HESTER

Hester Biosciences Limited
Pushpak, 1st Floor
Panchvati Circle
Motilal Hirabhai Road
Ahmedabad 380006
Gujarat, India

Phone +91 79 26445106
Email mail@hester.in
Toll Free 1 800 233 7937
www.hester.in

CIN L99999GJ1987PLC022333

29 July 2017

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: Outcome of 30th Annual General Meeting held on 28 July 2017

This is in reference to our letter dated 26 June 2017, the 30th Annual General Meeting (AGM) was held on Friday, 28 July 2017 at 11.00 am. at Ahmedabad Textile Mills Association Hall (ATMA Hall), Ashram Road, Navrangpura, Ahmedabad 380 009 to transact the business as stated in the Notice dated 8 May 2017.

We attach herewith:

1. The proceedings of the 30th Annual General Meeting of the Company
2. Disclosure regarding voting results along with Scrutinizer Report of the 30th Annual General Meeting as per Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. 30th Annual Report for the year 2017-18 of the Company as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please take note on your record.

Sincerely,
For Hester Biosciences Limited

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Enclosure: As above

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PROCEEDINGS OF 30TH ANNUAL GENERAL MEETING HELD AT THE AHMEDABAD TEXTILE MILLS ASSOCIATION HALL, ASHRAM ROAD, NAVRANGPURA, AHMEDABAD 380 009 ON FRIDAY 28 JULY 2016 AT 11.00 A.M.

The 30th Annual General Meeting of the Members of the Company was held on Friday, 28 July 2017 at 11.00 a.m. at Ahmedabad Textile Mills Association Hall (ATMA Hall), Ashram Road, Navrangpura, Ahmedabad 380 009.

Dr. Bhupendra Gandhi, Chairman of the Company took the Chair.

The Statutory Auditors namely Apaji Amin & Co. LLP, Secretarial Auditor and the Scrutiniser Mr. Tapan Shah were present at the Meeting.

The Statutory Registers and the Proxy Register were available at the Venue for inspection of members.

As requisite quorum was present, Chainman calls the Meeting to an order.

With consent of members the Notice Convening the 30th Annual General Meeting ("AGM"), Directors Report, and Financial Statements for the financial year ended 31 March 2017 were taken as read. The Chairman informed that the Auditors Report did not have any qualifications and Auditors Report readout to the Members.

Thereafter, Mr. Rajiv Gandhi, CEO & Managing Director of the Company gave highlights on Company's working, current market scenario and its future prospects related to Company's point of view.

Thereafter, the following resolutions as set out in the Notice convening the AGM were proposed and seconded by the Members:

Item No.	Particulars	Resolution (Ordinary/ Special)
1	To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended on 31 March 2017 and the reports of the Board of Directors' and Auditors' thereon; and	Ordinary
2	To take note of the payment of interim dividend on equity shares and to declare a final dividend on equity shares for the financial year 2016-17;	Ordinary
3	To appoint a Director in place of Mr. Sanjiv Gandhi (DIN: 00024548), who retires by rotation and being eligible, has offer himself for reappointment;	Ordinary
4	Ratification of appointment of Statutory Auditors and to fix their remuneration;	Ordinary
5	Ratification of remuneration to Cost Auditors for the year 2017-18.	Ordinary

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The Chairman then informed the members that pursuant to the Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had provided e-voting platform of Central Depository Services (India) Limited to the Shareholders for exercising their voting rights in electronic form. The remote e - voting commenced on Tuesday, 25 July 2017 at 9.00 a.m. and ended on Thursday, 27 July 2017 at 5.00 p.m.

The Chairman further informed that the resolutions prescribed in the notice convening the 30th Annual General Meeting will be passed through poll process by the members present at the meeting. He further ordered the poll on all the resolutions as set out in Item no. 1 to 5 on the Notice convening the 30th Annual General Meeting.

The Chairman stated that pursuant to the provision of Section 109 of the Companies Act, 2013, Mr. Tapan Shah, Practicing Company Secretary is appointed as scrutinizer to conduct the poll process in fair and transparent manner, scrutinize the poll process and to submit his report.

The Chairman informed that the results of voting on each resolution shall be determined by adding the votes of poll in favour of or against a resolution with the electronic votes casted by the members in favour of or against the respective resolution. He declared that on receipt of Scrutinizer's Report on the poll to be conducted, the result of the voting shall be declared latest by 29 July 2017. The results to be declared for each resolution shall be intimated to the Stock exchanges website i.e. www.bseindia.com and www.nseindia.com, immediately and would also be uploaded on the Company's website: www.hester.in.

The CEO & Managing Director invited to members to ask questions on the working of the Company if any.

Members asked few questions on the performance of the Company, possibility of future development of the business, competitiveness of company in Global as well as Indian market and future prospects of Bioscience industry.

All the questions were responded satisfactory by Mr. Rajiv Gandhi, CEO & Managing Director of the Company.

The Chairman concluded the meeting at 12.00 a.m. with vote of thanks to all the Members for their co-operation and sparing their valuable time for attending the meeting.

Please take note on your record.

Sincerely,
For Hester Biosciences Limited

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

DETAILS OF VOTING RESULTS UNDER REGULATION 44 (3)
30TH ANNUAL GENERAL MEETING HELD ON 28 JULY 2017

1	Date of AGM	**28 July 2017**
2	Total No. of Shareholders on Record Date	**6571**
3	Number of Shareholders present in the meeting either in person or through proxy a) Promoter and Promoters Group b) Public	 **19** **46**
4	Number of Shareholders attended meeting through Video Conferencing a) Promoter and Promoters Group b) Public	 **Not Arranged**

DETAILS OF AGENDA

Resolution- 1:

Sr. No.	Resolution	Resolution Type	Whether promoters / Promoters group are interested in the agenda / resolution
1	To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended on 31 March 2017 and the reports of the Board of Directors' and Auditors' thereon; and	Ordinary Resolution	No

Details of result of the said Resolution:

Category	No. of shares held	No. of votes polled			% of Votes Polled on outstanding shares	No. of Votes in favour			No. of Votes against			% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)			(3)=[(2)/(1)]*100	(4)			(5)			(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
		E-voting	Poll	Total		E-voting	Poll	Total	E-voting	Poll	Total		
Promoter and Promoter Group	4,600,072	4,200,990	399,082	4,600,072	100.00	4,200,990	399,082	4,600,072	0	0	0	100.00	0.00
Public - Institutional holders	130,241	87,059	0	87,059	66.84	87,059	0	87,059	0	0	0	100.00	0.00
Public-Others	3,776,552	23,499	367,923	391,422	10.36	23,499	367,922	391,421	0	0	0	100.00	0.00
Total	**8,506,865**	**4,311,548**	**767,005**	**5,078,553**	**59.70**	**4,311,548**	**767,004**	**5,078,552**	**0**	**0**	**0**	**100.00**	**0.00**

Note: 1 Poll Paper having 1 equity share recognized as invalid due to signature mismatch with the records of Company.

Resolution - 2:

Sr. No.	Resolution	Resolution Type	Whether promoters / Promoters group are interested in the agenda / resolution
2	To take note of the payment of interim dividend on equity shares and to declare a final dividend on equity shares for the financial year 2016-17	Ordinary Resolution	No

Details of result of the said Resolution:

Category	No. of shares held	No. of votes polled			% of Votes Polled on outstanding shares	No. of Votes in favour			No. of Votes against			% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)			(3)= [(2)/(1)]* 100	(4)			(5)			(6)= [(4)/(2)] *100	(7)= [(5)/(2)] *100
		E-voting	Poll	Total		E-voting	Poll	Total	E-voting	Poll	Total		
Promoter and Promoter Group	4,600,072	4,200,990	399,082	4,600,072	100.00	4,200,990	399,082	4,600,072	0	0	0	100.00	0.00
Public - Institutional holders	130,241	87,059	0	87,059	66.84	87,059	0	87,059	0	0	0	100.00	0.00
Public-Others	3,776,552	23,499	367,923	391,422	10.36	23,499	367,922	391,421	0	0	0	100.00	0.00
Total	**8,506,865**	**4,311,548**	**767,005**	**5,078,553**	**59.70**	**4,311,548**	**767,004**	**5,078,552**	**0**	**0**	**0**	**100.00**	**0.00**

Note: 1 Poll Paper having 1 equity share recognized as invalid due to signature mismatch with the records of Company.

Resolution - 3:

Sr. No.	Resolution	Resolution Type	Whether promoters / Promoters group are interested in the agenda / resolution
3	To appoint a Director in place of Mr. Sanjiv Gandhi (DIN: 00024548), who retires by rotation and being eligible, has offer himself for reappointment	Ordinary Resolution	No

Details of result of the said Resolution:

Category	No. of shares held	No. of votes polled			% of Votes Polled on outstanding shares	No. of Votes in favour			No. of Votes against			% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)			(3)= [(2)/(1)]* 100	(4)			(5)			(6)= [(4)/(2)] *100	(7)= [(5)/(2)] *100
		E-voting	Poll	Total		E-voting	Poll	Total	E-voting	Poll	Total		
Promoter and Promoter Group	4,600,072	4,200,990	399,082	4,600,072	100.00	4,200,990	399,082	4,600,072	0	0	0	100.00	0.00
Public - Institutional holders	130,241	87,059	0	87,059	66.84	87,059	0	87,059	0	0	0	100.00	0.00
Public-Others	3,776,552	23,499	367,923	391,422	10.36	23,499	367,921	391,420	0	1	1	100.00	0.00
Total	**8,506,865**	**4,311,548**	**767,005**	**5,078,553**	**59.70**	**4,311,548**	**767,003**	**5,078,551**	**0**	**1**	**1**	**100.00**	**0.00**

Note: 1 Poll Paper having 1 equity share recognized as invalid due to signature mismatch with the records of Company.

Resolution - 4:

Sr. No.	Resolution	Resolution Type	Whether promoters / Promoters group are interested in the agenda / resolution
4	Ratification of appointment of Statutory Auditors and to fix their remuneration	Ordinary Resolution	No

Details of result of the said Resolution:

Category	No. of shares held	No. of votes polled			% of Votes Polled on outstanding shares	No. of Votes in favour			No. of Votes against			% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)			(3)= [(2)/(1)]* 100	(4)			(5)			(6)= [(4)/(2)] *100	(7)= [(5)/(2)] *100
		E-voting	Poll	Total		E-voting	Poll	Total	E-voting	Poll	Total		
Promoter and Promoter Group	4,600,072	4,200,990	399,082	4,600,072	100.00	4,200,990	399,082	4,600,072	0	0	0	100.00	0.00
Public - Institutional holders	130,241	87,059	0	87,059	66.84	87,059	0	87,059	0	0	0	100.00	0.00
Public-Others	3,776,552	23,499	367,923	391,422	10.36	23,499	367,921	391,420	0	1	1	100.00	0.00
Total	**8,506,865**	**4,311,548**	**767,005**	**5,078,553**	**59.70**	**4,311,548**	**767,003**	**5,078,551**	**0**	**1**	**1**	**100.00**	**0.00**

Note: 1 Poll Paper having 1 equity share recognized as invalid due to signature mismatch with the records of Company.

Resolution - 5:

Sr. No.	Resolution	Resolution Type	Whether promoters / Promoters group are interested in the agenda / resolution
5	Ratification of remuneration to Cost Auditors	Ordinary Resolution	No

Details of result of the said Resolution:

Category	No. of shares held	No. of votes polled			% of Votes Polled on outstanding shares	No. of Votes in favour			No. of Votes against			% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)			(3)= [(2)/(1)]* 100	(4)			(5)			(6)= [(4)/(2)] *100	(7)= [(5)/(2)] *100
		E-voting	Poll	Total		E-voting	Poll	Total	E-voting	Poll	Total		
Promoter and Promoter Group	4,600,072	4,200,990	399,082	4,600,072	100.00	4,200,990	399,082	4,600,072	0	0	0	100.00	0.00
Public - Institutional holders	130,241	87,059	0	87,059	66.84	87,059	0	87,059	0	0	0	100.00	0.00
Public-Others	3,776,552	23,499	367,923	391,422	10.36	23,499	367,921	391,420	0	1	1	100.00	0.00
Total	**8,506,865**	**4,311,548**	**767,005**	**5,078,553**	**59.70**	**4,311,548**	**767,003**	**5,078,551**	**0**	**1**	**1**	**100.00**	**0.00**

Note: 1 Poll Paper having 1 equity share recognized as invalid due to signature mismatch with the records of Company.

For Hester Biosciences Limited

Rajiv Gandhi
CEO & Managing
Director DIN: 00438037

Place: Ahmedabad
Date: 29 July 2017

TAPAN SHAH
Company Secretary

816-818, Anand Mangal-3, Opp. Core House,
Nr. Doctor House, Ellisbridge, Ahmedabad-380006
Phone:(O) 26430810, 30081114 (R) 26650050
E-mail : info@tapanshah.in, tapanshah814@yahoo.com
Web : www.tapanshah.in

To,

The Chairman of the Meeting
HESTER BIOSCIENCES LIMITED
Ahmedabad

Dear Sir,

Subject: Declaration of Consolidated Results of Remote E-voting and Physical voting through Ballot process in respect of resolutions placed in the notice of 30th Annual General Meeting of members of the Hester Biosciences Limited held on 28th July, 2017.

I, Mr. Tapan Shah, Practicing Company Secretary, has been appointed as a Scrutinizer of Hester Biosciences Limited ("the Company"), pursuant to Section 108 and 109 of the Companies Act, 2013 read with Rule 20 & 21 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, for the purpose of scrutinizing the remote e-voting and physical voting through ballot process at the 30th Annual General Meeting("AGM") of the Company in a fair and transparent manner on the below mentioned resolution(s), as mentioned in the agenda of the Notice dated 8th May, 2017 of AGM of the Equity Shareholders of the Company, held on 28th day of July, 2017 at 11.00 a.m. at ATMA Hall, Ahmedabad Textile Mills' Association, Ashram Road, Navrangpura, Ahmedabad – 380 009.

The management of the company is responsible to ensure the compliance with the requirements of the Companies Act, 2013 and rules made there under and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to remote e-voting and physical voting through ballot process on the resolution contained in the aforesaid notice to the AGM of the members of the company. My responsibility as a scrutinizer is to ensure and scrutinize the voting done through remote e-voting and physical voting through ballot process in a fair and transparent manner and to make a consolidated scrutinizer's report of the votes cast "in favour" or "against" the resolution, based on the reports generated from the remote e-voting system of Central Depository Services (India) Limited (CDSL) and of physical voting through ballot process.

TAPAN SHAH M. No. FCS 4476 AHMEDABAD C. P. No. 2839 COMPANY SECRETARY

Following resolutions were carried out by the Company at the AGM;

i. **Ordinary Resolution** *To consider and adopt the Standalone and Consolidated financial statements of the Company for the financial year ended on 31st March,2017 and Reports of the Board of Directors' and Auditors' thereon.*

ii. **Ordinary Resolution** *To take note of the interim dividend on equity shares and to declare a Final dividend on equity shares for the Financial year 2016-17*

iii. **Ordinary Resolution** To appoint a director in place of Mr.Sanjiv Gandhi (DIN: 00024548), who retires by rotation and being eligible, has offered himself for re-appointment.

iv. **Ordinary Resolution** To ratify appointment of Statutory Auditors of the Company from the conclusion of 30th AGM to the conclusion of the 31st AGM of the Company and to fix their remuneration.

v. **Ordinary Resolution** To approve the remuneration of Cost Auditor for the Financial Year ending 31st March, 2018.

I hereby report as under;

1. On the basis of the Register of Members and the list of beneficiary owners made available by the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as on **23rd June 2017** the Company completed dispatch of the Notice of the AGM:

   A. by email to Members who had registered their email-ids with the Company on **4th July, 2017** and

   B. by Courier to Members in physical form on or before **4th July, 2017**

2. The Company has also placed the Notice of 30th AGM on the Web site of the Company as well as web Site of E-voting Agency i.e. CDSL.

3. The Company has given the news paper advertisement for date and time of commencement and end of remote e-voting in;

   A. The Financial Express (Vernacular Language - Gujarati) on **5th July, 2017** and

   B. The Financial Express (English Language) on **5th July, 2017.**

4. The Shareholders holding Shares as on the "Cut off" date, i.e. 21stJuly, 2017 were entitled to vote through remote e-voting and voting at the AGM through Physical ballot process on the resolutions as mentioned in the Notice of AGM of the Company.

TAPAN SHAH M.No. F.C.S. : 4476 AHMEDABAD C. P. No. 2839 COMPANY SECRETARY

5. In terms of the aforesaid Notice, remote e-voting was open for three days from **9.00 a.m. on Tuesday, 25th July, 2017 to 05.00 p.m. on Thursday, 27th July, 2017** and members were required to cast their votes electronically conveying their assent or Dissent in respect of the Ordinary Resolutions on remote e-voting platform provided by Central Depository Services Limited (CDSL).

6. Further, at the venue of Annual General Meeting, the Company has provided the facility of voting at the meeting through physical ballot papers to those Shareholders who were present at the Meeting and had not voted through remote e-voting.

7. After the conclusion of voting at the Annual General Meeting, I first counted the Vote cast at the meeting through physical ballots papers and thereafter unblocked the votes cast through remote e-voting on Friday, the 28th day of July, 2017 around 12.58 p.m. after the completion of voting at the Annual General Meeting, in the presence of two witnesses, namely, Mr.Jagdish Kanzariya and Ms Nidhi Shah, who are not in employment of the Company.

8. The consolidated results of remote e-voting and physical ballot papers voting in respect of resolutions placed in the notice of 30th Annual General Meeting held on, 28th July, 2017 is **annexed herewith**.

9. The Register, all other papers and relevant records relating to electronic voting and voting at the AGM through physical ballot process shall remain in my safe custody until the Chairman considers, approves and signs the Minutes of the aforesaid Annual General Meeting and thereafter the same will be handed over to the Company Secretary/ CFO of the Company.

10. The result of the voting by members through remote e-voting and physical ballots at the AGM in respect of the above mentioned resolutions may accordingly be declared by the Chairman or any other Director, as decided by the Board of Director of the Company and who has also countersigned this report.

Place: Ahmedabad **Signature:**

Date: 28th July, 2017 **Name of Company Secretary: TAPAN SHAH**

C.P.No.: 2839

TAPAN SHAH
Company Secretary

Declaration

We, the undersigned witnessed that;

1. The physical ballot papers were opened in our presence;
2. The remote e-voting result/list was unblocked and downloaded from the CDSL website (www.evotingindia.com) in our presence at 12.58 p.m. on 28th July, 2017 at the office of Mr. Tapan Shah, the scrutinizer.

