been provided.
5. Segment wise reporting in accordance with Ind-AS 108 is given separately.
6. Provision for taxation includes Current Tax of INR 24.93 million and Deferred Tax Expense of INR 6.52 million for the year.
7. The Company has incorporated "Hester Biosciences Africa Limited" as a Wholly-owned Subsidiary in Tanzania on 05 June 2017.
8. The Reconciliation of net profit for Unaudited Standalone Results as previously reported under IGAAP to Ind-AS:

| Particulars                                                                        | Quarter Ended |              | Year Ended    |
|------------------------------------------------------------------------------------|---------------|--------------|---------------|
|                                                                                    | 31 March 2017 | 30 June 2016 | 31 March 2017 |
| <b>Net Profit as per the Indian GAAP</b>                                           | <b>70.76</b>  | <b>59.99</b> | <b>248.43</b> |
| Actual Loss on defined benefit obligation recognised in other comprehensive income | 0.54          | 0.31         | 1.49          |
| Current Tax on above Adjustment                                                    | (0.19)        | (0.11)       | (0.52)        |
| <b>Net Profit under Ind-AS</b>                                                     | <b>71.11</b>  | <b>60.19</b> | <b>249.40</b> |
| Other Comprehensive Income                                                         | (0.54)        | (0.31)       | (1.49)        |
| Current Tax on above Adjustment                                                    | 0.19          | 0.11         | 0.52          |
| <b>Total Comprehensive Income Under Ind-AS</b>                                     | <b>70.76</b>  | <b>59.99</b> | <b>248.43</b> |

This reconciliation statement has been provided in accordance with circular CIR/CFD/FAC/62/2016 issued by SEBI dated 05 July 2016 on account of implementation of Ind-AS by Listed Companies.

9. The figures have been re-grouped / rearranged where ever necessary.

**For and on behalf of the Board of Directors**



**Place: Ahmedabad**  
**Date: 28 July 2017**

**Rajiv Gandhi**  
**CEO & Managing Director**

# Apaji Amin & Co LLP

CHARTERED ACCOUNTANTS

Partners :

**Tehmul B. Sethna**

B. Com., F.C.A.

**Rity M. Malhotra**

M. Com., A.C.A.

**Chirag R. Ganatra**

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**The Board of Directors  
Hester Biosciences Ltd  
Ahmedabad.**

## LIMITED REVIEW REPORT

“We have reviewed the accompanying Statement of unaudited Standalone Financial Results of **HESTER BIOSCIENCES LIMITED** for the quarter and three months ended on 30<sup>th</sup> June 2017, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulation, 2015, read with Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016. 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.

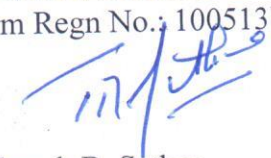
We conducted our review of Statement in accordance with the Standard on Review Engagements (SRE) 2410, ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’ issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether 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 provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards i.e. Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognized accounting practices 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 , read with Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Ahmedabad  
Date: 28<sup>th</sup> July, 2017



For Apaji Amin & Co. LLP  
Chartered Accountants  
Firm Regn No.: 100513W/W100062

  
Tehmul .B. Sethna  
Partner  
Membership No.: 035476

## Press Release

**28 July 2017**

### Q1FY18 Results

|                                 | Q1FY18 | Q1FY17 | Growth  | FY17     |
|---------------------------------|--------|--------|---------|----------|
| <b>Net Sales</b> (INR Million)  | 290.41 | 307.18 | (5.46%) | 1,255.79 |
| <b>Net Profit</b> (INR Million) | 61.52  | 59.99  | 2.55%   | 248.43   |
| <b>EPS</b> (INR)                | 7.23   | 7.05   | 2.55%   | 29.20    |

### Q1 Highlights

- Hester has reported a Net Sales of INR 290.41 Million in Q1FY18 as compared to INR 307.18 for the previous corresponding period.
- Net Profit for Q1FY18 is recorded at INR 61.52 Million as against INR 59.99 Million for the previous corresponding period, thereby registering a growth of 2.55%.
- Earnings per Share for the Q1FY18 are at INR 7.23 as against INR 7.05 for Q1FY17.
- Net Profit margin for Q1FY18 is 21.18% of sales as against 19.53% in Q1FY17.

### Business Overview

- The reasons for sales drop by 5.46% are:
  - Restricted invoicing in June due to GST
  - Low chick replacement in the poultry industry
  - Product shortages
  - Tightened credit control
- Export sales grew by 11.27%, lower than expectation.
- The company improved its bottom line in Q1FY18. The main driver for the improvement, like in the last year, was better credit control.
- The company got 2 product registration certificates in Egypt and 8 product registration certificates in Cambodia in July 2017.
- The company got Loan Licenses for 23 Veterinary Pharmaceutical products in April 2017 in its subsidiary company Texas Lifesciences Private Limited and got the approval for In Vitro Diagnostic Kit of RBPT Antigen in April 2017.
- During the quarter, the Company has incorporated "Hester Biosciences Africa Limited" as a wholly owned subsidiary in Tanzania on 05 June 2017 by way of investing into equity with an objective to manufacture animal vaccines and health products in Tanzania, to cater to the whole African continent.
- Production in Nepal plant for PPR vaccine has stabilised.

The business performance seems low in terms of top line but we are confident of adhering to our forecasts for this financial year. Domestic large animal vaccines sale is forecasted to take a leap. Exports will also see a boost in the coming quarters due to additional product registrations received as well as due to our on-going process of creating a stronger penetration, particularly in Africa. We also expect bigger international tender orders in this financial year.



**Rajiv Gandhi**  
**Hester Biosciences Limited**  
**CEO & Managing director**