Place: Ahmedabad

Date : 28th July, 2017

Witness 1:
Mr. Jagdish Kanzariya
834D, Opp. Radha Krishna Temple,
Naranpura Gam,
Ahmedabad

Witness 2:
Ms Nidhi Shah
103, Kunthunath Flat
Shahpur,
Ahmedabad – 380001

Countered by
For Hester Biosciences Limited

HESTER BIOSCIENCES LIMITED

Chairman

TAPAN SHAH
M. No.
FCS : 4476
AHMEDABAD
C. P. No.
2839
COMPANY SECRETARY

TAPAN SHAH
Company Secretary

Detailed Consolidated Results of Remote e-voting and Ballot Forms voting

Annexure

Resolution 1 - To consider and adopt the Standalone and Consolidated financial statements of the Company for the financial year ended on 31st March,2017 and Reports of the Board of Directors' and Auditors' thereon. - **Ordinary Resolution**

Particulars	No. of			No. of Votes contained in		
	Polling Papers	E-Votes	Total	Polling Papers	E-Votes	Total
Received	31	37	68	767004	4311548	5078552
Assent	31	37	68	767004	4311548	5078552
Dissent	0	0	0	0	0	0
Total	31	37	68	767004	4311548	5078552

Resolution 2 - To take note of the interim dividend on equity shares and to declare a Final dividend on equity shares for the Financial year 2016-17 - **Ordinary Resolution**

Particulars	No. of			No. of Votes contained in		
	Polling Papers	E-Votes	Total	Polling Papers	E-Votes	Total
Received	31	37	68	767004	4311548	5078552
Assent	31	37	68	767004	4311548	5078552
Dissent	0	0	0	0	0	0
Total	31	37	68	767004	4311548	5078552

Resolution 3 - To appoint a Director in place of Mr. Sanjiv Gandhi (DIN: 00024548), who retires by rotation and being eligible, has offered himself for reappointment- **Ordinary Resolution**

Particulars	No. of			No. of Votes contained in		
	Polling Papers	E-Votes	Total	Polling Papers	E-Votes	Total
Received	31	37	68	767004	4311548	5078552
Assent	30	37	67	767003	4311548	5078551
Dissent	1	0	1	1	0	1
Total	31	37	68	767004	4311548	5078552

Resolution 4 - To Re-appoint Statutory Auditors of the Company from the conclusion of 30th AGM to the conclusion of the 31st AGM of the Company and to fix their remuneration - **Ordinary Resolution**

Particulars	No. of			No. of Votes contained in		
	Polling Papers	E-Votes	Total	Polling Papers	E-Votes	Total
Received	31	37	68	767004	4311548	5078552
Assent	30	37	67	767003	4311548	5078551
Dissent	1	0	1	1	0	1
Total	31	37	68	767004	4311548	5078552

Resolution 5 - To approve Remuneration of Cost Auditor for the Financial year ending 31st March, 2018- **Ordinary Resolution**

Particulars	No. of			No. of Votes contained in		
	Polling Papers	E-Votes	Total	Polling Papers	E-Votes	Total
Received	31	37	68	767004	4311548	5078552
Assent	30	37	67	767003	4311548	5078551
Dissent	1	0	1	1	0	1
Total	31	37	68	767004	4311548	5078552

Thanking You
Your Faithfully

Tapan Shah
C.P. No.: 2839

TAPAN SHAH M. No. FCS : 4476 AHMEDABAD C. P. No. 2839 COMPANY SECRETARY

CONTINUATION SHEET

HESTER BIOSCIENCES LIMITED

ISIN: INE782E01017

Voting Result Date : 28/07/2017

Cut off Date : 21/07/2017

Summary of Results through Electronic Votes/ Ballot Papers

Sr No.	Particulars	Resolution 1 OR		Resolution 2 OR		Resolution 3 OR		Resolution 4 OR		Resolution 5 OR	
		No. of E-Voting/ BP	No. of Shares	No. of E-Voting/ BP	No. of Shares	No. of E-Voting/ BP	No. of Shares	No. of E-Voting/ BP	No. of Shares	No. of E-Voting/ BP	No. of Shares
A(i)	E-voting Received	37	4311548	37	4311548	37	4311548	37	4311548	37	4311548
(ii)	Less: E voting Not voted for	0	0	0	0	0	0	0	0	0	0
(iii)	Less: Invalid E-voting due to related parties interested.	0	0	0	0	0	0	0	0	0	0
	Total valid E-voting exercised (A)	37	4311548	37	4311548	37	4311548	37	4311548	37	4311548
B(i)	Total Ballot Papers (BP) received (Physical)	32	767005	32	767005	32	767005	32	767005	32	767005
(ii)	Less: Invalid Ballot Papers	1	1	1	1	1	1	1	1	1	1
(iii)	Less: Invalid Ballot Papers due to related parties interested	0	0	0	0	0	0	0	0	0	0
	Total valid Ballot Papers (B)	31	767004	31	767004	31	767004	31	767004	31	767004
	Total Valid voting through E-voting/ Ballot Papers (A+B)	68	5078552	68	5078552	68	5078552	68	5078552	68	5078552
C.	Less : Ballot Papers – not voted for	0	0	0	0	0	0	0	0	0	0
D.	**Net Valid E-voting/ Ballot Papers exercised:**	**68**	**5078552**	**68**	**5078552**	**68**	**5078552**	**68**	**5078552**	**68**	**5078552**
(i)	e-Voting/ Ballot Papers with assent for the Resolution	**68**	**5078552**	**68**	**5078552**	**67**	**5078551**	**67**	**5078551**	**67**	**5078551**
	% of Assent	**100.000**	**100.000**	**100.000**	**100.000**	**98.529**	**100.000**	**98.529**	**100.000**	**98.529**	**100.000**
(ii)	e-Voting/ Ballot Papers with dissent for the Resolution	**0**	**0**	**0**	**0**	**1**	**1**	**1**	**1**	**1**	**1**
	% of Dissent	**0.000**	**0.000**	**0.000**	**0.000**	**1.471**	**0.000**	**1.471**	**0.000**	**1.471**	**0.000**
	Total	**68**	**5078552**	**68**	**5078552**	**68**	**5078552**	**68**	**5078552**	**68**	**5078552**
	Total %	**100.000**	**100.000**	**100.000**	**100.000**	**100.000**	**100.000**	**100.000**	**100.000**	**100.000**	**100.000**

TAPAN SHAH M. No. FCS : 4176 AHMEDABAD C. P. No. 2839 COMPANY SECRETARY

TAPAN SHAH
Company Secretary

HESTER

Hester Biosciences Limited

30th Annual Report 2016-17

From Products to Solutions
Building the company around sustainability

Hester Biosciences Limited is one of the leading animal healthcare companies in India. The Company is leveraging its research and manufacturing experience of the last two decades to expand into new geographies, which is transitioning the company from addressing poultry needs to livestock requirements. By capitalising on a recovering livestock segment, the Company reported its 17th straight year of profitable growth, validating the robustness of its business model.

Photograph on right
From Left to Right:
Raj Rughwani, Manager – Sales & Marketing, Large Animal Division
Rashmin Patel, AVP – Sales Operation
Priya Gandhi, Manager – Branding & Communication
Mayank Gamit, AVP – Sales & Marketing, Poultry Division
Raj Kumar Gera, VP – Sales & Marketing
Jigar Shah – CFO

Hester believes in the philosophy of teamwork towards achieving organisational objectives with a common vision.

This Annual Report for FY17 is a representation of the collective work and achievement by the Company as a team.

DISCLAIMER

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes.

Contents

1.0	**Corporate Overview** Corporate Identity Business Segment Journey though the years Financial Highlights	07
2.0	**Strategic Overview** Company Strengths Hester's Global Reach Managing Director's Review Our Growth Model	19
3.0	**Operational Overview** How We Do Business How We Address the Sectoral Context Our Foundation of Intangibles The Results of our Business Mode	31
4.0	**Statutory Section** Corporate Information Director's Report Management Discussion & Analysis Report on Corporate Governance	43
5.0	**Financial Statements** Standalone Financial Statements Consolidated Financial Statements Ten year Financial Statistics	97
	Abbreviations	170

Nirav Javansinh Rao
Senior Quality Control Executive

1.0
Corporate Overview

Corporate Identity

Hester Biosciences Limited is one of India's leading animal healthcare companies and the country's second largest poultry vaccine manufacturer. It has been engaged in the animal health industry since the last two decades. Headquartered in Ahmedabad, Gujarat, Hester has a state-of-the-art manufacturing facility for products ranging from vaccines, health products to diagnostics. The company also commissioned a new facility in Nepal, which commenced in November 2016, to complement its Indian operations.

Hester's products are marketed through a pan-India network and are also exported to 25 countries around the world, with registration processes underway for more markets.

The Company's product range covers poultry vaccines, poultry health products, large animal vaccines and large animal health products, establishing it as a committed animal healthcare company, with products for each sector in poultry and livestock healthcare. The product portfolio consists of over 49 vaccines and 35 health products.

Hester is WHO GMP, GLP, ISO 9001, ISO 14001 and OHSAS 18001-certified. The Company's R&D department is recognised and approved by the DSIR (Department of Scientific & Industrial Research) for in-house development.

CARE has upgraded our long-term credit rating from "BBB+" to "A-" and short-term credit rating from "A3+" to "A2" on 12 January 2017.

The Company's shares are listed and traded actively on BSE Limited and National Stock Exchange of India Limited. As on 31 March 2017, the Company's market capitalisation was ₹6.49 bn.

Mission

Better health for human beings through healthier animals

Vision

Building the future on a foundation of excellence

Core Values

- Integrity
- Innovation
- Passion
- Discipline
- Trust

Business Segments

Hester's business divisions offer the following:

- Live vaccines
- Inactivated vaccines
- Health products
- Disinfectants and Sanitisers

Live and inactivated vaccines help in immunisation against major veterinary diseases of economical importance.

Health products facilitate the prevention and cure of diseases, besides addressing growth promotion.

Health-aid products such as disinfectants and water sanitisers help towards maintaining hygiene standards.

Hester also offers the following services:

Seromonitoring for poultry farms

Using scientific tools for precise diagnosis helps poultry farmers towards better flock management, which, in turn, improves profitability.

Mastitis prevention for cattle farms

Mastitis is one of the biggest challenges for cattle farmers. Our specialised teams, equipped with diagnostic tools as well as solutions towards the prevention and cure of mastitis, are one of our USPs.

Journey Through the Years

1983
Rajiv Gandhi started the distribution of poultry medicines and feed additives in the name of Rajiv & Associates (proprietary concern) in Mumbai, covering the districts of Thane and Raigadh.

1986
Started distribution activities throughout India.
Rajiv & Associates became the number one distributor in Western India for poultry health products.

1987
Rajiv Gandhi formed Hester Pharmaceuticals Private Limited, with the objective to acquire the exclusive marketing rights of overseas brands for the Indian market.

1990
Hester Pharmaceuticals signed an exclusive marketing agreement with Ghen Corporation, Japan, for its range of poultry feed additives and with Maine Biological Laboratories (MBL), USA, for its range of poultry vaccine.

1993
The Company signed a technical and financial collaboration agreement with MBL, to manufacture poultry vaccines in India.

1994
Hester Pharmaceuticals was converted from private to public limited followed by an IPO, in which it allotted shares to MBL in lieu of technical and financial collaboration agreements.

1997
The Company commenced the marketing of locally produced poultry vaccines.

2000
For the first time, the Company reported a nominal net profit.

2003
The Company terminated the financial and technical collaboration with MBL.

2005
The Company declared a dividend for the first time.

2007
The Company expanded its manufacturing capacity four fold.

2008
The Company changed its name to Hester Biosciences Limited.

2010
The Company was awarded 'The Best Animal Vaccine Company' by The New Economy, UK.

2012
The Company launched poultry and large Animal Health Products divisions.

2013
The Company received the WHO-GMP certification and DSIR registration for the in-house R&D unit. Hester embarked to set up an animal vaccine manufacturing unit in Nepal.

2016
Nepal unit completed trial operations and began commercial manufacturing in November.

Financial Highlights

REVENUE (₹ mn)

HIGHER REVENUES
(₹ mn)
1,232.16

Definition
Sales growth after deducting excise duties.

Why we measure
This measure reflects the result of our ability to understand market trends and service customers with corresponding products, superior technologies and competent supply chain management.

Performance
Our aggregate sales increased by 22.13 per cent to ₹1,232.16 mn in FY 17, which compared favourably with the overall growth of the industry.

Value impact
Creates a robust growth engine on which to build profits.

EBIDTA (₹ mn)

HIGHER EBIDTA
(₹ mn)
409.29

Definition
Earning before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

Why we measure
It is an index that showcases the company's ability to optimise business operating costs despite inflationary pressures, which can be easily compared with the retrospective average and sectoral peers.

Performance
The company reported a 22.56 per cent increase in its EBIDTA in FY 17, an outcome of painstaking efforts of its team in improving operational efficiency.

NET PROFIT (₹ mn)

HIGHER NET PROFIT (₹ mn)
248.43

Definition
Profit earned during the year after deducting all expenses and provisions.

Why we measure
It highlights the strength of the business model in generating value for its shareholders.

Performance
The company's net profit grew every single year through the last 17 years.

The company reported a 29.24 per cent increase in its Net Profit in FY17 – reflecting the robustness and resilience of the business model in growing shareholder value despite external vagaries.

Value impact
Adequate cash pool available for reinvestment, accelerating the growth engine

EBIDTA MARGIN (per cent)

HIGHER EBIDTA MARGIN (per cent)
33.22

Definition
EBIDTA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency. The higher the operating margin, the better for the company.

Why we measure
The EBIDTA margin gives an idea of how much a company earns (before accounting for interest, depreciation and taxes) on each rupee of sales.

Performance
The company reported a 12 bps increase in EBIDTA margin in FY 17. This was the result of enriching its product basket with superior products and a higher improved operating efficiency across the business.

Value impact
Demonstrates adequate buffer in the business, which, when multiplied by scale, enhances surpluses

ROCE (per cent)

HIGHER ROCE
(Per cent)
24.06

Definition
This is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business.

Why we measure
ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use, especially in capital-intensive sectors.

Performance
The company reported a 337 bps increase in ROCE in FY 17 – a showcase of prudently investing every rupee in profitable spaces that generate higher returns for shareholders.

Value impact
Enhanced ROCE can potentially drive valuations and perception

DEBT-EQUITY RATIO (in times)

LOWER DEBT-EQUITY RATIO (in times)
0.33

Definition
This is derived through the ratio of debt to net worth (less revaluation reserves).

Why we measure
This is one of the defining measures of a company's financial health, indicating the ability of the company to remunerate shareholders over debt providers (the lower the gearing the better). In turn, it indicates the ability of the company to sustain growth in profits, margins and shareholder value.

Performance
The company's gearing improved from 0.46 in FY15 to 0.33 in FY17. We recommend that this ratio be read in conjunction with net debt/operating profit (declining, indicating a growing ability to service debt).

Value impact
Enhanced shareholder value by keeping the equity side constant; it enhanced flexibility in progressively moderating debt cost

AVERAGE DEBT COST (per cent)

LOWER DEBT COST
(Per cent)
7.74

Definition
This is derived through the calculation of the average cost of the total debt on the company's books.

Why we measure
This indicates our ability in convincing bankers and other debt providers of the robustness of our business model, translating into a progressively lower debt cost (potentially leading to higher margins).

Performance
The company's debt cost progressively declined from a peak 10.17 per cent in FY16 to 7.74 per cent in FY17. We recommend that this ratio be read in conjunction with our rising interest cover (rising, indicating higher liquidity).

Value impact
Enhanced cash flows; strengthened credit rating for successive declines in debt cost

INTEREST COVER (in times)

HIGHER INTEREST COVER (in times)
11.27

Definition
This is derived through the division of EBIT by interest outflow.

Why we measure
Interest cover indicates the company's comfort in servicing interest, the highest the better.

Performance
The company strengthened its interest cover from 7.74 in FY16 to 11.27 in FY17.

Value impact
Enhanced cash flows

Dolly Nikulkumar Patel
Senior Quality Control Officer

2.0

Strategic Overview

Company Strengths

Product Mix
Hester offers 45 types of poultry vaccines in single and combination varieties, three types of large animal vaccines and a large range of medicines, feed supplements and disinfectants for poultry as well as for large animals. The Company's products have a mix between volume and value proportions.

Geographical Presence
Hester has a pan-India presence. It enjoys an attractive 35 per cent market share in India for poultry vaccines. Exports account for 12 per cent of the revenues, which cover Asian and African countries. Product registration activities are underway in over 12 countries. The Company is attractively placed to capitalise on the FAO's Global PPR disease Eradication Program in sheep and goat, thereby contributing towards better human health as well as towards improving the economical condition of livestock keepers in Asian and African countries. Besides the conventional marketing and distribution activities, Hester also works with partners in rural India to create a model to facilitate mass vaccination for the backyard poultry, cattle, sheep and goat population with the objective to improve the living standards of backyard farmers. The current initiative in this segment covers Chhattisgarh, Jharkhand and Odisha, wherein, with the help of GALVmed, a Scottish NGO, Hester has created a unique distribution and a vaccine administration network in the backward districts of these states.

Cutting-edge Infrastructure
Hester has two plants, one located in Gujarat and one in Kathmandu, Nepal. The Gujarat plant is the largest single location animal biological manufacturing facility in Asia, created to benchmarked international quality and compliance standards. Being an R&D intensive company, the R&D unit in Gujarat is approved by The Department of Scientific and Industrial Research (DSIR) and the Ministry of Science and Technology.

Regulatory Approvals
The Company already exports its products to quite a few countries. In FY17, the Company submitted 60 dossiers in 12 countries through Hester India and three dossiers in three countries through Hester Nepal. Hester received registration approval of 22 vaccines in three countries and also cleared the Ethiopian International Drug authority inspection. Going forward, the Company expects regulatory inspections and approvals from a few countries in the current financial year.

Sustainable Growth
Hester is committed to sustainable development. The Company conforms to the ISO 14001 Environmental Management System standard to minimise its environmental impact, lower the risk of pollution related incidents, achieve operational improvements and ensure compliance with relevant legislations. The Company has been awarded a certificate from the Gujarat Pollution Control Board for its disposal of contaminated water and waste without harming the environment.

Intellectual Capital
The Company has a strong research culture and its R&D center is based in the Ahmedabad plant. Hester is working on recombinant poultry vaccines, possibly the first to do so in the country. Recombinant vaccines significantly lower the risks of biohazards during manufacturing and can protect against at least two diseases at once, lowering the number of vaccine administrations needed. The Company plans to protect its intellectual capital with patents once the products are successfully developed.

Research & Development
The Hester R&D center at The Ahmedabad plant is DSIR- approved. A team of 13 scientists is a part of the R&D unit, which is engaged in developing and commercialising acquired as well as in-house developed technologies. Developing products requires funding, manpower and equipment. Hester is adequately equipped to handle research needs to engineer stable biological products, which meet with all the prerequisite government regulations as well as keep in mind human and animal safety.

Global Footprint

Hester has a global reach in quite a few countries and has regulatory approvals ongoing in more than 20 countries. Hester is aiming to create a distribution and a marketing infrastructure in Africa. This infrastructure, while addressing the demand of the poultry and dairy industry, will have a focus towards reaching vaccines, medicines and health products to small and marginal livestock holders in African countries. The initiative towards servicing marginal livestock holders is being supported by The Bill & Melinda Gates Foundation, to whom we have committed to create a sustainable distribution channel for marginal livestock holders. The Company is also working with GALVmed and with ILRI (International Livestock Research Institute) in Africa to assist with the development

Hester's Global Reach

Afghanistan
Kuwait
Nepal
Bhutan
Egypt
Saudi Arabia
Bangladesh
Vietnam
Burkina Faso
Senegal
Chad
Cambodia
Liberia
Nigeria
Ethiopia
Uganda
Kenya
Burundi
Tanzania
Zambia
Malawi
Madagascar

Managing Director's Review

I am pleased to present the performance of your Company for 2016-17.

Your Company reported the 17th straight year of profitable growth, wherein the percentage increase in profit after tax was higher than the percentage increase in the company's revenues. The performance of your Company during the year under review indicated a certain maturing, reflected in operational consistency and the optimism of better days.

2016-17 in Retrospect

Your Company reported net sales of ₹1,232.16 million in FY17 compared to ₹1,008.92 million in the previous year, a growth of 22.13 per cent. Domestic sales grew 20.95 per cent whereas exports strengthened 44.01 per cent. Your Company recorded a net profit after tax of ₹248.43 million in FY17 as against ₹192.23 million in the previous year, a growth of 29.24 per cent on account of operational improvements, prudent product mix changes and credit control.

The result was that your Company reported a profit growth of 29.24 per cent that was higher than the revenue growth of 22.13 per cent, which we believe distinguishes companies that possess robust and sustainable business models.

Concurrent with this increase in revenues and profits was an increase in our EBIDTA margin by 12 bps from 33.10 per cent in FY16 to 33.22 per cent in FY17. I am particularly pleased that the year's performance validated that we made a superior use of resources, reflecting in our ROCE strengthening from 20.69 per cent to 24.06 per cent.

Industry Scenario and Hester's Outperformance

Your Company's sustained outperformance was achieved despite prevailing challenges.

The ₹660 billion Indian poultry sector encountered an acute shortage in cold chain and allied transportation infrastructure. Limited slaughtering and processing facilities affected exports. Besides, numerous disease outbreaks like 'bird flu' were reported; avian influenza outbreaks were reported in Tripura, Kerala, Karnataka, Haryana, Punjab and Odisha, which impacted supply, affected realisations and impacted cash flows.

Challenges notwithstanding, the industry achieved volume growth of 6 per cent in CY16, with broiler meat production volumes increasing to 3.9 million tonnes compared to 3.7 million tonnes in CY15. Poultry is the major meat source in India with a meat consumption share of 28 per cent as against 14 per cent just ten years ago. Poultry outpaced competitors like beef, veal and buffalo meat. High mutton prices, religious restrictions on beef and pork, and limited availability of fish outside coastal regions helped enhance poultry meat relevance and consumption.

Interestingly, India's per capita poultry meat consumption of around 3.6 kg per year is still low compared to the global average of around 17 kg per year. The National Institute of Nutrition recommends that a balanced diet should contain 30 gram of eggs/day (i.e. 180 eggs per annum) and 30 grams of meat daily (11 kg per annum), auguring better prospects.

The average rearing cycle for broilers in the country is 35-40 days to a weight of 1.8 to 2.2 kg. India's feed conversion ratio has improved significantly from 2.2 in the 1990s to 1.65 today. Feed costs constitute approximately 60-70 per cent of the total production cost. Average farm broiler realisations for FY17 at ₹70/kg were better than ₹67/kg in FY16, while average broiler production cost at ₹64/kg in FY17 was almost 5-7 per cent lower than the FY16 levels, given the sharp decline in soymeal prices in the second half of FY17. There was a year's delay in commissioning our ₹433.96 million Nepal plant for a variety of reasons that comprised political instability, natural calamity, inputs shortage and internal issues.

Your Company continued to prioritise the need to do good business than engage in mere revenue accretion. For

Rajiv Gandhi
CEO & Managing Director

a company where a majority of the customers are rural, your Company focused on quality sales marked by timely receivables. In a business marked by nearly SKUs covering around 50 products, your Company continued to strengthen inventory management. In a business that potentially addresses a range of animal health issues, your Company selected to concentrate on specific segments, narrowing its focus and generating related efficiencies.

The result was something that we have always emphasised: that it is better to do good business over any kind of business. The result was that our business gravitated towards the value-added; even as external market realities remained competitive, the large animal business revenue grew 61.84 per cent and export earnings strengthened 5.72 times.

Your Company commenced commercial production in its Nepal plant and submitted batches to the African centralised quality control laboratory. The Company bagged an FAO tender to commence PPR production. As a forward-looking company, your Company invested ₹79.94 mn in research in India, which was about 6.49 per cent of revenues. I must take this opportunity to indicate that in the last four years, your Company invested ₹367.85 mn in research facilities, apparatus and recruitment, strengthening its position as a serious research-driven veterinary products company. It would be relevant to indicate that a disproportionately large proportion of the investment is being made in the area of recombinant vaccines, the next frontier for the business.

Segment Review

Poultry Vaccines: The poultry industry witnessed significant improvements in FY17, catalysed by lower feed costs and higher broiler and table egg realisations. The Company's manufacturing facility at Mehsana produced 3.43 bn doses of live and inactivated vaccines, in addition to ELISA & PCR diagnostic kits. The Company developed and started the marketing of NDV and IBV ELISA kits for sero-monitoring of poultry and PCR molecular diagnostic kits for a variety of diseases. These kits will help towards an accurate diagnosis of diseases or virus strains in broiler, thereby inducing corrective action. Poultry vaccine sales were ₹1,043.33 million in FY17, comprising 85 per cent of the Company's revenues.

Poultry Health Products: Your Company markets health products such as medicines, feed supplements and disinfectants. To ensure timely supplies as well as exercise a higher control on quality, the Company acquired a controlling interest in an animal health products manufacturing company. This impact is expected to be seen in FY18. While we do not envisage a higher profitability due to this, this surely would ensure smooth product supplies. Sales from poultry health products were ₹36.80 million, accounting for 3 per cent of the Company's revenues.

Large Animal Vaccines: Your Company manufactured three vaccines in the large animal healthcare segment, namely Brucella Abortus vaccine, Goat Pox vaccine and Peste Des Petits Ruminants (PPR) vaccine for the Nigerian and Sungri strain. PPR is a highly contagious disease that affects sheep and goat in over 70 countries. The Food and Agriculture Organisation (FAO) and World Organisation for Animal Health (OIE) launched a global programme for the eradication of PPR by 2030. Hester is participating in PPR tenders to supply the vaccine to various countries. Sale from large animal vaccines stood at ₹68.23 million, amounting to 5 per cent of the total revenues. The Company will continue to focus on strengthening its large animal vaccine segment by developing new vaccines.

Large Animal Health Products: The Company outsourced the manufacture of large animal health products on a loan license basis. But the investment in a facility manufacturing veterinary health products will have an impact on the supplies of large animal health products similar to that of poultry health products. Sales of H83.80 million from this sector accounted for 7 per cent of the total revenues. Hester continues to focus on this value-added segment in line with increasing demand for livestock health products.

Strengthening the Business

Over the last year, your Company selected to strengthen the business in various ways. Your Company embarked on the exercise of building a distribution network in Africa. The company entered Tanzania and Kenya, invested in prudent recruitments, strengthened its managerial

bandwidth to address the prospects arising out of each country and intends have adequate distribution bandwidth in at least three countries by September 2017. This patient expansion is in line with our conviction that your Company would like to extend deep roots in each geography before extending horizontally across the rest of the continent. It would be pertinent to indicate that Africa occupies a large strategic priority for your Company on account of Africa's large animal and cattle population, which is extensively under-addressed.

Your Company had committed in the previous report that its animal diagnostic business would be commissioned by the last quarter of FY17. This commissioning was delayed and extended into the first quarter of FY18. This launch has now been finalised in July 2017. Your Company is optimistic that this business represents the next frontier; there is a growing priority for proactive and advance diagnostics over symptomatic diagnostics. This extension will moderate the room for trial and error in animal health care, evolving animal and cattle owners towards accurate curative preventive medication.

Your Company is optimistic of prospects in the advance diagnostics space, given the fact that India accounts for the largest head-count in the world and the fifth largest poultry population on the one hand and a low level of scientific diagnosis at the other. Your Company also believes that this business represents a prudent backward integration for its business model; the business of diagnostics will, in turn, create a market for the vaccines and other products marketed by the company; an early insight into diagnostics could also prompt the company to refine its product mix in line with a change in disease patterns. Your Company has an important responsibility through this business of creating a market where virtually none exists followed by the capturing a disproportionately larger market share.

Your Company also continued the market penetration model for backyard animals in Jharkhand, Chhattisgarh and Odisha.

Outlook

Your Company has passed the stage of survival and entered a phase of sustainability. Your Company is optimistic of its prospects for a number of reasons. Your Company derived nearly 88 per cent of its revenues from the poultry segment with only a modest share of revenues derived from the high-margin animal health segment; going forward, we believe that the rate of growth of animal health business at 61.84 per cent this year will be higher than the corporate growth average, correcting the revenue skew with cascading implications in terms of revenues and margins.

Your Company intends to grow its PPR vaccine business, leveraging its manufacturing operations within India to feed the growing national demand and leveraging its Nepal operations to service growing global demand. Your Company believes that the prospects of this business are bright; Food Agriculture Organisation has launched a plan over the next 15 years to eradicate PPR.

Your Company expects to capitalise on improved prospects for Brucella Abortus vaccine, the market for which is growing due to awareness campaigns by various states as well as the increasing demand internationally.

Your Company's business has extended from diverse Indian terrains and is now at the cusp of evolving into a globally-respected veterinary vaccines organisation through joint ventures or considering greenfield projects in emerging markets and Africa. Your Company expects to grow its large animal health business 50 per cent year-on-year, its poultry business 15 per cent and exports around 100 per cent year-on-year, reporting 30 per cent year-on-year revenue growth at attractive margins, strengthening value for all stakeholders.

Your Company strengthened its credit rating during the year under review from "BBB+" to "A-", a development that we believe will translate into a lower debt cost and enhanced corporate respect.

Your Company's principal capital expenditure projects were more or less completed last year; from this point onwards, we foresee the investments being commissioned and monetised, translating into enhanced revenues and increased margins , the foundation for sustained profitable growth.

In view of these realities, your Company expects to perform even better during the current financial year, enhancing value in the hands of all those who are invested with us.

Rajiv Gandhi, CEO and Managing Director

Our Growth Model

Target
- Achieve revenue growth
- Achieve faster net profit growth
- Deliver value to shareholders

Strategy
- Focus on intensive R&D
- Develop new products
- Improve product margins
- Improve market share
- Attract diverse global clientele

Achievements, 2016-17
- Developed ELISA diagnostic kits for poultry. Seromonitoring for Newcastle Disease Virus and Infectious Bronchitis Virus is made easier with these kits.
- Developed PCR molecular diagnostic kits to detect Inclusion Body Hepatitis, Marek's Disease, Infectious Laryngotrachities, Salmonellosis and Newcastle Disease in poultry.
- Need-based diagnostics are being developed: ELISA Kits for Infectious Bursal Disease, MG/MS & Egg Drop Syndrome for poultry sero-monitoring.
- Launched PCR diagnostic kits for Chicken Anemia Virus and PPR.
- Launched two vaccines and five health products for the poultry sector.
- Launched one vaccine in the large animal sector.

Outlook
Hester is focused on the development of new diagnostic products based on ELISA and PCR; apart from that, we will be working on the development of new-generation recombinant vaccines for poultry and the development of biomolecules for animal health application.

Left to Right:
Nilesh Dashrathbhai Patel – Senior Quality Control Executive
Hanish Mahendrakumar Dave – Manager, Quality Control
Nirav Javansinh Rao – Senior Quality Control Executive

3.0
Operational Overview

How We Do Business

At Hester, we have continuously reviewed, adapted and reinforced our business model. This proactive responsiveness in a rapidly-evolving market environment has translated into profitable growth across market cycles.

The Context of our Sector

India has been a turnaround among major economies across the last quarter of a century. This is reflected in the country's economic growth; GDP growth of 6-7 per cent makes India the fastest growing major economy. A sustained growth in incomes (and hence, disposable incomes) represents the basis of India's consumption-driven success story.

Animal Population

India accounts for the highest cattle head (cow and buffalo) count in the world. However, the country also accounts for relatively low cattle productivity, warranting an increased spending on their health.

Animal Health

Cattle represent rural wealth; the more productive the cattle, the higher the earning propensity. The result is that rural Indians are spending higher than ever in animal health, translating into a higher consumption of vaccines and health supplements.

Animal Diagnostics

The concept of animal diagnostics is relatively unappreciated in a large country like India. Most of the animal health addressal are reactive in nature, leaving a large open space for organised diagnostic intervention.

The Passion that we bring to our Business

Standard: Nothing less than world-class
Preparedness: Proactive capacity creation
Passion: Extend beyond the usual
Focus: Specialise; become the best within a chosen niche
Products: Provide a product complement – one-stop shop
Attention: Focus on the fine print of the business
Outperformance: Extend beyond prevailing benchmarks

Priya Rajeshchandra Malsaria – Senior Quality Control Executive
Bihari Mukandarkhan Umarkhan – Senior Quality Control Officer

How We Address the Sectoral Context

Vision
Hester's R&D-driven business focuses on the creation of a higher standard of products through superior processes, fetching attractive realisations. The company's research-led objective is to emerge as one of most respected veterinary product companies in the world.

Brand
Hester has evolved from the commodity end of the business to customised product development. The company offers a range of products reconciling quality and value, strengthening its objective to emerge as a world-class brand in the veterinary products segment.

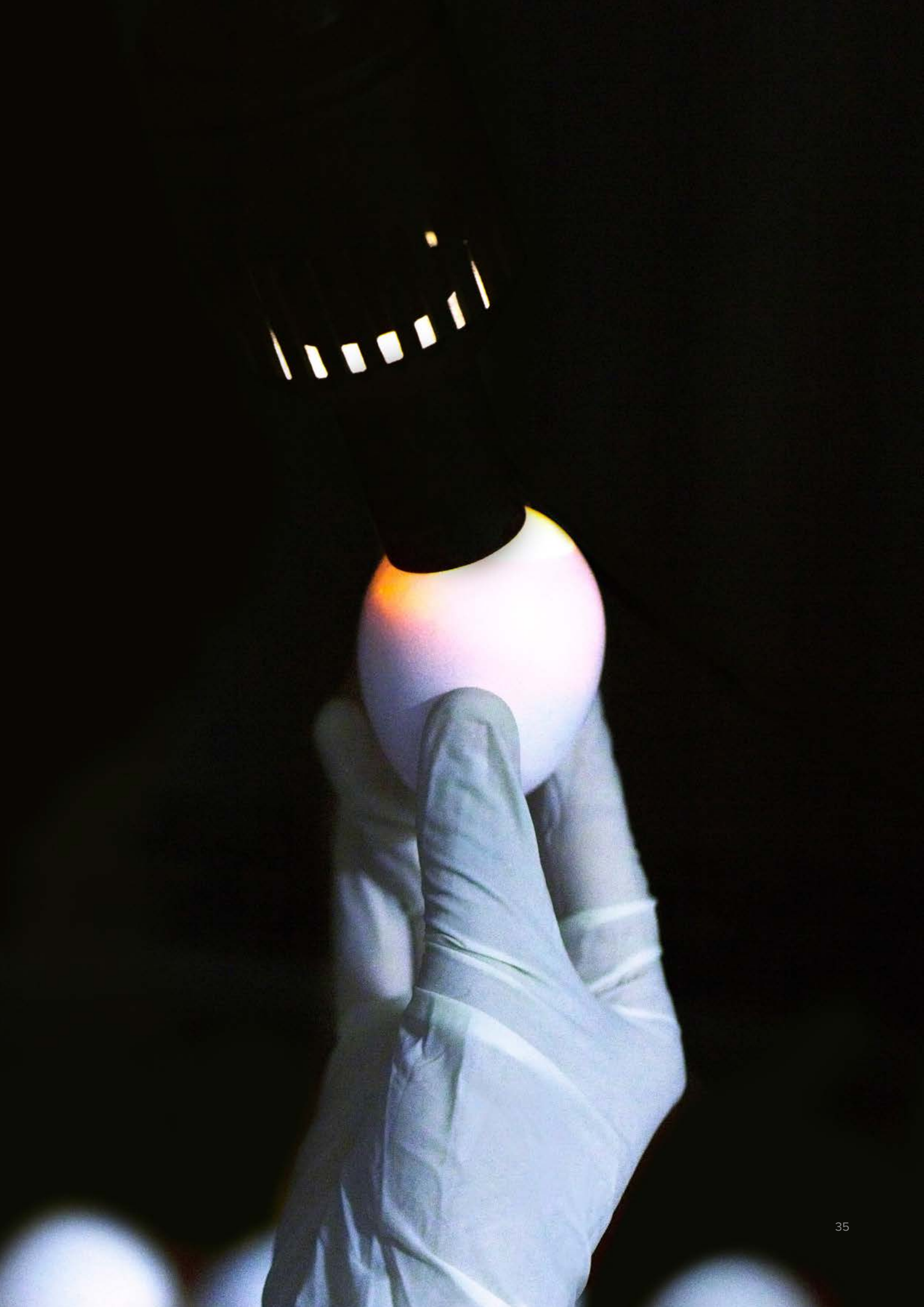
Product Focus
Hester manufactures a variety of products addressing diverse needs of the poultry and large animal segments. Over the years, the Company narrowed its product mix to enhance organisational focus. Hester offers 45 types of poultry vaccines in single and combination varieties, three types of animal vaccines and a large range of medicines, disinfectants and feed supplements – a one-stop shop.

Marketing Mix
The Company's products represent a mix between volume and value proportions. Poultry division revenues decreased from 91 per cent to 88 per cent of revenues; large animal revenues strengthened from 9 per cent to 12 per cent of revenues in FY17; animal health products as a proportion of revenues was 7 per cent during the year under review. The Company plans to launch an animal diagnostics division in July 2017.

Value-Addition
Hester has been defocusing on poultry vaccine and health products and increasing its attention on large animal vaccines and health products, strengthening value-addition.

Sophisticated Infrastructure
Hester has two plants, one located in Gujarat and one in Kathmandu, Nepal. The Gujarat plant is the largest single location animal biological manufacturing facility in Asia, created in line with benchmark international quality and compliance standards. Being an R&D-intensive company, the R&D unit at Kadi is approved by Department of Scientific and Industrial Research (DSIR) and the Ministry of Science and Technology.

Geographic Coverage
Hester is a global company marketing products within and out of India. Hester markets products across India; Indian operations accounted for 88 per cent of revenues in FY17. The Company enjoys a 35 per cent share of India's poultry vaccine market. Hester's export portfolio comprises 48 products; the commissioning of the Nepal facility will make it possible to grow the company's offerings of PPR Vaccine (Nigerian 75/1 Strain). Following approvals from 20 countries, the Company is poised to extend across more international buyers. Even as delays in registration in some African countries affected export growth, the continent remains a key area of focus.



Regulatory Approvals

Hester's global business driven by exports to nine countries. In FY17, the Company submitted 60 dossiers in 12 countries. Hester already has regulatory compliance in three countries and during the year, one GMP inspection was carried out by Ethiopia.

Redeployment

The Company believes in leveraging its Balance Sheet strength to mobilize low-cost debt. This is the result of the Company's conviction that in a profitable and fast-growing business, the cost of debt is cheaper than the cost of equity.

Research & Development

The Company is R&D-driven, working on new generation recombinant vaccines that are easier to administer, address multiple diseases, have lower risks of biohazards during manufacture and enjoy high realisations. Recombinant vaccines could also replace ILT (Infectious Laryngotracheitis) and other conventional vaccines. The Company is also engaged in the monitoring of animal disease, geographical surveillance, creation of new generation recombinant vaccines and ELISA as well as a lateral flow of diagnostic kits. The Company invested ₹79.94 million in its R&D center in Kadi. Hester is working on recombinant poultry vaccines, possibly the first in India (significantly lower biohazard risks during manufacture and protect against at least two diseases, moderating administrations).

Governance

At Hester, we believe that in a business where trust is at a premium, a committed governance foundation represents the foundation of organisational credibility. From the time the Company went into existence, it attracted Directors with proven professional standing; besides, it broad-based this Board with adequate independent Directors (four, including a Nominee Director). The Company also instituted focused committees to address specific functions, enhancing the role of informed decision-making.

Our Foundation of Intangibles

Brand

Hester's business is brand-driven. Over the decades, the company's brand generates distinctive recalls: ethical (in terms of fairness and compliances), reliable (in terms of product integrity), dependable (in terms of matching needs with customisation) and accessible (in terms of redressal).

Technologies

Hester has kept itself updated with technological changes. Though none of the current technologies held are patented, the value of these is high, considering the costs incurred in the adaptation process. Further, the Company's network is large enough for it to identify new technologies.

Intellectual Capital

Hester's business is relationship-driven. And this relationship-orientation is best driven through personnel familiarity. Hester enjoys an employee retention of 98 per cent, higher than the sectorial average. Nearly 32 per cent of the Company's employees were with the company for more than five years as on 31 March 2017

Distribution Network

Hester is present where customers are. The complement of the Company's proprietary and franchised network comprises approximately 100 customer-interfacing points across India.

The Results of our Business Model

Product Mix

Hester commands a 35 per cent share of the poultry vaccine market in India. The Company strengthened its product portfolio during the year under review, increasing its product basket to 46 live and inactivated vaccines in the poultry segment, three live vaccines in the large animal vaccines segment and a variety of healthcare products for both segments.

Profitable Growth

Hester has been a sectorial outlier across the last three decades of its existence. In a business marked by revenue volatility, Hester has not reported an operational loss in any single year across the last 17 years; in the last five years ending 31 March 2017, the Company reported 17.29 per cent revenue growth corresponded by 26.54 per cent bottom line increase - an instance of profitable growth.

Sustainability

Hester possesses a robust Balance Sheet that ensures sustainable viability. EBIDTA margin was an attractive 33.22 per cent in a discounted business environment in FY17; return on capital employed was 24.06 per cent, indicating the robustness of the business engine.

Liquidity

Hester's business enjoys adequate liquidity. Net cash position was ₹119.50 million in FY17.

Valuation

Hester's business model has been validated by the markets: valuation was ₹6.49 billion as on 31 March 2017, one of the highest in India's mid-sized pure-play vaccines and animal health space.

4.0
Statutory Section

Corporate Information

BOARD OF DIRECTORS
Dr. Bhupendra V. Gandhi, Chairman
Mr. Rajiv Gandhi, CEO & Managing Director
Mr. Sanjiv Gandhi
Mr. Ravin Gandhi
Mr. Vishwesh Patel
Ms. Grishma Nanavaty
Mr. Naman Patel
Mr. Amit Shukla

CHIEF FINANCIAL OFFICER
Mr. Jigar Shah

COMPANY SECRETARY
Ms. Amala Parikh

REGISTERED & CORPORATE OFFICE
'Pushpak' 1st Floor, Panchvati Circle,
Motilal Hirabhai Road, Ahmedabad
Gujarat - 380 006

MANUFACTURING UNIT
Village: Merda Adraj,
Taluka: Kadi, District: Mehsana
State: Gujarat - 382 721

AUDITORS
Apaji Amin & Co. LLP
Chartered Accountants
304, Aakansha Building, Navrangpura,
Ahmedabad - 380 009

BANKERS
State Bank of India
Overseas Branch, S G Highway,
Prahladnagar Road, Ahmedabad 380 015

STOCK EXCHANGES
BSE Limited
The National Stock Exchange of India Limited

ISIN: INE782E01017
CIN: L99999GJ1987PLC022333

AUDIT COMMITTEE
Mr. Vishwesh Patel, Chairman
Ms. Grishma Nanavaty, Member
Mr. Naman Patel, Member
Mr. Amit Shukla, Member

STAKEHOLDERS' GRIEVANCE & RELATIONSHIP COMMITTEE
Ms. Grishma Nanavaty, Chairperson
Mr. Vishwesh Patel, Member
Mr. Naman Patel, Member
Mr. Amit Shukla, Member

NOMINATION AND REMUNERATION COMMITTEE
Mr. Vishwesh Patel, Chairman
Ms. Grishma Nanavaty, Member
Mr. Naman Patel, Member
Mr. Amit Shukla, Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Mr. Rajiv Gandhi, Chairman
Mr. Vishwesh Patel, Member
Ms. Grishma Nanavaty, Member

SHARE TRANSFER COMMITEE
Mr. Rajiv Gandhi, Chairman
Mr. Sanjiv Gandhi, Member
Ms. Grishma Nanavaty, Member

MANAGEMENT COMMITTEE
Mr. Rajiv Gandhi, Chairman
Mr. Sanjiv Gandhi, Member
Ms. Grishma Nanavaty, Member

REGISTRAR & TRANSFER AGENTS
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, Ellisbridge
Ahmedabad 380006

Directors' Report

Your Directors are pleased to present the 30th Annual Report with the Audited Accounts of the Company for the year ended 31 March 2017.

FINANCIAL RESULTS:

(₹ in million)

Particulars	Standalone	
	2016-17	2015-16
Total income	1,239.42	1,017.64
Profit before depreciation and tax	384.47	305.81
Less: Depreciation	55.09	57.32
Profit before tax	329.38	248.49
Less: Provision for tax	72.36	29.86
Deferred tax	7.63	27.00
Income tax of earlier year	0.96	(0.60)
Net Profit after tax	248.43	192.23
Balance of profit and loss account	421.39	285.64
Interest capitalisation	-	10.50
Profit available for appropriation	669.82	488.37
Less: Dividend on equity shares	45.09	34.88
Less: Dividend distribution tax	9.18	7.10
Less: Transfer to general reserve	30.00	25.00
Balance carried to balance sheet	585.55	421.39
Earnings per share (basic / diluted)	29.20	22.60

RESULTS OF OPERATIONS

Sales

Your Company posted a turnover of ₹1,232.16 million in the financial year ended on 31 March 2017, as compared to ₹1,008.92 million in the previous year.

Profitability

Your Company's Profit Before Tax for the year ended 31 March 2017 was recorded at ₹329.38 million, as compared to ₹248.49 million in the previous year.

Earnings Per Share

EPS was at ₹29.20 as on 31 March 2017 as against ₹22.60 as on 31 March 2016.

Transfer to Reserves

₹30 million is proposed to be transferred to the General Reserve and ₹585.55 million is proposed to be retained in the surplus.

Net Worth

The Company's net worth as on 31 March 2017 was at ₹1,197.37 million as compared to ₹1,003.21 million as on 31 March 2016.

DIVIDEND

During the year, your Directors declared and paid interim dividend of ₹3.00 per equity share for the financial year 2016-17. The resolution to pay interim dividend was

passed in the meeting held on 20 October 2016. Further, your Directors have recommended a final dividend payment of ₹2.30 per equity share for the financial year 2016-17, making a total of ₹5.30 per equity share for the financial year as compared to ₹4.10 per equity share for the last year. This final dividend is subject to approval by the shareholders at the ensuing AGM.

The total dividend appropriation (excluding dividend tax) for the current year is ₹45,086,384.50 as against ₹34,878,146.50 in the earlier year, resulting in a pay-out of 18.15 per cent of the stand-alone profit, and is in line with the dividend policy adopted by the Company.

SHARE CAPITAL

The paid-up equity share capital as on 31 March 2017 stood at ₹85.07 million.

REVIEW OF OPERATIONS

The financial year saw an increase in sales by 22 per cent and an increase in net profit after tax by 29 per cent.

The mandate for improving the bottom line was well regarded.

The business verticals continued to be:

1. Poultry vaccines
2. Poultry health products
3. Large animal vaccines
4. Large animal health products

The poultry vaccine division witnessed a growth of 19.62 per cent, an increase in sales to ₹1,022.42 million from ₹854.70 million in the previous year. The growth which was higher than budgeted, mainly came from sales through our distributor network across the country. Our growth being more than the growth of the poultry industry, has improved our market share in India.

The poultry health products division witnessed a growth of 9.20 per cent, an increase in sales to ₹36.80 million as compared to sales of ₹33.70 million in the previous year. This growth was below our budgeted figures mainly due to delay in the launch of new products. We have launched a few products in the last quarter which would show results in this financial year.

Overall, poultry divisions jointly grew at 19.22 per cent.

The large animal vaccine division achieved sales of ₹68.23 million as against ₹21.30 million in the previous year, registering a growth of 220 per cent. We launched the Brucella Abortus Live Vaccine, besides penetrating the market with the PPR vaccine.

The large animal health products division saw a growth of 15.43 per cent, an increase in sales to ₹83.80 million from ₹72.60 million. The year went in setting controls to ensure a strong foundation in terms of collection policies and rationalisation of Stock Keeping Units. The positive impact is expected to be seen in this year.

Overall, large animal divisions jointly grew at 61.84 per cent.

Exports grew by 44 per cent; an increase in sales to ₹144.31 million from ₹100.20 million in the previous year. The exports comprised mainly of poultry and large animal vaccines. In the year 2016-17 we received registration approvals for 22 poultry vaccines in three countries.

Domestic sales grew by 21 per cent.

The launch of the diagnostics division which was slated for February 2017, got postponed to June 2017. This delay was due to getting regulatory approvals. With this division now launched, we hope to generate sales as well as have a captive consumption of diagnostic kits.

The Nepal plant commenced it sales by executing an order for PPR vaccine valuing ₹13.10 million, for supplies to Africa.

During the year, CARE has upgraded our credit rating as follows:

- Long-term rating 'A- ("A" Minus)' from 'BBB+'
- Short-term rating 'A2' from 'A3'

We continue to hold the following certifications:

1. WHO - GMP
2. GLP (Good Laboratory Practices)
3. ISO 9001:2008
4. ISO 14001:2004
5. OHSAS 18001:2007
6. DSIR approved R&D centre

CONSOLIDATED FINANCIAL STATEMENTS

The Group's consolidated total income from operations is ₹1,230.40 million and net profit after minority interest is ₹234.48 million for the financial year FY2016-17 as compared to the Group's consolidated total income from operations of ₹1,008.92 million and net profit after minority interest of ₹191.96 million for the previous financial year FY2015-16. Consolidated financial results include the financial results of Hester Biosciences Nepal Private Limited, the Subsidiary of Hester Biosciences Limited.

In accordance with the Accounting Standard - AS-21 on Consolidation of Financial Statements and as provided under the provisions of the Companies Act, 2013 (hereinafter referred to as "Act") read with Schedule III to the Act and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the audited Consolidated Financial Statements are provided in the Annual Report, which show the financial resources, assets, liabilities, incomes, profits and other details of the Company, its subsidiary Company after elimination of minority interest, as a single entity.

SUBSIDIARY, JOINT-VENTURE AND ASSOCIATE COMPANIES

As on 31 March 2017, your Company has one subsidiary Company namely Hester Biosciences Nepal Private Limited.

Further, there has been no material change in the nature of business of the subsidiary.

During the year, Leruarua Vetcare (Proprietary) Limited, Botswana ceases to be an Associate Company due to buyback of entire shareholding by the Associate Company.

The audited financial accounts of the Subsidiary Company will be available for inspection during business hours at our registered office. Further, the financial highlights of Subsidiary are part of this Annual Report as Annexure-2 as prescribed in Form AOC-1.

As provided under section 129(3) of the Companies Act, 2013 and Rules made thereunder a statement containing the salient features of the financial statements of its subsidiaries in the format prescribed under the rules is attached to the financial statements. The policy relating to material subsidiaries as approved by the Board may be accessed on the Company's website at the link: https://www.hester.in/corporate-governance/policy for determiningmaterialsubsidiaries.pdf

The performance of the Subsidiary Company is as under:

Hester Biosciences Nepal Private Limited (HBNPL)
HBNPL is a subsidiary of Hester Biosciences Limited. HBL holds 65 per cent stake in HBNPL, hence becoming a subsidiary of Hester Biosciences Limited. HBNPL is in the business of manufacturing veterinary vaccines in Nepal.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment and Resignation of Directors

During the year, Ms. Priya Gandhi resigned as an alternate Director of Mr. Ravin Gandhi as on 7 May 2016. Further, Ms. Nina Gandhi was appointed as an Alternate Director of Mr. Ravin Gandhi from 7 May 2016.

None of the Directors of the Company is disqualified for being appointed as Director as specified in Section 164 (2) of the Companies Act, 2013.

The terms and conditions of appointment are placed on the website of the Company: www.hester.in

Retirement by rotations

In accordance with the provisions of Section 152 (6) of the Act and in terms of the Articles of Association of the Company, Mr. Sanjiv Gandhi, Director (DIN - 00024548) will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

Profile of Directors seeking appointment/re-appointment

As required under Regulation 36 (3) of the SEBI (LODR) Regulations, 2015, particulars of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting are annexed to the notice convening 30th Annual General Meeting.

Declaration by Independent Directors

The Company has received necessary declaration from each Independent Director under Section 149 (7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013. The terms and conditions of the Independent Directors are incorporated on the website of the Company as per Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at: https://www.hester.in/information/termsandconditions-ofappointmentofindependentdirectors.pdf

Training of Independent Directors

To familiarise the new inductees with the strategies, operations and functions of our Company, the executive directors/senior managerial personnel make presentations to the inductees about the Company's strategies, operations, product and service offerings, organisation structure, finance, human resources, technology, quality and facilities. Further, the Company has devised a Familiarisation Program for Independent Directors as per Regulation 46 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same has been placed on the website of

the Company at: https://www.hester.in/familiarisation-programme-independent-directors2016-17.pdf

Key Managerial Personnel
Mr. Rajiv Gandhi, CEO & Managing Director, Mr. Jigar Shah, Chief Financial Officer and Ms. Amala Parikh, Company Secretary of the Company are the Key Managerial Personnel as per the provisions of the Companies Act, 2013. There is no change in Key Managerial Personnel during the year.

The Board of Directors had, on recommendation of Nomination and Remuneration Committee, re-appointed Mr. Rajiv Gandhi as CEO & Managing Director of the Company for the three years starting from 1 April 2017 by passing resolution in the meeting dated 20 October 2016. The members of the Company had approved the reappointment of Mr. Rajiv Gandhi as CEO & Managing Director by postal ballot and results of the Postal Ballot Process was declared on 22 December 2016.

Board Evaluation
Pursuant to the provisions of the Act and the SEBI Regulations, the Board has carried out the annual performance evaluation of all the Independent Directors. Further all the Independent Directors have reviewed the performance of all non-Independent Directors and the Board of Directors as a whole in their meeting held on 19 January 2017. The criteria applied in the evaluation process are explained in the Corporate Governance Report.

Nomination and Remuneration Policy
The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy on selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report, which is a part of this Annual Report.

Directors' Responsibility Statement
As stipulated in Section 134(3)(c) read with 134(5) of the Companies Act, 2013, Directors' subscribe to the "Directors' Responsibility Statement" and confirm that:

a) In preparation of annual accounts for the year ended 31 March 2017, the applicable accounting standards have been followed and no material departures have been made from the same;

b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year;

c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors had prepared the annual accounts for the year ended 31 March 2017, on going concern basis;

e) The Directors had laid down the internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Board of Director Meetings
The Board consists of eight members as on 31 March 2017, four of whom are Promoters and Non-Independent Directors and the remaining four are Independent Directors.

Regular meetings of the Board are held at least once in a quarter, inter-alia, to review the quarterly, half yearly and annual financial results of the Company. Additional Board meetings are convened to discuss and decide on various business policies, strategies and other businesses.

During the year under review, the Board of Directors of the Company met six times: 7 May 2016, 29 June 2016, 29 July 2016, 20 October 2016, 19 January 2017 and 22 March 2017.

Committees of Board of Directors
Your Company has several Committees which have been established as part of best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company has following Committees of the Board:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Grievances and Relationship Committee
- Corporate Social Responsibility Committee
- Management Committee
- Share Transfer Committee

A detailed note on the committees with respect to composition, meetings, powers, and terms of reference is provided under the corporate governance report section in this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE ("CSR")

The CSR Committee is responsible for indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the Corporate Social Responsibility Policy and recommending the amount to be spent on CSR activities.

Corporate Social Responsibility (CSR) Committee and Statutory Disclosures with respect to CSR Committee and an Annual Report on CSR Activities forms part of this Directors' Report as Annexure-1.

PUBLIC DEPOSITS

During the period under review, the Company has not accepted deposits from shareholders and public falling within the ambit of Section 73 of the Companies Act, 2013 and rules made thereunder.

FINANCE

The working capital requirement and all capital expenditures were funded through internal accruals. During the year, the company has raised the finance through working capital demand loan (unsecured) facility from Yes Bank Limited.

INSURANCE

Assets of your Company are adequately insured against various perils.

VIGIL MECHANISM

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report instances of unethical behaviour, actual or suspected fraud and violation of Company's Code of Conduct to the management. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and also provide for adequate safeguards against victimisation of the whistle blower who avails of such mechanism and offers direct access to the Chairman of the Audit Committee in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. No whistle blower has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

During the year, under review there were no incidences of sexual harassment reported, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance requirements under the Companies Act, 2013 and Regulations 17 to 27 and 46 of the SEBI (LODR) Regulations, 2015. A separate section on detailed report on Corporate Governance practice followed by the Company under SEBI (LODR) Regulations, 2015 along with a certificate from Practicing Company Secretary, confirming the compliance forms a part of this report. The Board of Directors supports the basic principles of corporate governance and lays strong emphasis on transparency, accountability and integrity.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your attention is drawn to the perception and business outlook of the management for your company for the current year and for the industry in which it operates including its position and perceived trends in near future. The Management Discussion and Analysis Report, as required under Regulations 34 of the SEBI (LODR) Regulations, 2015 with the Stock Exchanges is attached and forms part of this Directors' Report.

AUDITORS

Statutory Auditors and their report

Apaji Amin & Co. LLP, Chartered Accountants, Ahmedabad (Firm Registration No. 100513W/W100062), who is the statutory auditor of your Company; hold Office until the conclusion of the 30th AGM to be held in the year 2017, subject to ratification of its appointment at every AGM. The Members, year on year, will be requested, to ratify its appointment as Auditor and to authorise the Board of Directors to fix their remuneration.

The Board has duly reviewed the Statutory Auditor's Report for the year ended on 31 March 2017 and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation/ clarification by the Board of Directors as provided under section 134 of the Companies Act, 2013.

Internal Auditors and their report

Naresh J. Patel & Co., Chartered Accountants, Ahmedabad, has been the internal auditor of the Company for the FY 2016-17. The Internal Auditor is appointed by the Board of Directors of the Company on a yearly basis, based on the recommendation of the Audit Committee. The Internal Auditor reports and its findings on the internal audit of the Company to the Audit Committee on a quarterly basis. The scope of internal audit is approved by the Audit Committee.

The Board has appointed Naresh J. Patel & Co., Chartered Accountants, Ahmedabad for the FY 2017-18 as an Internal Auditor of the Company in the Board meeting

held on 8 May 2017, after obtaining its willingness and eligibility letter for appointment as Internal Auditor of the Company.

Cost Auditors and their report

Pursuant to provisions of Section 148 read with Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors had, on recommendation of the Audit Committee, re-appointed Kiran J. Mehta & Co., Cost Accountants, Ahmedabad, as the Cost Auditor of the Company for the financial year 2016-17, on the remuneration terms as approved by the members at the last Annual General Meeting held on 29 July 2016.

The Cost Audit report for the financial year 2015-16 was filed within the due date. The due date for submission of the Cost Audit Report for the financial year 2016-17 is within 180 days from 31 March 2017.

The Board has appointed Kiran J. Mehta & Co., Cost Accountants, Ahmedabad for the FY 2017-18 as a Cost Auditor of the Company in the Board meeting held on 8 May 2017, after obtaining its willingness and eligibility letter for appointment as Cost Auditor of the Company. As required under the Act and Rules made thereunder, the remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for ratification. Accordingly, a resolution seeking ratification by members for the remuneration payable to Kiran J. Mehta & Co. is included in the Notice convening 30th Annual General Meeting of the Company.

Secretarial Auditor and their report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed Mr. Tapan Shah, Practicing Company Secretary, to undertake the Secretarial Audit of the Company for the FY 2016-17. The Secretarial Audit Report for the FY 2016-17 is annexed to this Directors' Report as Annexure-7. The Board of Directors has duly reviewed the Secretarial Auditor's Report and the observations, comments appearing in the report, are self-explanatory and do not call for any further explanation/clarification by the Board of Directors as provided under section 134 of the Act.

Accordingly the Board of Directors has appointed Mr. Tapan Shah, Practicing Company Secretary to undertake the Secretarial Audit of the Company for the FY 2017-18 in the Board Meeting held on 8 May 2017.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

EXTRACT OF ANNUAL RETURN

Pursuant to Sub-section 3(a) of Section 134 and Sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the extract of the Annual Return as at 31 March 2017 in Form MGT-9 forms part of this Annual Report as Annexure-3.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions that were entered during the financial year were in the ordinary course of business of the Company and were at arm's length basis. There were no materially significant related party transactions entered by the Company with its Promoters, Directors, Key Managerial Personnel or other persons which may have potential conflict with the interest of the Company.

All Related Party transactions are placed before the Audit Committee for approval, wherever applicable. Prior omnibus approval for normal business transactions is also obtained from the Audit Committee for the related party transactions which are of repetitive nature and accordingly, the required disclosures are made to the Committee on a quarterly basis in terms of the approval of the Committee.

The Policy on Related Party Transactions, as approved by the Board of Directors, is uploaded on the website of the Company: https://www.hester.in/corporate-governance/relatedpartytransactionpolicy.pdf

All the related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis as provided in Annexure-4.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information relating to conservation of energy, technology and foreign earning and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 forms part of this Directors' Report as Annexure-5.

PARTICULAR OF EMPLOYEES

The information required under section 197 of the Act read with Rule 5(1) of the Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014, is given in this Annual Report as Annexure-6.

LISTING OF SECURITIES AND FEES

The Company's Equity Shares are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company has already paid the listing fees to both the Stock Exchanges for the Financial Year 2017-18.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of financial year and the date of Directors' Report.

RISK MANAGEMENT POLICY AND FRAMEWORK

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximising returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has its internal audit function which endeavours to make meaningful contributions to the organisation's overall governance, risk management and internal controls. The function reviews and ensures sustained effectiveness of Internal Financial Control by adopting a systematic approach to its work.

As per the provisions of Section 177 of the Companies Act, 2013 (the Act) and one of the roles and responsibility of the Audit Committee, is to review the e¬ffectiveness of the Company's internal control system, including financial controls, information technology security and its control. Section 143(3) of the Act, provides that the Statutory Auditor's Report shall state whether the Company has an adequate Internal Financial Control system in place and the operating effectiveness of such controls, for FY2016-17 and beyond. As per Section 134 of the Act, Directors of listed companies, based on the representations received from the management, are to confirm in the Directors Responsibility Statement that Internal Financial Control are not only adequate, but are also operating e¬ffectively.

For the year ended on 31 March 2017, the Board having opinion that the Company has sound Internal Financial Control commensurate with the size, scale and complexity of its business operations. The Internal Financial Control operates effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls whenever the effect of such gaps would have a material effect on the Company's operations.

GENERAL

Your Directors state that the Company has made disclosures in this report for the items prescribed in section 134 (3) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014, to the extent the transactions took place on these items during the year and no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and ESOS.
3. The Managing Director of the Company has not received any remuneration or commission from any of its subsidiaries.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

ACKNOWLEDGEMENT

Your Directors express their appreciation for the assistance and co-operation received from the State Bank of India, various government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

By order of the Board

Date: 8 May 2017
Place: Ahmedabad

Rajiv Gandhi
CEO & Managing Director

Annexure-1

THE ANNUAL REPORT ON
CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES
(Pursuant to Section 135 of the Companies Act, 2013)

A brief outline of the Company's CSR Policy, including overview of projects or programs undertaken or proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.

The CSR Policy encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare and sustainable development of the community at large.

The main projects or programs proposed to be undertaken by the Company are as provided under the Schedule VII of the Companies Act, 2013. Further, the Company focuses its philanthropy primarily in geographic regions of India, where the Company has a business presence. However, the Company may contribute to causes in other parts of India, if the CSR Committee is of the opinion that such contribution is appropriate.

The CSR Committee approved the amount spent by the Company on promotion of education during the FY 2016-17.

THE COMPOSITION OF CSR COMMITTEE

We have CSR Committee to oversee the execution of the CSR policy to ensure that the CSR objectives of the Company are met. Our CSR Committee consists of the following members:

1. Mr. Rajiv Gandhi — Chairman
2. Mr. Vishwesh Patel — Member
3. Ms. Grishma Nanavaty — Member

(₹ million)

Sr. No.	Particulars	Amount
1.	Average net profits of the Company for the last three financial years	188.58
2.	Prescribed CSR expenditure (2 per cent of the amount as in item 1 above)	3.77
3.	Details of CSR spent during the financial year	
	a) Total amount spent for the financial year	1.61
	b) Amount unspent, if any:	2.16
	c) Manner in which amount was spent during the financial year	Details given below

(₹ million)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local areas or other (2) Specify the state or district where projects or programmes was undertaken	Amount outlay (budget) project or programme-wise	Amount spent on the projects or programmes sub-heads: (1) Direct expenditure on projects or programmes (2) Overheads	Cumulative expenditure up to the reporting date	Amount spent: Direct or through implementing agency
1	Education	Promoting education	A company has given an amount through an NGO, which is utilised in local area where the Company is situated in the state of Gujarat.	₹0.50 million	Direct Expenses of ₹0.50 million	₹0.50 million	Through NGO (Yuva Unstoppable)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programmes (1) Local areas or other (2) Specify the state or district where projects or programmes was undertaken**	**Amount outlay (budget) project or programme-wise**	**Amount spent on the projects or programmes sub-heads: (1) Direct expenditure on projects or programmes (2) Overheads**	**Cumulative expenditure up to the reporting date**	**Amount spent: Direct or through implementing agency**
2	Healthcare	Promoting Preventive Health Care and Sanitation	A company has given an amount through local authority of government, which is utilised in local area where the Company's Plant is situated in the state of Gujarat.	₹0.14 million	Direct Expenses of ₹0.14 million	₹0.64 million	Through Local Authority (Jetpura Gram Panchayat)
3	Education	Promoting education	A company has given an amount through an NGO, which is utilised in local area where the Company is situated in the state of Gujarat.	₹0.20 million	Direct Expenses of ₹0.20 million	₹0.84 Million	Through NGO (Akshay Patra Foundation)
4	Education	Promoting education	A company has given an amount through an NGO, which is utilised in local area where the Company is situated in the state of Gujarat.	₹0.72 million	Direct Expenses of ₹0.72 million	₹1.56 million	Through NGO (Tavaasmi Foundation)
5	Education	Promoting education	A company has given an amount through an NGO, which is utilised in local area where the Company is situated in the state of Gujarat.	₹0.05 million	Direct Expenses of ₹0.05 million	₹1.61 million	Through NGO (Samvedana Trust)

In case the Company has failed to spend the stipulated 2 per cent of the average net profits of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

During the year, the Company spent ₹1,611,000 towards the project of Promoting Education and Promoting Preventive Health Care and Sanitation through NGOs and local authorities created under government of India. A few projects undertaken by the Company is an on-going one, where the Company will have a continuing engagement over the years to come. The Company was in process of identifying and evaluating projects which were in line with the CSR policy. Further, given projects were still under the evaluation process and therefore the Company could not spend a minimum of 2 per cent of its average profit for CSR, as defined in the Act, during the year. The Company has plans for achieve its objectives and completing the identification of projects.

A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in conformance with CSR objectives and policy of the Company.

Rajiv Gandhi
CEO & Managing Director
CSR Committee Chairman

Annexure-2

FORM NO. AOC-1

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ ASSOCIATES/JOINT VENTURES

(Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 - AOC-1)

PART "A" – SUBSIDIARY

(₹ in million)

Name of Subsidiary	Hester Biosciences Nepal Private Limited	
Particulars	**As on 31 March 2017**	**As on 31 March 2016**
Share capital	118.74	112.06
Reserve and surplus	11.97	34.05
Total assets	484.40	360.68
Total liabilities	484.40	360.68
Investments	-	-
Turnover	12.93	-
Profit before taxation	(21.67)	(0.41)
Provision for taxation	-	-
Profit after taxation	(21.67)	(0.41)
Proposed dividend	-	-
Per cent of shareholding	65	69.26

Notes: the following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year: Not Applicable

PART "B" - ASSOCIATES AND JOINT VENTURES

The Company does not have any Associates or Joint Ventures as on 31 March 2017.

By order of the Board

Date: 8 May 2017
Place: Ahmedabad

Rajiv Gandhi
CEO & Managing Director

Annexure-3

EXTRACT OF ANNUAL RETURN FOR THE FINANCIAL YEAR ENDED ON 31 MARCH 2017 FORM NO MGT – 9

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ASSOCIATES/JOINT VENTURES

(Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of Companies (Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS

Sr. No.	Particulars		Details
1.	CIN	:	L99999GJ1987PLC022333
2.	Registration date	:	29 April 1987
3.	Name of the Company	:	Hester Biosciences Limited
4.	Category / Sub-category of the Company	:	Public Company / Limited by Share Capital
5.	Address of registered office and contact details	:	'Pushpak', 1st Floor, Panchvati Circle, Motilal Hirabhai Road, Ahmedabad 380006, Gujarat Phone: 079 – 26445107, Fax: 079 – 26445105 E-mail: mail@hester.in, Website: www.hester.in
6.	Whether listed Company	:	BSE Limited and The National Stock Exchange of India Limited
7.	Name, address and contact details of registrar and transfer agent	:	Link Intime India Private Limited 506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Near St Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad 380006 Phone: 91 79 26465179 /86 / 87 E-mail: ahmedabad@linkintime.co.in Website : www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 per cent or more of the total turnover of the Company shall be stated:

Name and Description of main products/ services	NIC code of the product/service	% of total turnover of the Company
Manufacture of pharmaceuticals, medicinal chemical and botanical products	2100	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN / GLN / Registration No.	Holding / Subsidiary / Associate Company	% of Shares held	Applicable Section
1.	Hester Biosciences Nepal Private Limited	80050	Subsidiary Company	65	2(87)(ii)

IV. SHAREHOLDING PATTERN:

i. Category – wise shareholding:

Category of shareholders as per Clause 31 (b)	Shareholding at the beginning of the year (01 April 2016)				Shareholding at the end of the year (31 March 2017)				% Change during year
	Dematerialised	Physical	Total	% of total shares	Dematerialised	Physical	Total	% of total shares	
Shareholding of Promoter and Promoter Group									
Indian									
Individuals/ Hindu undivided family	3,432,579	0	3,432,579	40.35	3,523,279	0	3,523,279	41.42	1.07
Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	362,838	0	362,838	4.27	272,838	0	272,838	3.21	(1.06)

Category of shareholders as per Clause 31 (b)	Shareholding at the beginning of the year (01 April 2016)				Shareholding at the end of the year (31 March 2017)				% Change during year
	Dematerialised	Physical	Total	% of total shares	Dematerialised	Physical	Total	% of total shares	
Financial institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
Others	0	0	0	0.00	0	0	0	0.00	0.00
i)Trusts	0	0	0	0.00	0	0	0	0.00	0.00
ii)Directors	0	0	0	0.00	0	0	0	0.00	0.00
iii)Employee Welfare Trust	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A)(1)	**3,795,417**	**0**	**3,795,417**	**44.62**	**3,796,117**	**0**	**3,796,117**	**44.63**	**0.01**
Foreign									
Individuals (Non-Residents Individuals/Foreign Individuals)	803,955	0	803,955	9.45	803,955	0	803,955	9.45	0.00
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
Institutions	0	0	0	0.00	0	0	0	0.00	0.00
Others	0	0	0	0.00	0	0	0	0.00	0.00
i) not Specified	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A)(2)	**803,955**	**0**	**803,955**	**9.45**	**803,955**	**0**	**803,955**	**9.45**	**0.00**
TOTAL Shareholding of Promoter and Promoter Group(A) = (1) + (2)	**4,599,372**	**0**	**4,599,372**	**54.07**	**4,600,072**	**0**	**4,600,072**	**54.08**	**0.01**
Public Shareholding									
Institutions									
Mutual Funds/ UTI	110,029	11,500	121,529	1.43	111,392	11,500	122,892	1.44	0.01
Financial Institutions / Banks	2,487	0	2,487	0.03	4,157	0	4,157	0.05	0.02
Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Institutional Investors	43,404	0	43,404	0.51	43,351	0	43,351	0.51	0.00
Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
Others	0	0	0	0.00	0	0	0	0.00	0.00
i)Trusts	0	0	0	0.00	0	0	0	0.00	0.00
ii)Not Specified	0	0	0	0.00	0	0	0	0.0	0.00
SUB TOTAL (B)(1)	**155,920**	**11,500**	**167,420**	**1.97**	**158,900**	**11,500**	**170,400**	**2.00**	**0.03**
Non - Institutions									
Bodies Corporate	422,489	5,401	427,890	5.03	369,971	0	369,971	4.35	(0.68)
Individuals									
i) Individual shareholders holding nominal share capital up to ₹2 lakh	1,561,378	244,324	1,805,702	21.23	1,412,593	242,092	1,654,685	19.45	(1.78)

Category of shareholders as per Clause 31 (b)	Shareholding at the beginning of the year (01 April 2016)				Shareholding at the end of the year (31 March 2017)				% Change during year
	Dematerialised	Physical	Total	% of total shares	Dematerialised	Physical	Total	% of total shares	
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	1,032,617	0	1,032,617	12.14	963,961	0	963,961	11.33	(0.81)
Others									
i) Employees	0	0	0	0.00	0	0	0	0	0.00
ii) Non-resident repatriates	169,499	200,550	370,049	4.35	165,850	200,550	366,400	4.31	(0.04)
iii) Non-resident Non repatriates	87,556	36	87,592	1.03	106,150	36	106,186	1.25	0.22
iv) Non domestic Companies	0	0	0	0.00	0	0	0	0	0.00
v) Trusts	0	0	0	0.00	30,000	0	30,000	0.35	0.35
vi) Others	8,723	0	8,723	0.10	238,740	0	238,740	2.81	2.71
vii) Directors and their relatives and friends	0	0	0	0.00	0	0	0	0.00	0.00
viii) Foreign nations	7,500	0	7,500	0.09	6,450	0	6,450	0.07	(0.02)
SUB TOTAL (B)(2)	**3,289,762**	**450,311**	**3,740,073**	**43.97**	**3,293,715**	**442,678**	**3,736,393**	**43.92**	**(0.05)**
TOTAL Public Shareholding(B) = (1) + (2)	**3,445,682**	**461,811**	**3,907,493**	**45.93**	**3,452,615**	**454,178**	**3,906,793**	**45.92**	**(0.01)**
TOTAL (A)+(B)	**8,045,054**	**461,811**	**8506,865**	**100.00**	**8,052,687**	**454,178**	**8,506,865**	**100.00**	**0.00**
Shares held by custodians and against which depository receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A) + (B) + (C)	**8,045,054**	**461,811**	**8506,865**	**100.00**	**8,052,687**	**454,178**	**8,506,865**	**100.00**	**0.00**

II. SHAREHOLDING OF PROMOTERS

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01 April 2016)			Shareholding at the end of the year (as on 31 March 2017)			% Change during year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total Shares	No. of shares	% of total share of the Company	% of shares pledged/encumbered to total Shares	
1	Mr. Rajiv Gandhi	859,397	10.10	0	949,397	11.16	0	1.06
2	Ms. Nina Gandhi	696,340	8.19	0	696,340	8.19	0	0.00
3	Mr. Sanjiv Gandhi	692,820	8.14	0	692,820	8.14	0	0.00
4	Mr. Ravin Gandhi	403,320	4.74	0	403,320	4.74	0	0.00
5	Ms. Bela Gandhi	400,635	4.71	0	400,635	4.71	0	0.00
6	Dr. Bhupendra V. Gandhi	399,082	4.69	0	399,082	4.69	0	0.00
7	Mr. Bhupendra V. Gandhi (HUF)	311,595	3.66	0	311,595	3.66	0	0.00

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01 April 2016)			Shareholding at the end of the year (as on 31 March 2017)			% Change during year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total Shares	No. of shares	% of total share of the Company	% of shares pledged/encumbered to total Shares	
8	Biolink Healthcare Limited	248,838	2.92	0	248,838	2.92	0	0
9	Ms. Madhuri Kapadia	236,100	2.78	0	236,100	2.78	0	0
10	Ms. Shaila Gandhi	189,555	2.23	0	189,555	2.23	0	0
11	Hester Coatings LLP (Formerly known as Hester Coatings Private Limited)	90,000	1.06	0	0	0.00	0	(1.06)
12	Mr. Anup Kapadia	27,000	0.32	0	27,000	0.32	0	0
13	Hester Diagnostics Private Limited	24,000	0.28	0	24,000	0.28	0	0
14	Ms. Hetal Gandhi	19,590	0.23	0	19,590	0.23	0	0
15	Mr. Yash Gandhi	1,100	0.01	0	1,800	0.02	0	0.01

III. CHANGE IN PROMOTERS SHAREHOLDING

Sr. No.	Name	Shareholding at the beginning of the year (01 April 2016)		Date wise increase / decrease in shareholding			Cumulative shareholding during the year		Shareholding at the ending of the year (31 March 2017)	
		No. of shares	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Rajiv Gandhi	859,397	10.10	22 March 2017	90,000	Purchase	949,397	11.16	949,397	11.16
2	Ms. Nina Gandhi	696,340	8.19	Nil movement during the year			696,340	8.19	696,340	8.19
3	Mr. Sanjiv Gandhi	692,820	8.14	Nil movement during the year			692,820	8.14	692,820	8.14
4	Mr. Ravin Gandhi	403,320	4.74	Nil movement during the year			403,320	4.74	403,320	4.74
5	Ms. Bela Gandhi	400,635	4.71	Nil movement during the year			400,635	4.71	400,635	4.71
6	Dr. Bhupendra V. Gandhi	399,082	4.69	Nil movement during the year			399,082	4.69	399,082	4.69
7	Bhupendra V. Gandhi (HUF)	311,595	3.66	Nil movement during the year			311,595	3.66	311,595	3.66
8	Biolink Healthcare Limited	248,838	2.92	Nil movement during the year			248,838	2.92	248,838	2.92
9	Ms. Madhuri Kapadia	236,100	2.78	Nil movement during the year			236,100	2.78	236,100	2.78
10	Ms. Shaila Gandhi	189,555	2.23	Nil movement during the year			189,555	2.23	189,555	2.23
11	Hester Coatings LLP (Formerly known as Hester Coatings Private Limited)	90,000	1.06	22 March 2017	90,000	Sale	0	0.00	0	0.00
12	Mr. Anup Kapadia	27,000	0.32	Nil movement during the year			27,000	0.32	27,000	0.32
13	Hester Diagnotics Private Limited	24,000	0.28	Nil movement during the year			24,000	0.28	24,000	0.28
14	Ms. Hetal Gandhi	19,590	0.23	Nil movement during the year			19,590	0.23	19,590	0.23
15	Mr. Yash Gandhi	1,100	0.01	19 July 2016	700	Purchase	1,800	0.02	1,800	0.02

IV. SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF ADRS AND GDRS)

Sr. No.	Name	Shareholding at the beginning of the year (01 April 2016)		Date wise increase/decrease in shareholding			Cumulative Share-holding during the year		Shareholding at the end of the year (31 March 2017)	
		No. of shares	% of total shares of the Compa-ny	Date	Increase/ Decrease in share-holding	Reason	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Compa-ny
1	Mr. Mukesh Raojibhai Patel #	160,983	1.89	16 Sep 2016	(4,233)	Sale	156,750	1.84		
				23 Sep 2016	(4,033)	Sale	152,717	1.80		
				30 Sep 2016	(250)	Sale	152,467	1.79		
				14 Oct 2016	(2,610)	Sale	149,857	1.76		
				21 Oct 2016	(23,425)	Sale	126,432	1.49		
				28 Oct 2016	(1,792)	Sale	124,640	1.47		
				04 Nov 2016	(129)	Sale	124,511	1.46		
				25 Nov 2016	(191)	Sale	124,320	1.46		
				02 Dec 2016	(3,298)	Sale	121,022	1.42		
				09 Dec 2016	(4,559)	Sale	116,463	1.37		
				16 Dec 2016	(4,944)	Sale	111,519	1.31		
				23 Dec 2016	(3,067)	Sale	108,452	1.27		
				30 Dec 2016	(3,862)	Sale	104,590	1.23		
				06 Jan 2017	(4,935)	Sale	99,655	1.17		
				13 Jan 2017	(4,620)	Sale	95,035	1.12		
				20 Jan 2017	(20,056)	Sale	74,979	0.88		
				27 Jan 2017	(5,237)	Sale	69,742	0.82		
				03 Feb 2017	(5,061)	Sale	64,681	0.76		
				10 Feb 2017	(1,727)	Sale	62,954	0.74		
				17 Feb 2017	(1,648)	Sale	61,306	0.72		
				24 Feb 2017	(303)	Sale	61,003	0.72		
				03 Mar 2017	(380)	Sale	60,623	0.71		
				10 Mar 2017	(5)	Sale	60,618	0.71		
				24 Mar 2017	(1,166)	Sale	59,452	0.70		
				31 Mar 2017	(3,069)	Sale	56,383	0.66	56,383	0.66
2	Ms. Darshna D Kapadia	138,300	1.63	-	-	N. A.	138,300	1.63	138,300	1.63
3	Mr. Vinay N Shah	108,900	1.28	-	-	N. A.	108,900	1.28	108,900	1.28
4	Ladderup Finance Limited #	100,000	1.18	24 Jun 2016	(20,000)	Sale	80,000	0.94		
				02 Sep 2016	(70,000)	Sale	10,000	0.12		
				16 Sep 2016	(5,000)	Sale	5,000	0.06		
				25 Nov 2016	(4,872)	Sale	128	0.00		
				02 Dec 2016	2,952	Purchase	3,080	0.04		
				09 Dec 2016	187	Purchase	3,267	0.04		
				06 Jan 2017	769	Purchase	4,036	0.05		
				10 Mar 2017	51	Purchase	4,087	0.05	4,087	0.05
5	SBI equity opportunities fund series II	94,029	1.11	-	-	N. A.	94,029	1.11	94,029	1.11
6	Mr. Kuntal Hasmulkhan Shah	83,532	0.98	31 March 2017	934	Purchase	84,466	0.99	84,466	0.99
7	Mr. Mahaveer Prasad Jain	77,826	0.91	-	-	N. A.	77,826	0.91	77,826	0.91
8	Mr. Manish Jain	71,005	0.83	-	-	N. A.	71,005	0.83	71,005	0.83
9	Ms. Anupriya Jain	66,921	0.79	-	-	N. A.	66,921	0.79	66,921	0.79

Sr. No.	Name	Shareholding at the beginning of the year (01 April 2016)		Date wise increase/decrease in shareholding			Cumulative Share-holding during the year		Shareholding at the end of the year (31 March 2017)	
		No. of shares	% of total shares of the Compa-ny	Date	Increase/ Decrease in share-holding	Reason	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Compa-ny
10	Mr. Manish Jain #	66,885	0.79	-	-	N. A.	66,885	0.79	66,885	0.79
11	Indianivesh Capitals Limited *	12,530	0.15	8 July 2016	(9,303)	Sale	3,227	0.04		
				15 July 2016	8,772	Purchase	11,999	0.14		
				22 July2016	1,685	Purchase	13,684	0.16		
				29 July2016	5,118	Purchase	18,802	0.22		
				5 August 2016	187	Purchase	18,989	0.22		
				2 September 2016	70,000	Purchase	88,989	1.05		
				16 September 2016	5,000	Purchase	93,989	1.10		
				11 November 2016	(4,000)	Sale	89,989	1.06		
				25 November 2016	4,250	Purchase	94,239	1.11		
				2 December 2016	(8,150)	Sale	86,089	1.01		
				9 December 2016	(187)	Sale	85,902	1.01		
				6 January 2017	(2,000)	Sale	83,902	0.99		
				17 February 2017	21,133	Purchase	105,035	1.23		
				24 February 2017	10,000	Purchase	115,035	1.35		
				10 March 2017	(3,000)	Sale	112,035	1.32	112,035	1.32
12	Mr. Aniruddh Narayan Malpani *	0	0.00	07 Oct 2016	2,269	Purchase	2,269	0.03		
				14 Oct 2016	2,500	Purchase	4,769	0.06		
				21 Oct 2016	3,537	Purchase	8,306	0.10		
				28 Oct 2016	9,144	Purchase	17,450	0.21		
				04 Nov 2016	2,871	Purchase	20,321	0.24		
				11 Nov 2016	33,549	Purchase	53,870	0.63		
				16 Dec 2016	9,710	Purchase	63,580	0.75		
				23 Dec 2016	343	Purchase	63,923	0.75		
				20 Jan 2017	628	Purchase	64,551	0.76		
				27 Jan 2017	10,438	Purchase	74,989	0.88		
				10 Feb 2017	3,797	Purchase	78,786	0.93		
				24 Feb 2017	2,756	Purchase	81,542	0.96	81,542	0.96
13	Ms. Anjali Aniruddha Malpani*	0	0.00	30 Sep 2016	5,000	Purchase	5,000	0.06		
				14 Oct 2016	906	Purchase	5,906	0.07		
				21 Oct 2016	4,710	Purchase	10,616	0.12		
				04 Nov 2016	441	Purchase	11,057	0.13		
				11 Nov 2016	58,352	Purchase	69,409	0.82		
				02 Dec 2016	5,329	Purchase	74,738	0.88		
				27 Jan 2017	5,000	Purchase	79,738	0.94		
				03 Feb 2017	391	Purchase	80,129	0.94		
				03 Mar 2017	246	Purchase	80,375	0.94	80,375	0.94

* Not in list of top 10 shareholders as on 01 April 2016. The same has been reflected above since the shareholders were one of the top 10 shareholders as on 31 March 2017.

ceased to be in the list of top 10 shareholders as on 31 March 2017. The same is reflected since the shareholders was one of the top 10 shareholders as on 01 April 2016

V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sr. No.	Name	Shareholding at the beginning of the year as on (01 April 2016)		Date wise increase/decrease in shareholding			Cumulative Share-holding during the year		Shareholding at the end of the year (31 March 2017)	
		No. of shares	% of total shares of the Compa-ny	Date	Increase/ Decrease in share-holding	Reason	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Compa-ny
1	Mr. Rajiv Gandhi	859,397	10.10	22 March 2017	90,000	Purchase	949,397	11.16	949,397	11.16
2	Mr. Sanjiv Gandhi	692,820	8.14	N. A.	0	N. A.	692,820	8.14	692,820	8.14
3	Mr. Ravin Gandhi	403,320	4.74	N. A.	0	N. A.	403,320	4.74	403,320	4.74
4	Dr. Bhupendra V. Gandhi	399,082	4.69	N. A.	0	N. A.	399,082	4.69	399,082	4.69
5	Mr. Vishwesh Patel	54,150	0.64	N. A.	0	N. A.	54,150	0.64	54,150	0.64
6	Mr. Amit Shukla	5,250	0.06	N. A.	0	N. A.	5,250	0.06	5,250	0.06
7	Mr. Naman Patel	1,500	0.02	N. A.	0	N. A.	1,500	0.02	1,500	0.02
8	Ms. Nina Gandhi	696,340	8.19	N. A.	0	N. A.	696,340	8.19	696,340	8.19
9	Mr. Jigar Shah	1,052	0.01	N. A.	0	N. A.	1,052	0.01	1,052	0.01

V. INDEBTEDNESS INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING / ACCRUED BUT NOT DUE FOR PAYMENT

(₹ in million)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i. Principal amount	384.71	-	-	384.71
ii. Interest due but not paid	1.86	-	-	1.86
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**386.57**	**-**	**-**	**386.57**
Change on indebtedness during the financial year				
i. Addition	145.69	100.00	-	245.69
ii. Reduction	(239.88)	-	-	(239.88)
Net Change	**(94.19)**	**100.00**	**-**	**5.81**
Indebtedness at the end of the financial year				
i. Principal amount	292.38	100.00	-	392.38
ii. Interest due but not paid	1.89	-	-	1.89
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**294.27**	**100.00**	**-**	**394.27**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

I. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTOR AND / OR MANAGER

(₹ in million)

Sr. No.	Particulars of Remuneration	Name of CEO & Managing Director	Total Amount
		Mr. Rajiv Gandhi	
1.	Gross Salary		
	a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	12.60	12.60
	b) Value of perquisite u/s 17 (2) of Income Tax Act, 1961	0.70	0.70

Sr. No.	Particulars of Remuneration	Name of CEO & Managing Director	Total Amount
	c) Profit in lieu of Salary u/s 17 (3) of Income Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	a) 1.89 per cent of Profit	4.70	4.70
	b) Others, Specify...	-	-
5.	Others, Specify -	-	-
	Total (A)	**18.00**	**18.00**
	Ceiling as per the Act	Due to inadequate profit, the Company has paid remuneration as per Schedule V of the Companies Act, 2013 (maximum ₹18.60 million), which is well within the limit approved by the members.	

II. REMUNERATION TO OTHER DIRECTORS

(in ₹)

Sr. No.	Particulars of remuneration	Name of Director				Total Amount
1	Independent Directors	**Mr. Vishwesh Patel**	**Ms. Grishma Nanavaty**	**Mr. Naman Patel**	**Mr. Amit Shukla**	
	a) Fee for attending Board/ Committee Meeting	140,000	130,000	85,000	110,000	465,000
	b) Commission	-	-	-	-	-
	c) Other, Specify	-	-	-	-	-
	Total (1)	**140,000**	**130,000**	**85,000**	**110,000**	**465,000**
2	Other Non-Executive Directors	**Dr. Bhupendra V. Gandhi**	**Mr. Sanjiv Gandhi**	**Ms. Priya Gandhi**	**Ms. Nina Gandhi**	
	d) Fee for attending Board/ Committee Meeting	40,000	40,000	10,000	30,000	120,000
	e) Commission	-	-	-	-	-
	f) Other, Specify.....	-	-	-	-	-
	Total (2)	40,000	40,000	10,000	30,000	120,000
	Total (B) = (1+2)*	**180,000**	**170,000**	**95,000**	**140,000**	**585,000**
	Total Managerial Remuneration	**-**	**-**	**-**	**-**	**18,000,000 #**
	Overall Ceiling as per the Act	**-**	**-**	**-**	**-**	**18,600,000 #**

* Overall ceiling limit as per the act is ₹100,000 per Board or Committee meeting

excludes the sitting fees

III. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGING DIRECTOR, WHOLE-TIME DIRECTOR AND /OR MANAGER

(₹ in million)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Ms. Amala Parikh, CS	Mr. Jigar Shah, CFO	
1.	Gross Salary			
	a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	0.18	5.18	5.36
	b) Value of perquisite u/s 17 (2) of Income Tax Act, 1961	-	0.01	0.01
	c) Profit in lieu of Salary u/s 17 (3) of Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	a) As per cent of Profit	-	-	-
	b) Others, Specify	-	-	-
5.	Others, Specify: N. A.	-	-	-
	Total	**0.18**	**5.19**	**5.37**

VII. PENALTIES/PUNISHMENTS / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishments/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made, if any (give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Director					
Penalty					
Punishment					
Compounding					
C. Other Officer in Default					
Penalty					
Punishment					
Compounding					

Annexure 4

FORM NO. AOC-2

Particulars of Contracts / Arrangements made with related parties

(Pursuant to Clause (h) of Sub-section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Forms for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

A. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended on 31 March 2017, which were not at arm's length basis.

B. Details of material contracts or arrangement or transactions at arm's length basis

There were no material contracts or arrangements or transactions entered into during the year ended on 31 March 2017, which were not at arm's length basis.

By order of the Board

Date: 8 May 2017
Place: Ahmedabad

Rajiv Gandhi
CEO & Managing Director

Annexure-5

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE AND OUTGO

(Pursuant to the Companies (Accounts) Rules, 2014)

A. CONSERVATION OF ENERGY

i) The steps taken or impact on conservation of energy:

1) LED Street lighting - Completed in December 2016

Target:

a) Energy saving

b) Reduction in break down/ maintenance

Action: LED Street light fitting total nos. 86 replaced in December 2016.

2) New HVAC chillers- Completed in March 2017.

Target:

a) To achieve temperature in production facility

b) Savings in electricity bill.

c) Reduction of maintenance cost

d) Reduction in noise / vibrations to admin area in defined limit of 85 dB

Action:

a) Saving of electricity bill 12 to 14 per cent; saving of ₹1.0 to 1.05 lakh / month.

Initiatives in the Pipeline

3) Rainwater Harvesting

Target: Rainwater harvesting at site

Action: Once Egg Harvest project will be completed in September 2017, Rainwater project work will start in October 2017; expected completion by March 2018. This will help to recharge ground water level.

4) New reject water sump

Target: Per day approximately 30,000 litres of reject water is going to ETP. Once Egg Harvest facility will be functional, ETP load will be further increased by 30,000 litres. To reduce load of ETP reject water sump, is proposed and under construction.

Action: A new 2 lakh litres capacity sump is under construction, to be functional by June end for reject water to be treated for reuse for gardening.

ii) The steps taken by the Company for utilising alternate sources of energy:

There were no steps taken by the Company for utilising alternate sources of energy.

iii) The capital investment on energy conservation equipment: The Company has not made any capital investment on energy conservation equipment during the year under review.

B. TECHNOLOGY ABSORPTION

i. The effort made towards technology absorption-

There were no new technologies acquired by the Company, besides the on-going in-house R&D work. The Company has a focus to develop in-house technologies and reduce the dependency on outside acquired technologies.

ii. The benefit derived like product improvement, cost reduction, product development or import substitution-

Product improvement is an on-going activity in the Company. It has been well reflected in the financials by way of improved operating margins. The endeavour is to keep the efforts on to further reduce the operating margins.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

We have not acquired any technology from international sources during the year.

iv) THE EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT

(₹ in million)

Particulars	FY 2016-17	FY 2015-16
Capital	51.60	9.90
Recurring	28.34	41.13
Total	79.94	51.03
Total R&D expenditure as a percentage of turnover	6.49%	5.06%

C. FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

The Company is continuously focusing on supplying its products to various countries and working to aim a larger presence in export market. The total foreign exchange earnings and expenditure are given below:

A. EXPENDITURE IN FOREIGN CURRENCY

(₹ in million)

Particulars	FY 2016-17	FY 2015-16
Purchase / Materials / Trading goods / Packing (including payment to creditors)	32.99	23.81
Travelling	6.56	6.72
Capital Expenditure (Furniture and Machinery)	23.82	1.58
Membership/Registration fees	0.67	0.19
Consultancy and Professional fees	0.17	1.21
Books & Periodicals	0.13	0.20
Others	0.09	0.48
Office maintenance	3.84	–

B. EARNING IN FOREIGN CURRENCY

(₹ in million)

Particulars	FY 2016-17	FY 2015-16
F.O.B. value of exports	134.63	92.71
Other Operating Income	20.42	27.16

By order of the Board

Date: 8 May 2017
Place: Ahmedabad

Rajiv Gandhi
CEO & Managing Director

Annexure-6

PARTICULARS OF EMPLOYEES

A. The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

a) The ratio of remuneration of each Director to the median employee's remuneration for the financial year:

Sr. No.	Name	Designation	Ratio
1	Mr. Rajiv Gandhi	CEO & Managing Director	70.79: 1

b) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sr. No.	Name	Designation	Percentage (%)
1	Mr. Rajiv Gandhi	CEO & Managing Director	50.61
2	Mr. Jigar Shah	Chief Financial Officer	-
3	Ms. Amala Parikh	Company Secretary	-

c) The percentage increase in the median remuneration of employees in the Financial year: 16.68 per cent

d) The number of permanent employees on the rolls of the Company: 350 Employees

e) Average increase in the Salaries of the employees and managerial remuneration:

The average annual increase in the salaries of the employees, other than managerial personnel was 9.16 per cent, whereas the average increase in the managerial remuneration was 50.61 per cent for the financial year. The higher increase in managerial remuneration was on the recommendation of Nomination and Remuneration Committee considering the performance of the managerial personnel and the Company.

The Board of Directors of the Company hereby affirmed that remuneration of all the Key Managerial Personnel of the Company are as per the Remuneration Policy of the Company.

B. Particulars of employee in terms of Sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

There was no employee except Mr. Rajiv Gandhi, CEO & Managing Director of the Company, employed throughout the financial year with salary above ₹1 Crore and 2 Lakh per annum or employed in part of the financial year with an average salary above ₹8 Lakh and 50 Thousands per month. Details of Remuneration paid to Mr. Rajiv Gandhi is as under:

Name of Employee	Mr. Rajiv Gandhi
Designation	CEO & Managing Director
Remuneration	₹18 million
Nature of Employment	Key Managerial Personnel
Qualification and experience of the employee	B. Com. and Diploma in Marketing Management & Poultry Management. Mr. Rajiv Gandhi has over 32 years' experience in management, particularly in distribution and marketing of animal health products.
Date of Commencement of employment	29 April 1987
Age	54 years
Particulars of Previous Employment	-
% of Equity Shares held in the Company	11.16

Further, there is no employee employed throughout the financial year or part thereof, was in receipt of remuneration in aggregate, in excess of that drawn by the Managing Director or Whole-time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two per cent (2 per cent) of the equity shares of the Company.

By order of the Board

Date: 8 May 2017
Place: Ahmedabad

Rajiv Gandhi
CEO & Managing Director

Annexure-7

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

[PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT, 2013 AND RULE NO.9 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]

To,
The Members,
HESTER BIOSCIENCES LIMITED
'Pushpak' 1st Floor,
Motilal Hirabhai Road,
Panchvati Circle,
Ahmedbad 380 006

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hester Biosciences Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes book, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes book, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2017 and made available to me, according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made there under as applicable;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015, as amended from time to time;

(c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(vi) Secretarial Standards issued by the Institute of Company Secretaries of India (SS – 1 and SS – 2)

I have also examined compliance with the applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the Listing Agreement of the said Company with stock exchanges.

Further being a Pharmaceutical Company, following are some of the Acts applicable to the Company, for which examination of the relevant documents and records, on test check basis, have been carried out under:

1) Pharmacy Act, 1948
2) Drugs And Cosmetics Act, 1940 & Amendment 2008 and its Rules
3) Biological Diversity Act, 2002 & its Rules
4) The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954 and its Rules
5) The Drugs (Prices Control) Order 1995 (under the Essential Commodities Act)
6) Drug Policy 2002
7) Gujarat Drugs (Control) Act, 1959
8) The Indian Copyright Act, 1957
9) The Trade Marks Act, 1999

During the period under review, the Company has generally complied with all the material aspects of applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards etc. mentioned above. However, the Company has spent less than the prescribed threshold limit of 2 per cent of its average net profits for the last three financial years (as calculated in accordance with

the Companies Act, 2013) towards Corporate Social Responsibility.

During the Period under review, provisions of the following Acts, Rules, Regulations, Guidelines etc. were not applicable to the Company:

i) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014;
ii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
v) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
vi) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings.

I further report that –
The Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

I further report that –
Based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit, in my opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various labour laws, competition law, environmental laws etc.

I further report that –
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the year, all decisions in the Board Meetings were carried out unanimously.

I further report that during the audit period there were no specific events/ actions in pursuance of the above referred laws, rules, regulations, standards etc. having a major bearing on the Company's affairs, except as stated below:

i) In the last Annual General meeting held on 29 July 2016, Company has taken approval from the its members to the issue of Equity Shares by way of private placement to Qualified Institutional Buyers or preferential allotment up to an aggregate amount of ₹75 Crores (Rupees Seventy Five Crores) However, till date the same is not materialised.
ii) In March, 2017 the company has decided to make investment into Texas Laboratory, partnership firm by acquiring 55 per cent of stake in the firm.
iii) The company has reappointed to Mr. Rajiv Gandhi from 1 April 2017 for a period of three years by way of passing resolution of members through postal ballot dated 22 December 2016.

Place: Ahmedabad
Date: 8 May 2017

Signature:
Name of Company Secretary in practice: Tapan Shah
FCS No. : 4476
C P No. : 2839

Note: This Report is to be read with my letter of above date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To,
The Members,
HESTER BIOSCIENCES LIMITED
'Pushpak' 1st Floor,
Motilal Hirabhai Road,
Panchvati Circle,
Ahmedabad 380 006

My report of the above date is to be read along with this letter.

1) Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done based on the records and documents provided, on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3) I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5) The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
Date: 8 May 2017

Signature:
Name of Company Secretary in practice: Tapan Shah
FCS No. : 4476
C P No. : 2839

Management Discussion & Analysis

GLOBAL ECONOMIC OVERVIEW

Global economic growth stagnated at around 3.1 per cent during 2016 following a deceleration in trade activities, lowered investments and political uncertainties in advanced economies. The year was marked by the United Kingdom's decision to exit the European Union and the election of Donald Trump as the American President. Consumers continued to spend cautiously as expenditure increased by 2.4 per cent in real terms over 2015, well below the corresponding increase in disposable incomes in the Asia Pacific region. Global growth is estimated to rise from 2.3 per cent in 2016 to 2.7 per cent in 2017. Growth in emerging and developing economies, too, is expected to revive in 2017 on the back of a removal of a number of obstacles for commodity exporters and a sustained demand from commodity importers. The main factors that could possibly lead to the medium-term growth prospects across many emerging markets and developing economies are weak investments and sub-optimal productivity. Advanced economies witnessed a stronger-than-expected pick-up in growth mostly due a reduced drag from inventories and some recovery in manufacturing output. Economic activity in advanced as well as developing economies will accelerate during 2018. (Source: World Bank, Euromonitor, IMF)

GLOBAL GROWTH TRENDS (Per cent)

	2016	2017 (P)	2018 (P)
Global economy	3.1	3.4	3.6
Advanced economies	1.6	1.9	2.0
Emerging market and developing economies	4.1	4.5	4.8

(Source: IMF)

INDIAN ECONOMIC OVERVIEW

India's GDP grew at a rate of 7.1 per cent in FY2016-17 vis-à-vis 8 per cent in FY2015-16. The manufacturing and construction sectors were hit by the cash crunch, thereby pulling down the real GDP growth in Q4FY17 to 6.1 per cent from 7 per cent. The GVA growth in Q4FY17 was pegged at 5.6 per cent while GVA expansion slipped sharply to 6.6 per cent in FY2016-17 from 7.9 per cent in FY2015-16. Although the demonetisation initiative had a broad-based impact on the economy during the fourth quarter, it is supposed to usher long-term benefits. The lower-than-expected real GDP growth in Q4FY17 was also due to the firming up of commodity prices, which hardened the WPI. Nominal GDP expansion touched 11 per cent compared to 9.9 per cent in FY2015-16, owing to higher inflation, especially at the wholesale level. Despite several such macroeconomic challenges, the agriculture and mining sectors managed to hold sway on the back of robust consumption levels. Thanks to a favourable monsoon, the agricultural sector expanded by 4.9 per cent during FY2016-17, compared to a dismal 0.7 per cent in the previous year. The agricultural sector grew 4.15 per cent during FY2016-17 (significantly higher than 1.2 per cent in FY2015-16), contributing ~17 per cent of India's GVA. The country's manufacturing sector, one of high-growth sectors of the economy, contributes ~16 per cent of India's GDP. India's manufacturing sector retains the potential to touch USD1 trillion by 2025, propelled by governmental initiatives like Make in India, FDI regulation changes, and amendment of bankruptcy laws, among others. India's IIP rose from 0.7 per cent to 5 per cent during FY2016-17 (base year modified from FY2004-05 to FY2011-12). According to CARE ratings, the industrial output is expected to grow at a rate of ~6 per cent in FY2017-18. The country's forex reserves rose by USD1.1 billion to reach ~USD368 billion (as on March 24, 2017) while a widening trade shortage caused India's CAD to jump to a four-quarter high – 1.4 per cent of the GDP in Q4 from

0.6 per cent of the GDP during Q3. The services sector grew at a rate of 8.8 per cent during FY2016-17 while the performance of trade, hotels and restaurants, transport, storage and communication sectors are expected to improve during FY2017-18. (Source: IBEF, Economic Survey, World Bank, Asian Development Bank, Reserve Bank of India, CSO)

OUTLOOK

The growth estimate for FY2016-17 is based on normal precipitation levels during the year as well as an expected increase in consumption, private sector participation and governmental spending. The nationwide rollout of the Goods and Services Tax in the second quarter of FY2017-18 is also expected to bolster India's GDP growth by 0.25-0.5 per cent. Consequently, the Indian economy is expected to grow at a rate of 7.6-7.8 per cent during FY2017-18. [Source: Financial Express, Business Line]

GLOBAL VETERINARY MARKET OVERVIEW

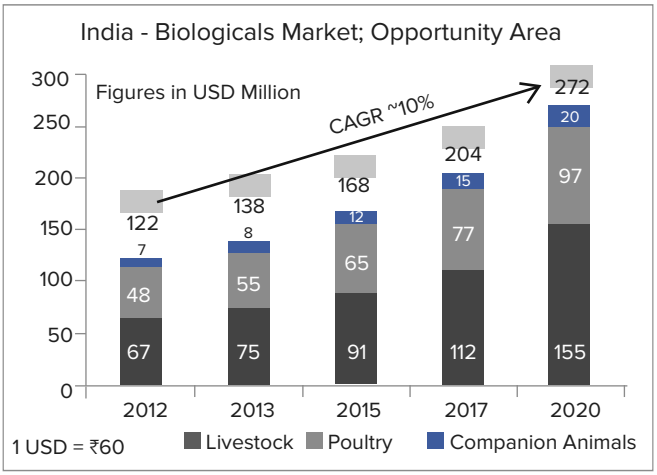
The global veterinary vaccines market was valued at USD27 billion in 2016 and is expected to grow at a CAGR of 7.9 per cent from 2016 to reach USD39.56 billion by 2021. The global animal vaccines market is valued at USD5.81 billion in 2016 and is expected to grow at a CAGR of 5.8 per cent between 2016 and 2021 to reach USD7.68 billion. Vaccination has now emerged as one of the most used medical products, protecting animals and livestock from various diseases irrespective of whether these animals are domestic or wild. These vaccinations not only help in preventing diseases but also in minimising the use of antimicrobials. Increased demand in emerging global markets, coupled with a relatively low risk of developing health products, make the animal health industry a lucrative investment opportunity. The trend is dominated by the increasing importance of poultry and livestock animals. Apart from the population explosion, rising income levels and increasing urbanisation, there is an ascent in the of global demand for meat, especially in the developing countries. Another factor contributing to the bright prospects of the industry is the upsurge in the number of pets and increasing awareness about animal health among people. Asia-Pacific is one of the major producers of animal meat and estimated to be the fastest-growing region during the forecast period. (Source: Animal health Asia, Market data forecast)

INDIAN VETERINARY MARKET OVERVIEW

The animal healthcare market in India has a great potential for growth, owing to the rising consumption of animal protein by Indians, increase in veterinary professionals and a number environment-related factors. The Indian market for animal healthcare is pegged to expand at a healthy CAGR of 8 per cent between 2016 and 2024. Rising at this pace, the market is expected to reach a value of USD1,179.4 million by the end of 2024 from USD590 million in 2015. South India dominates this market with a share of 37 per cent. Andhra Pradesh and Karnataka have emerged as the most prominent local markets for animal healthcare in South India and are expected to present a substantial scope for growth. Among other zonal markets, North India is anticipated to witness a healthy rise over the near future. This will be due to the growing awareness about animal health, changing climatic conditions and dietary patterns leading to an increasing veterinary population. (Source: MRRSE, Transparency Market Research)

SECTORAL OPTIMISM

There were ~300 million bovines, 65.07 million sheep, 135.2 million goats and about 10.3 million pigs as per the 19th Livestock Census in the country. Emerging markets such as India show high growth opportunities as opposed to highly-saturated Western markets. India has been showing signs of increasing westernisation adapting to protein-rich high meat diet. India's total chicken meat consumption for 2017 is forecast at 4.49 million metric tonnes, up by approximately 7 per cent year-on-year. Consumption of processed chicken meat has been rising between 15-20 per cent per annum. India's per capita consumption of poultry meat is estimated at around 3.6 kilograms per year. However, with rising middle-class incomes and expansion of fast food chains, consumption of chicken meat continues to rise. India is the highest beef exporter in the world alongside Brazil with total meat production registering a growth of 8.74 per cent to 2.43 million tonnes between July and October FY2016-17, as against 2.24 million tonnes for the same period during FY2015-16. Nearly ~47.86 per cent of the meat produced came from poultry and 20.11 per cent from buffaloes.



India's broiler production during 2017 is projected to increase by ~7 per cent to 4.5 million tonnes on the back of increasing demand from the growing middle class. Egg production in 2017 is forecast to reach 84 billion, up by 5 per cent. With increase in the population of the affluent class, the number of pet animals has also increased. India has vast resource of livestock and poultry, which play a vital role in improving the socio-economic conditions of the rural masses. (Source: Indo Asian Communities, DAHD)

CORPORATE OPTIMISM

India's broiler production is estimated to go up by 7 per cent to 4.2 million tonnes, on the back of a rising domestic demand for poultry meat, increasing income levels and evolving food habits. Live market sales of broiler meat still constitutes >90 per cent of the total sales volume as consumers prefer fresh meat as opposed to processed meat. Hester derives 85 per cent of its revenues from poultry vaccines and 3 per cent of its revenues from poultry health products. Both metrics are expected to increase as consumption patterns keep evolving. The Company introduced two new poultry vaccines and five new health products in addition to sero-monitoring products, which help identify the immunity levels of broilers. The Company also offered a Brucella abortus live vaccine for large animals, which along with the PPR vaccine is expected to contribute significantly to the Company's revenues as the country aims to eradicate PPR. Hester's export presence spans 25 countries and has received approvals for 22 poultry vaccines from three more countries. The Company also cleared an Ethiopian drug regulatory inspection and was bestowed approvals by Saudi Arabian and Kenyan regulatory bodies.

GOVERNMENTAL INITIATIVES

Livestock health and disease control: The Government of India is implementing a centrally-sponsored scheme called Livestock Health & Disease Control during the 12th Five Year Plan period at a cost of ₹3,114 crore.

Assistance to states for control of animal diseases: Under this component, assistance is provided to State Governments for the control of economically important and zoonotic diseases of livestock and poultry by immunising animals, strengthening existing veterinary production units and diagnostic laboratories and holding training workshops for veterinarians and para-veterinarians. In the first phase, 23 BSL-II laboratories will be set up under the aegis of the World Bank and 32 ISO-certified and GLP-compliant ELISA laboratories will be established.

National project on Rinderpest surveillance and monitoring: Under the programme, State Governments are required to carry out physical surveillance through village, stock route and institutional searches to undertake surveillance of other diseases on a routine basis. Funds will be provided for strengthening veterinary services, surveillance of various diseases with a keen emphasis on Contagious Bovine Pleuro Pneumonia and Bovine Spongiform Encephalopathy, among others.

Professional efficiency development: The component envisages the establishment of a Veterinary Council of India and State Veterinary Councils in line with the tenets laid down under the Indian Veterinary Council Act, 1984. The Veterinary Council of India is mandated to impart training to veterinarians on the latest technical knowledge via continuing veterinary education programmes.

Foot and Mouth Disease control programme: To prevent economic losses due to Foot and Mouth Disease and develop herd immunity in cloven-footed animals, a location specific programme called Foot and Mouth Disease Control Programme is currently being implemented in 221 specified districts of Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, Maharashtra, Goa, Gujarat, Punjab, Haryana, Delhi, Andaman & Nicobar Islands, Dadra & Nagar Haveli, Daman & Diu, Lakshadweep, Pondicherry and 16 districts in Uttar Pradesh (bifurcated to 20). The programme aims to vaccinate animals on a half-yearly basis, conduct mass awareness campaigns, identify target animals in the selected districts, carry out sero- monitoring of animals on a random basis, procure cold cabinets and FMD vaccines, assess randomly collected samples of vaccines for quality, and record animal movements in unvaccinated areas through temporary check-posts, among others.

National animal disease reporting system: Networking of animal disease diagnostic laboratories and workflow software system aims to provide necessary ICT infrastructure, software and internet connectivity to animal disease diagnostic laboratories at state or district levels across India and train concerned officials for the dissemination of data related to samples received, test conducted and results obtained.

Peste des Petits Ruminants control programme: The PPR infection causes huge losses in the rural economy, both in terms of morbidity and mortality in sheep and goats. This programme is now renamed as PPR Control Programme involves vaccination of all susceptible goats and sheep and their three subsequent generations (~30 per cent) in all the States including those covered in the first phase.

Establishment and strengthening of existing veterinary hospitals and dispensaries: The Government of India had initiated a programme for establishing new hospitals and dispensaries and strengthening of existing hospitals and dispensaries during 11th Five Year Plan period. Assuming the escalation cost of construction for new buildings of veterinary hospitals and dispensaries, a cost escalation up to 25 per cent on the original cost norms of construction without any change in the cost on equipment would be supported under the programme.

Brucellosis control programme: Brucellosis is a reproductive disease affecting livestock of zoonotic nature. Bovine brucellosis is endemic in almost all the States of India. This disease can be prevented by one-time vaccination of all eligible female calves. The Brucellosis control programme under the 12th Five Year Plan envisages vaccination of female calves between six to eight months across all states. Adult vaccination will also be taken up covering all unvaccinated female bovines in a phased manner during the 12th Five Year Plan period.

Classical Swine Fever control programme: Funds will be provided to the State Governments for vaccinating pigs in a phased manner starting with the North Eastern states. Depending on vaccine availability, the scope of the programme will be enlarged to cover the entire country.

[Source: http://dahd.nic.in]

Report on Corporate Governance

The Securities and Exchange Board of India (SEBI) has stipulated Corporate Governance Standards for Listed Companies vide Regulation 17 to 27 and 46 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 with the Stock Exchanges.

Corporate Governance is corporate discipline, extended transparency, integrity and accountability towards all stakeholders. Corporate Governance helps to achieve excellence to enhance stakeholder's value by focusing on long-term value creation without compromising on integrity, social obligations and regulatory compliances.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Hester Biosciences Limited has always been committed to the principal of continuous good corporate governance and continuously strives to improve performance at all level by adhering to corporate governance practices, such as managing its affairs with diligence, transparency, responsibility and accountability. We have, therefore, designed our systems and action plans to enhance performance and stakeholders' value in the long run. To create a culture of good governance, your Company has adopted practices that comprise of performance accountability, effective management control, constitution of Board Committees as a part of the internal control system, fair representation of professionally qualified, non-executive and independent Directors on the Board, adequate and timely compliance, disclosure of information on performance, ownership and governance of the Company and payment of statutory dues. The Compliance Report on Corporate Governance herein signifies compliance of all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

The Company's continued endeavour is to achieve good governance which ensures our performance rules with integrity, thereby ensuring truth, transparency, accountability and responsibility in all our dealings with our employees, shareholders, consumers and the community at large. Apart from compliance with the statutory provisions of Company Law, allied acts and SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, our disclosure seeks to attain best practices
in corporate governance. We believe that good corporate governance is critical to enhance and retain stakeholders' trust.

GOVERNANCE STRUCTURE

Governance structure of the Company comprises of the Board of Directors and the Committees of the Board at the top level and the internal governance structure at the operational level. The responsibility of the Board is to determine the overall corporate objectives and give direction and freedom to the management to achieve those objectives within a given framework. The organisational and governance structure enables an environment for value creation through sustainable and profitable growth. The governance structure is based on the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibilities. The primary role of the Board is to protect the interest and enhance the value for all the stakeholders. It conducts the overall strategic supervision & control by setting policies, reporting mechanism & accountability and decision making process to be followed. The CEO & Managing Director is in overall control and responsible for the overall working of the Company. He gives strategic directions, lays down the policy guidelines and ensures the implementation of the decisions of the Board and its committees. The governance system encourages the entrepreneurship, risk taking and growth orientation with an objective to lead full accountability enabled by appropriate empowerment.

BOARD OF DIRECTORS

The CEO & Managing Director looks after the day-to-day business affairs of the Company, the Board of Directors

reviews the overall business operations at least once in a quarter based on updates on the Companys' performance provided by the CEO & Managing Director.

A) Composition of the Board

The Composition of the Board of Directors, with reference to the number of Executive and Non-Executive Directors, meet with the requirements of the Code of Corporate Governance and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. As on 31 March 2017, your Companys' Board comprises of eight Directors (excluding One Alternate Director) with a mix of Executive / Non - Executive and Promoter / Independent Directors of the total Board members, the Chairman is a Non - Executive Promoter Director, the Managing Director is an Executive Promoter Director, two of them are Non - Executive Promoter Directors and the remaining four are Non - Executive Independent Directors. As required under the provisions of section 149(1) of the Companies Act, 2013 and Rules made thereunder and regulation 17 of the Listing Regulations, the constitution of Board meets with the requirements stated therein. Non-Executive and Independent Directors have expert knowledge in the fields of finance, taxation, legal and industry. Thus, the Board represents a balanced mix of professionals, who bring the benefits of their knowledge and expertise.

B) Board of Directors and their Meetings

During the year, Ms. Nina Gandhi was appointed as an Alternate Director for Mr. Ravin Gandhi in place of Ms. Priya Gandhi with effect from 7 May 2016.

In compliance with regulation 17 of the Listing Regulations and as required under the Companies Act, 2013, the Board meets at least once in each quarter and the gap between any two Board meetings was not more than 120 days. Additional meetings are held as and when required to transact important business of the Company. During the year under review, six Board of Directors meeting were held on 7 May 2016, 29 June 2016, 29 July 2016, 20 October 2016, 19 January 2017 and 22 March 2017.

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly / half yearly unaudited financial statements and the audited annual financial statements, projects and capital expenditure, compliance with applicable laws and regulations. It monitors overall performance of the Company and reviews performance of its subsidiary. The Agenda for the board meeting covers items set out as guidelines in regulation 17 of Listing Regulations to the extent the same are applicable and relevant. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions. In compliance with regulation 17 of Listing Regulations, the Company has circulated all agenda papers along with notes and other supportings before seven days of the Board Meetings.

The meetings of the Board of Directors are scheduled well in advance and usually held in Ahmedabad, where the Registered Office of the Company is situated. The Chief Financial Officer and the Company Secretary, in consultation with the CEO & Managing Director, prepare detailed agenda for the meetings. Directors are also free to bring up any matter for discussion at the Board Meetings with the permission of the Chairman.

Decisions taken at Board / Committee meetings are communicated to the concerned departments promptly for actions and an Action Taken Report on the status of the decisions taken at the Board / Committee meetings is being placed, for the information, to the Board / Committee members.

While constituting the Committee of Directors, the requirement that a Director shall not be a directors in more than twenty public companies, member of more than ten committees and Chairman of not more than five committees have been ensured and complied with. None of the Independent Directors serves as an Independent Director in more than seven listed companies. None of the Director of the Company is serving as a Whole-Time Director in any listed Company and is holding a position of Independent Director in more than three listed Companies.

None of the Non-Executive Directors has any pecuniary relationship, except Dr. Bhupendra V. Gandhi, Mr. Sanjiv Gandhi, Mr. Ravin Gandhi and Ms. Nina Gandhi, who are relatives of the Managing Director of the Company. Non-Executive Directors have no transactions with the Company, except receiving sitting fees for attending Board of Directors Meetings and Committee Meetings (except Corporate Social Responsibility Committee, Share Transfer and Management Committee). The details of sitting fees, commission and remuneration paid to each Director appear later under the disclosure relating to Remuneration to Directors.

The following table gives the attendance of the Directors at the Board meetings of the Company and also the number of other Directorships held in Indian Companies (other than the Company) and chairmanship / membership in Board Committees of Public Limited Companies as at 31 March 2017.

Name of the Director	Category & Position	No. of Board Meetings held during the year	No. of Board Meetings attended	Whether attended last AGM (Yes/No)	Other Board Committee*		No. of other Directorships held
					Member	Chairman	
Dr. Bhupendra V. Gandhi	Non-Executive and Chairman	6	4	No	-	-	1
Mr. Rajiv Gandhi	Executive and CEO & Managing Director	6	6	Yes	-	1	7
Mr. Sanjiv Gandhi	Non-Executive Director	6	4	Yes	-	-	2
Mr. Ravin Gandhi	Non-Executive Director	6	-	Yes	-	-	-
Mr. Vishwesh Patel	Non-executive and Independent Director	6	6	Yes	1	1	9
Ms. Grishma Nanavaty	Non-executive and Independent Director	6	5	Yes	1	1	-
Mr. Naman Patel	Non-executive and Independent Director	6	4	Yes	3	-	7
Mr. Amit Shukla	Non-executive and Independent Director	6	5	Yes	2	-	1
Ms. Priya Gandhi @	Non-executive and Alternate Director	6	1	Yes	-	-	-
Ms. Nina Gandhi #	Non-executive and Alternate Director	6	3	Yes	-	-	4

* Other Board committee means Audit Committee and Stakeholders' Grievances and Relationship Committee.

@ Resigned as Alternate Director of Mr. Ravin Gandhi with effect from 7 May 2016

Appointed as Alternate Director of Mr. Ravin Gandhi with effect from 7 May 2016

C) Familiarisation Programme

At the time of appointment of an Independent Director, a formal letter of appointment is given to him / her, which inter alia explains the role, functions, duties and responsibilities expected from him / her as a Director of the Company. All our Directors are aware and also updated, whenever required, of their role, responsibilities, liabilities and obligations under the provisions of the Companies Act, 2013 and Rules made thereunder and regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Familiarisation programme is posted on the website of the Company and any member can visit the Company's website by clicking the link: http://www.hester.in/information/FamiliarisationProgramsDetailsofIndependentDirector2016-17.pdf

D) EVALUATION

During the year, the Nomination and Remuneration Committee / Board have carried out evaluation of its own performance and the performance of the committees of the Board of Directors, individual Directors and the Chairman of the Board. The Board has evaluated the composition of Board, its committees, experience and expertise, performance

of specific duties and obligations, governance matters, etc. Performance of individual Directors and the Board Chairman was also carried out in terms of their respective attendance at Board / Committee meetings, contributions at the meetings, circulation of sufficient documents and information to the Directors, timely availability of the agenda, etc. Directors were satisfied with the evaluation on different criteria.

COMMITTEES OF BOARD OF DIRECTORS

The Board of Directors currently has the following committees to oversee day to day business of the Company:

1) Audit Committee
2) Nomination and Remuneration Committee
3) Stakeholders' Grievances and Relationship Committee
4) Corporate Social Responsibility (CSR) Committee
5) Management Committee
6) Share Transfer Committee

The terms of reference of the Board Committees are determined by the Board from time to time. The Board is responsible for constituting, assigning and co-opting the members of the Committees. The meetings of the each Board Committees are convened by the respective Committee Chairman / Chairperson.

1) AUDIT COMMITTEE

The Company has constituted the Audit Committee with the primary objective to monitor and provide effective supervision of the Management's financial reporting process with the view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

Composition, meetings held and attendance at the meetings during the year

The Audit Committee comprises four members Mr. Vishwesh Patel as the Chairman of the Committee and Ms. Grishma Nanavaty, Mr. Naman Patel and Mr. Amit Shukla as the Members. All members of the committee are Non-Executive Independent Directors. The composition of committee meets all the requirements of Regulation 18 of SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013.

The Audit Committee held five meetings during 2016-17 on 7 May 2016, 29 July 2016, 20 October 2016, 19 January 2017 and 22 March 2017. The time gap between any two meetings was less than 120 days. The Audit Committee, at its Meeting held on 7 May 2016, reviewed the audited financial results for the quarter and year ended on 31 March 2016 and recommended the accounts for approvals by the Board of Directors. The Audit Committee, at its meetings held on 29 July 2016, 20 October 2016 and 19 January 2017, reviewed the unaudited financial results for the quarter ended on 30 June 2016, 30 September 2016 and 31 December 2016. The Audit Committee, at its Meeting held on 22 March 2017, reviewed the investment proposal of the Company into partnership firm and disinvestment proposal in associate Company by way of buyback of shares and recommended the both proposals for approvals by the Board of Directors.

Details of the attendance of the members of the Committee at the meetings of the Committee are as under:

Name of the Member	Category	No. of Meetings held	No. of Meetings Attended
Mr. Vishwesh Patel, Chairman	Non-Executive / Independent	5	5
Ms. Grishma Nanavaty	Non-Executive / Independent	5	5
Mr. Naman Patel	Non-Executive / Independent	5	3
Mr. Amit Shukla	Non-Executive / Independent	5	4

All the members of the Audit Committee have the requisite qualifications for appointment on the Committee and possess sound knowledge of accounting practices, financial and internal controls.

The Chairman of the Audit Committee attended the Annual General Meeting of the Company held on 29 July 2016 to respond to shareholders' queries.

Invitees at the Audit Committee Meetings

The Statutory Auditors is regularly invited and he has attended all the Audit Committee meetings held during the year. The Chief Financial Officer is invited to attend and participate in these meetings also acts as Secretary to the Audit Committee.

The Company continues to derive benefits from the deliberations of the Audit committee meetings as the members are experienced in the areas of finance, accounts, taxation, corporate laws and industry. It ensures accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

Terms of Reference

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   a) Matters requiring inclusion in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of Sub-section 3 of Section 134 of the Companies Act, 2013.

   b) Changes, if any, in accounting policies and practices and reasons for the same.

   c) Major accounting entries involving estimates based on the exercise of judgment by management.

   d) Significant adjustments made in the financial statements arising out of audit findings.

   e) Compliance with listing and other legal requirements relating to financial statements.

   f) Disclosure of any related party transactions.

   g) Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of the audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors about any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
21. Management discussion and analysis of financial condition and results of operations;
22. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
23. Management letters / letters of internal control weaknesses issued by the statutory auditors;
24. Internal audit reports relating to internal control weaknesses; and
25. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
26. Statement of deviations:

    (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

    (b) Annual statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7).

2) NOMINATION AND REMUNERATION COMMITTEE

In compliance with the provisions of section 178 of the Companies Act, 2013 and regulation 19 of the Listing Regulations 2015, the Board has constituted a "Nomination and Remuneration Committee" (NRC).

The Nomination and Remuneration Committee as a committee of the Board has been constituted mainly to determine and recommend to Board, the Company's policies on remuneration packages for Executive and Non-Executive Directors and policies on Nomination for Appointment of Director, Key Managerial Personnel and Senior Management Personnel.

Composition, meetings held and attendance at the meetings during the year

The composition of Nomination and Remuneration Committee as on 31 March 2017 comprises four members - Mr. Vishwesh Patel as the Chairman and Ms. Grishma Nanavaty, Mr. Naman Patel and Mr. Amit Shukla as the members. All members of the committee are Non-Executive Independent Directors.

The Nomination and Remuneration Committee held two meetings during 2016-17 on 7 May 2016 and 20 October 2016. The meeting was held on 7 May 2016 to evaluate performance of the Independent Directors and Board as whole. The meeting was held on 20 October 2016 to approve to recommend for re-appointment of Mr. Rajiv Gandhi, CEO & Managing Director of the Company and revision in remuneration terms and recommended for approvals by the Board of Directors.

Details of the attendance of the members of the committee at the meetings of the Committee are as under:

Name of the Member	No. of Meeting held	No. of Meeting Attended
Mr. Vishwesh Patel, Chairman	2	2
Ms. Grishma Nanavaty	2	2
Mr. Naman Patel	2	1
Mr. Amit Shukla	2	1

Terms of Reference

The Terms of reference of the said NRC is specified in clause A of Part D of Schedule II of the Listing Regulations which are mentioned hereunder:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

Nomination and Remuneration Policy and details of remuneration paid / payable to the Directors for the year ended 31 March 2017:

The Board of Directors approved the Nomination and Remuneration Policy on the recommendation of Nomination and Remuneration Committee. The salient aspects of the Policy are outlined below:

a) Objectives:

1) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel;

2) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board; and

3) To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management Personnel.

b) Remuneration to Non - Executive and Independent Director :

1) Non-Executive and Independent Directors may receive remuneration / Commission as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

2) Non-Executive and Independent Directors may receive Sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Board of Directors has approved the payment of sitting fees at ₹1 lakh to each Non-Executive and Independent Director towards each of the Board / Committee meetings attended by

them. The Independent Director shall be entitled to reimbursement of expenses for participation in the Board and other meeting.

3) Non-Executive and Independent Directors may receive Commission within the monetary limit approved by shareholders, subject to the limit not exceeding
1 per cent of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4) An Independent Director shall not be entitled to any stock option of the Company.

5) Company's remuneration policy is guided by a common reward framework and set of principles and objectives as particularly envisaged under section 178 of the Companies Act 2013, inter alia, principles pertaining to determining qualifications, positives attributes, integrity and independence etc.

6) Apart from the above, there are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors except those disclosed in the financial statements for the year ended on 31 March 2017.

c) Remuneration to CEO & Managing Director:

Mr. Rajiv Gandhi is the CEO & Managing Director of the Company. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors decides and approves the remuneration payable to Mr. Rajiv Gandhi within the ceiling fixed by shareholders as per the resolution passed through postal ballot process and result of postal ballot process declared on 22 December 2016.

As per the recommendation of the Nomination and Remuneration Committee, Mr. Rajiv Gandhi, CEO & Managing Director was paid remuneration / remuneration payable for the financial year ended on 31 March 2017 as below:

(Amount in ₹)

Particulars	Salary	Perquisite	Commission	Total
Mr. Rajiv Gandhi	12,600,000	696,600	4,703,400	18,000,000

The Company has entered into agreements with Mr. Rajiv Gandhi for their respective employment for a period of three years. Either party to an agreement is entitled to terminate the agreement by giving notice in writing to the other party.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, proposed the re-appointment of Mr. Rajiv Gandhi as the CEO & Managing Director for a further period of three years for the approval of the members.

d) Remuneration to Senior Management Employees:

The Managing Director with the help of the Group President (Human Resources and Corporate Communication), carry out the individual performance review based on the standard appraisal matrix and after taking into account the appraisal score card and other factors like – Key Performance Area v/s initiatives, balance between fixed and variable pay, fixed components and perquisites and retirement benefits, criticality of roles and responsibilities, industry benchmarks and current compensation trends in the market. Further, any promotion at a senior level management is approved by the Management based on a predetermined process and after accessing the candidate's capability to shoulder higher responsibility.

e) Details of the sitting fees paid to the Non-Executive Directors for the year 2016-17 are given below: (In ₹)

Name of the Non-Executive Directors	Board Meetings	Audit Committee Meetings	NRC Committee Meeting	Stakeholders' Grievances and Relationship Committee Meetings	Total
Dr. Bhupendra V. Gandhi	40,000	-	-	-	40,000
Mr. Sanjiv Gandhi	40,000	-	-	-	40,000
Mr. Ravin Gandhi	-	-	-	-	-
Mr. Vishwesh Patel	60,000	50,000	10,000	20,000	140,000
Ms. Grishma Nanavaty	50,000	50,000	10,000	20,000	130,000
Mr. Naman Patel	40,000	30,000	5,000	10,000	85,000
Mr. Amit Shukla	50,000	40,000	5,000	15,000	110,000
Ms. Priya Gandhi @	10,000	-	-	-	10,000
Ms. Nina Gandhi #	30,000	-	-	-	30,000

@ Resigned as Alternate Director of Mr. Ravin Gandhi with effect from 7 May 2016
# Appointed as Alternate Director of Mr. Ravin Gandhi with effect from 7 May 2016

3) STAKEHOLDER'S GRIEVANCE & RELATIONSHIP COMMITTEE

In compliance with the provisions of section 178 of the Companies Act, 2013 and the Listing Agreement / regulation 20 of the Listing Regulations, the Board has formed a "Stakeholder's Grievance & Relationship Committee". The Stakeholder's Grievance & Relationship Committee as a committee of the Board has been constituted mainly to focus on the redressal of Shareholders' and Investors' Grievances, if any, like transfer / transmission / dematerialisation of shares, loss of share certificates, non-receipt of Annual Report, Dividend Warrants and other grievances.

Composition, meetings held and attendance at the meetings during the year

The Stakeholder's Grievance & Relationship Committee as on 31 March 2017, comprises four members, Ms. Grishma Nanvaty as the Chairperson of the Committee and Mr. Vishwesh Patel, Mr. Naman Patel and Mr. Amit Shukla as the Members. All members are Non-Executive Independent Directors.

The Stakeholder's Grievance & Relationship Committee held four meetings during 2016-17 on 7 May 2016, 29 July 2016, 20 October 2016 and 19 January 2017.

Details of the attendance of the members of the Committee at the meetings of the Committee are as under:

Name of the Member	No. of Meeting held	No. of Meeting Attended
Ms. Grishma Nanavaty, Chairperson	4	4
Mr. Vishwesh Patel	4	4
Mr. Naman Patel	4	2
Mr. Amit Shukla	4	3

The Company Secretary acts as the Secretary to the Committee, who is designated as Compliance Officer pursuant to regulation 6 of the Listing Regulations. The Committee ensures that the shareholders' / investors' grievances and correspondence are attended and resolved expeditiously.

Number of complaints

During the year, the Company had not received any complaints from the shareholders. All of them have been resolved and no complaint was pending as on 31 March 2017.

The following table summarises the status of investor complaints received during the period. These were attended within a reasonable period of time.

Nature of complaints / requests	Opening as on 01 April 2016	Received	Resolved	Pending as on 31 March 2017
Non-receipt of dividend warrant	Nil	Nil	Nil	Nil
Non-receipt of Annual Reports/ Sticker	Nil	Nil	Nil	Nil
Non-receipt of shares after transfer/bonus/rights/shares	Nil	Nil	Nil	Nil
Letters received from SEBI/ ROC/Stock Exchanges	Nil	Nil	Nil	Nil
Others - Complaint Received on SEBI Scores	Nil	Nil	Nil	Nil
Total	**Nil**	**Nil**	**Nil**	**Nil**

Terms of reference

The Stakeholder's Grievance & Relationship Committee reviews the redressal of grievances of stakeholders pertaining to the requests / complaints of the shareholders related to transfer of shares, dematerialisation of shares, non-receipt of annual accounts, non-receipt of dividend or revalidation of expired dividend warrants, recording the change of address, nomination, etc. The role of the Stakeholders' Relationship Committee has been specified in Part D of the Schedule II of the Listing Regulations.

The equity shares of the Company are compulsorily traded in electronic form on the stock exchanges and hence the handling of physical transfer of shares is minimal. The Board has delegated powers for approving transfer and transmission of shares and issue of duplicate shares to the Share Transfer Committee.

4) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR committee constituted under Board to oversee and give direction to the Company's CSR activities under section 135 of the Companies Act, 2013. A CSR policy indicates activities, projects or programs, to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and to recommend the amount of expenditure to be incurred on the CSR activity.

Composition, meetings held and attendance at the meetings during the year

The CSR committee comprises of three Directors namely Mr. Rajiv Gandhi as a Chairman and Mr. Vishwesh Patel and Ms. Grishma Nanavaty as members of the Committee. The CSR committee held one meeting on 19 January 2017.

Details of the attendance of the members of the committee at the meetings of the Committee are as under:

Name	No. of Meeting held	No. of Meeting Attended
Mr. Rajiv Gandhi, Chairman	1	1
Mr. Vishwesh Patel	1	1
Ms. Grishma Nanavaty	1	1

Terms of reference

The Corporate Social Responsibility Committee is constituted to perform the following functions:

1) Formulate and recommend to the Board, a Corporate Social Responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
2) Recommend the amount of expenditure to be incurred on the activities referred to in the CSR policy.
3) Monitor the Corporate Social Responsibility policy of the Company from time to time.

The Company has framed a Corporate Social Responsibility policy and placed it on the website of the Company: http://www.hester.in/corporate governance/csrpolicy.pdf

5) MANAGEMENT COMMITTEE

The Management Committee comprises of three Directors namely Mr. Rajiv Gandhi as a Chairman and Mr. Sanjiv Gandhi and Ms. Grishma Nanavaty as members of the Committee, subject to supervision and control of the Board of Directors. Management Committee oversees day-to-day operations of the Company. The Management Committee makes decision within the authority delegated by the Board of Directors. All decisions / recommendations of the Committee are placed before the Board of Directors for information and / or their approval.

6) SHARE TRANSFER COMMITTEE

Composition, meetings held and attendance at the meetings during the year.

The Share Transfer Committee as on 31 March 2017 comprises three members, Mr. Rajiv Gandhi as the Chairman of the Committee and Mr. Sanjiv Gandhi and Ms. Grishma Nanavaty as the Members of the Committee. The Company Secretary acts as the Secretary to the committee. The Share Transfer Committee met 22 times during the year.

The Committee meets on a need basis to ensure the regular process of transfers / transmission of shares, split, consolidation, demat / remat and issuance of duplicate share certificates.

Terms of reference

The Committee is empowered to perform all the functions of the Board in relation to approval and monitoring transfers, transmission, dematerialisation, rematerialisation, issue of duplicate share certificates, splitting and consolidation of shares issued by the Company. The Committee also oversees the functions of the Registrar and Share Transfer Agent. The Board has delegated the powers to approve the transfer of shares to the Committee.

INDEPENDENT DIRECTORS' MEETING

During the year under review, a separate meeting of Independent Directors was held on 19 January 2017, inter alia, to discuss:

1. Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole;
2. Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; and
3. Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting. The terms and conditions of Independent Directors are available on the website of the Company: http://www.hester.in/information TermsandConditionofAppointmentofIndependent Directors.pdf

SUBSIDIARY COMPANY

Company has one non-material Subsidiary Company namely Hester Biosciences Nepal Private Limited as on 31 March 2017. The Audit Committee reviews the financial statements, particularly, the investments made in Subsidiary Company. The Board also reviews the accounts of the said Subsidiary Company on annual basis.

The Company has devised the policy for "Determining Material Subsidiaries" which is available on the website of the Company: http://www.hester.in/corporategovernance/policyfordeterminingmaterialsubsidiaries.pdf

DISCLOSURES

A) Related Party Transaction

All the transactions entered into with related parties as defined under Companies Act, 2013 and Regulations 23 of SEBI (LODR) Regulations, 2015, during the financial year were in the ordinary course of business and on arms' length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Prior approval of the Audit Committee is obtained for all Related Party Transactions. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Related Party Transactions during the year have been disclosed vide Note No. 45 of notes on financial statements as per the requirement of "Accounting Standards -18- Related Party Disclosure" issued by ICAI.

The Board has approved a policy for related party transactions which has been placed on Company's website: http://www.hester.in/corporategovernance/relatedpartytransactionpolicy.pdf

B) Code of Conduct

The Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel in Compliance with Part-D under Schedule V of SEBI (LODR) Regulations, 2015. The Code of Conduct is available on the website of the Company www.hester.in. All Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended on 31 March 2017 under review. The declaration of CEO & Managing Director is given below:

To the shareholders of Hester Biosciences Limited
Subject: Compliance with Code of Conduct

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors.

Place: Ahmedabad
Date: 8 May 2017

Rajiv Gandhi
CEO & Managing Director

C) Prohibition of Insider Trading

In Compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to all the Directors, Officers and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing in the shares of the Company.

Shares held by the Directors as at 31 March 2017:

Name of the Directors	No. of shares held as at 31 March 2017	Details of shares bought /sold (-) during 2016-2017
Dr. Bhupendra V. Gandhi	399,082	-
Mr. Rajiv Gandhi	949,397	90,000
Mr. Sanjiv Gandhi	692,820	-
Mr. Ravin Gandhi	403,320	-
Mr. Vishwesh Patel	54,150	-
Mr. Naman Patel	1,500	-
Mr. Amit Shukla	5,250	-
Ms. Nina Gandhi	696,340	-

D) WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy to deal with instance of fraud and mismanagement. The employees of the Company are free to report instances of unethical behavior, actual or suspected fraud, violations of any laws, rules, regulations and concerns about unethical conduct to the Audit Committee under this policy. The policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination is done with any person for a genuinely raised concern. Employees can lodge their Complaints through anonymous e-mails besides usual means of communications like written complaints. No personnel have been denied access to the Audit Committee. The Whistle Blower Policy, as approved by the Board, is placed on the website of the Company: http://www.hester.in/corporategovernance/WhistleBlowerPolicy.pdf

E) MANAGEMENT

Management Discussion and Analysis

Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this Report as required under Regulation 34(2)(e) of SEBI (LODR) Regulations, 2015.

Disclosure of material financial and commercial transactions:

As per the disclosures received from senior management, no material financial and commercial transactions that may have a potential conflict with the interest of the Company at large were reported to the Company during the year under report.

F) DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING

The particulars about the brief resume and other information required to be disclosed under Regulation 36 (3) of SEBI (LODR) Regulations, 2015, of the Director seeking appointment / reappointment as required to be disclosed under this section are provided as an annexure to the notice convening the 30th Annual General Meeting.

G) COMPLIANCE BY THE COMPANY

The Company has complied with all the mandatory requirements of the Listing Regulations with the Stock Exchanges, regulations and guidelines of SEBI. Further, during last three years, no penalties or strictures are imposed on the Company by any Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets.

H) DISCLOSURE OF ACCOUNTING TREATMENT IN THE PREPARATION OF FINANCIAL STATEMENTS

Your Company has followed all relevant Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) while preparing financial statements.

I) PROCEEDS FROM PUBLIC ISSUE / RIGHT ISSUE / PREFERENTIAL ISSUE / WARRANT CONVERSION

During the year, the Company has not raised any fund through Public Issue / Right Issue / Preferential Issue / Warrant Conversion.

J) CEO/CFO CERTIFICATION

The requisite certification from the CEO & Managing Director and Chief Financial Officer required to be given under Regulation 17(8) read with Part B of Schedule II of SEBI (LODR) Regulations, 2015. The aforesaid certificate, duly signed by the CEO & Managing Director and Chief Financial Officer in respect of the financial year ended 31 March 2017, has been placed before the Board.

MEANS OF COMMUNICATION

1. The Company has 5986 shareholders as on 31 March 2017. The main channel of communication to the shareholders is through Annual Report, which includes inter-alia, the Directors' Report, Management's Discussion and Analysis, Report on Corporate Governance and Audited Financial Results.
2. The Annual General Meeting is a platform for face-to-face communication with the shareholders, where the Chairman makes presentation on the performance, operating and financial results of the Company. The Chairman and other Key Managerial Personnel also respond to the specific queries of the shareholders.
3. The Company intimates to the Stock Exchanges all price sensitive matters which in its opinion are material and of relevance to the shareholders and subsequently issues a Press Release on such matters, wherever necessary.
4. The quarterly, half yearly and annual financial results are published in widely circulating national and local daily such as "Financial Express", in English and Gujarati. The results are also posted on the website of the Company www.hester.in, and the same are not sent individually to the shareholders.
5. The Company holds meetings and makes presentations to the institutional investors and analysts. The copies of such presentations and the transcripts of the phone calls are also made available on the Company's website. Information to the Stock

Exchanges is now being filed online on NEAPS for National Stock Exchange of India Limited and BSE Listing Centre for BSE Limited.

a) NSE Electronic Application Processing System (NEAPS)

The NEAPS is a web-based application designed by National Stock Exchange of India for Corporates. The Shareholding Patterns, Corporate Governance Reports, Reconciliation of Share Capital Audit Certificates, Investors Grievances Mechanism Reports, Financial Results, Corporate Announcements and various other updates are filed electronically on NEAPS.

b) BSE Listing Centre

The Listing Centre is a web-based application designed by BSE Limited for Corporates. The Shareholding Patterns, Corporate Governance Reports, Reconciliation of Share Capital Audit Certificates, Investors Grievances Mechanism Reports, Financial Results, Corporate Announcements and various other updates are filed electronically on Listing Center.

The BSE Limited has made mandatory to file Shareholding Patterns, Corporate Governance Reports, Reconciliation of Share Capital Audit, Financial Results and Voting Results of General Meetings are filed electronically in XBRL Formats on Listing Center.

c) SEBI Complaints Redressal System (SCORES)

Securities Exchange Board of India introduced for quick resolution of Investors' Grievances SEBI Complaints Redressal System (SCORES). The investor complaints are processed in a centralised web-based complaints Redressal system. The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

GENERAL MEETINGS

1) Details of last three Annual General Meetings held are provided hereunder:

Year	Date and Time	Venue
2015-16	29th AGM held on 29 July 2016 at 11.00 a.m.	Ahmedabad Textile Mills' Association Hall (ATMA Hall), Ashram Road, Navrangpura, Ahmedabad 380 009
2014-15	28th AGM held on 15 September 2015 at 11.00 a.m.	Ahmedabad Textile Mills' Association Hall (ATMA Hall), Ashram Road, Navrangpura, Ahmedabad 380 009
2013-14	27th AGM held on 23 September 2014 at 11.00 a.m.	Bhaikaka Bhavan, Law College Road, Ahmedabad 380 006

2) Special Resolutions passed in the previous three Annual General Meeting:

The shareholders of the Company have passed the following special resolutions in the previous three Annual General Meetings.

Sr. No.	Nature of Special Resolutions passed	Relevant provisions of the Companies Act	AGM details
1	Appointment of Mr. Vishwesh Patel as an Independent Director	Sections 149 and 152 of Companies Act, 2013	28th AGM held on 15 September 2015
2	Appointment of Ms. Grishma Nanavaty as an Independent Director	Section 149 and 152 of Companies Act, 2013	
3	To adopt New Set of Articles of Association	Section 14 of Companies Act, 2013	
4	To change place of keeping and inspection of Register and Index of members, returns etc.	Section 88 and 94 of Companies Act, 2013	29th AGM held on 29 July 2016
5	To Issue of equity shares, and/or equity linked securities and/or securities convertible into equity shares through Qualified Institutional Placement (QIP) or preferential allotment	Section 42 and 62 of Companies Act, 2013	

The special resolutions indicated above were passed with requisite majority.

3) Approval of Members through Postal Ballot

During the year, the Company received approval of the members through Postal Ballot process on 22 December 2016 for resolutions of Re-appointment and Revision in Remuneration of Mr. Rajiv Gandhi as a CEO & Managing Director for the period of 3 (Three) years under the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule V of the Companies Act, 2013.

Mr. Tapan Shah, Practicing Company Secretary (Membership No. 4476) was appointed as the Scrutiniser for conducting the Postal Ballot process. The details of voting pattern were as under:

Resolution No.	Invalid Ballots/ E- Votes	Particulars	Number of Votes Cast			% of total votes cast
			Ballot Paper	E - voting	Total	
1	-	Favour	1,331	3,888,221	3,889,552	100.00
		Against	-	3	3	0.00
		Total	**1,331**	**3,888,224**	**3,889,555**	**100.00**

PROCEDURE FOR POSTAL BALLOT:

After receiving the approval of the Board of Directors, Notice of the Postal Ballot, text of the Resolution and Explanatory Statement, relevant documents, Postal Ballot Form and self-addressed postage paid envelopes are sent to the shareholders to enable them to consider and vote for or against the proposal within a period of 30 days from the date of dispatch. E-voting facility is made available to all the shareholders and instructions for the same are specified under instructions for voting in the Postal Ballot Notice. E-mails are sent to shareholders whose e-mail ids are available with the depositories and the Company along with Postal Ballot Notice and Postal Ballot Form. The calendar of events containing the activity chart is filed with the Registrar of Companies within 7 days of the passing of the Resolution by the Board of Directors. After the last day for receipt of ballots (physical/e-voting), the scrutiniser, after due verification, submits the results to the Chairman. Thereafter, the Chairman declares the result of the Postal Ballot. The same was displayed on the Company website and submitted to the stock exchanges.

GENERAL SHAREHOLDERS' INFORMATION

1) General Information

Date and Time of 30th AGM	Friday, 28 July 2017 at 11.00 am.
Venue of 30th AGM	Ahmedabad Textile Mills' Association Hall (ATMA Hall), Ashram Road, Navrangpura, Ahmedabad 380 009, Gujarat
Financial Year	1 April 2016 to 31 March 2017
Book Closure Date	Saturday, 22 July 2017 to Friday, 28 July 2017
Registered Office Address	'Pushpak', 1st Floor, Panchvati Circle, Motilal Hirabhai Road, Ahmedabad-380 006

2) FINANCIAL CALENDAR

• Financial year 2016-17 (1 April 2016 to 31 March 2017) results were announced on:

Unaudited financial results for first quarter ended on 30 June 2016	29 July 2016
Unaudited financial results for second quarter and half-year ended on 30 September 2016	20 October 2016
Unaudited financial results for third quarter and nine months ended on 31 December 2016	19 January 2017
Unaudited financial results fourth quarter and year ended on 31 March 2017	08 May 2017

• Financial year 2017-18 (1 April 2017 to 31 March 2018) results will be announced on:

Financial results for first quarter ended on 30 June 2017	On or before 14 August 2017
Financial results for second quarter and half-year ended on 30 September 2017	On or before 14 November 2017
Financial results for third quarter and nine months ended on 31 December 2017	On or before 14 February 2018
Financial results fourth quarter and year ended on 31 March 2018	On or before 30 May 2018

3) LISTING OF SHARES AND LISTING FEES

The Company's shares are listed and traded on BSE Limited (BSE) at Mumbai and National Stock Exchange of India Limited (NSE) at Mumbai. The Company has paid listing fees to both the Stock Exchanges for financial year 2017-18.

4) A) DETAILS OF SHARES:

Types of shares : Equity shares
No. of paid up shares : 8,506,865
Security Code (ISIN) : INE782E01017

b) Stock Code Closing Price and Market Capitalisation:

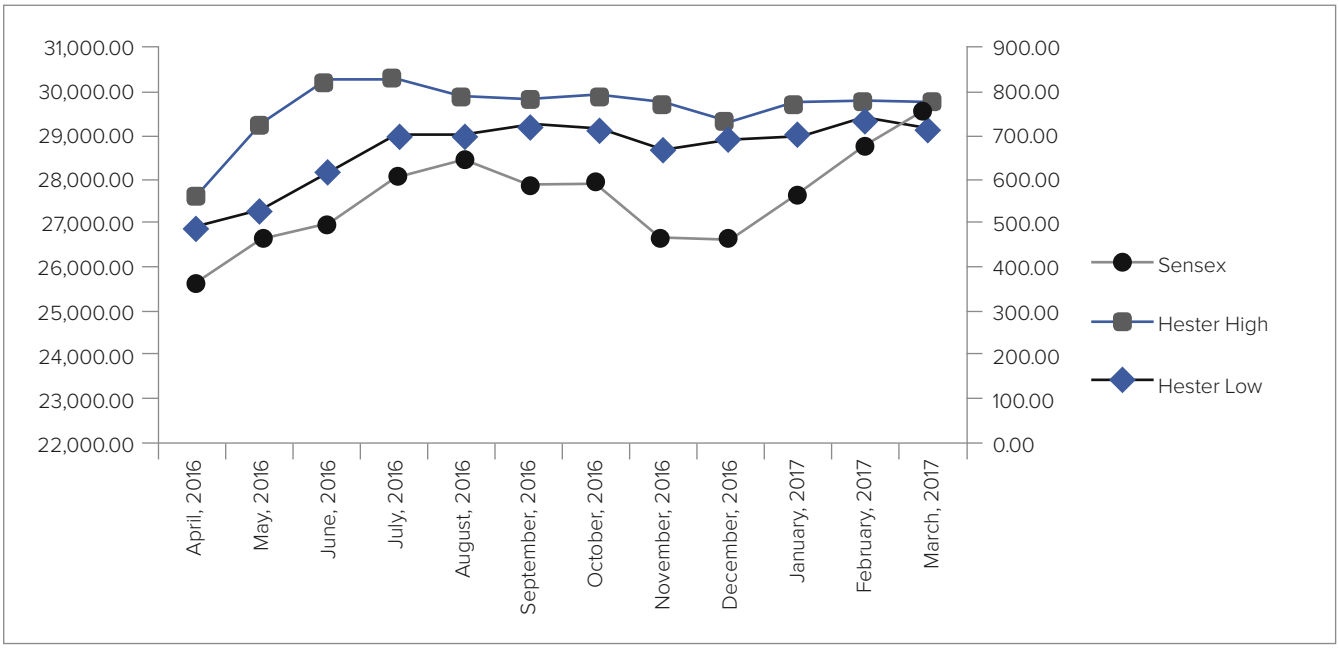
Name of the Stock Exchanges	Stock Code	Closing Price as on 31 March 2017 (₹)	Market Capitalisation (₹ in million)
BSE Limited	524669	763.05	6,491.16
The National Stock Exchange of India Limited	HESTERBIO	765.95	6,515.83

5) STOCK PRICE AND BSE & NSE DATA

a) Monthly share price data on BSE for the financial year 2016-17 is as under:

Months	Hester High (₹)	Hester Low (₹)	BSE Sensex Closing (₹*)
April, 2016	558.00	490.10	25,606.62
May, 2016	719.75	521.00	26,667.96
June, 2016	823.90	611.00	26,999.72
July, 2016	825.00	699.00	28,051.86
August, 2016	788.00	700.00	28,452.17
September, 2016	780.00	714.05	27,865.96
October, 2016	789.00	715.50	27,930.21
November,2016	771.50	666.00	26,652.81
December, 2016	730.00	691.50	26,626.46
January, 2017	775.90	700.00	27,655.96
February, 2017	779.00	740.00	28,743.32
March, 2017	772.00	716.00	29,620.50

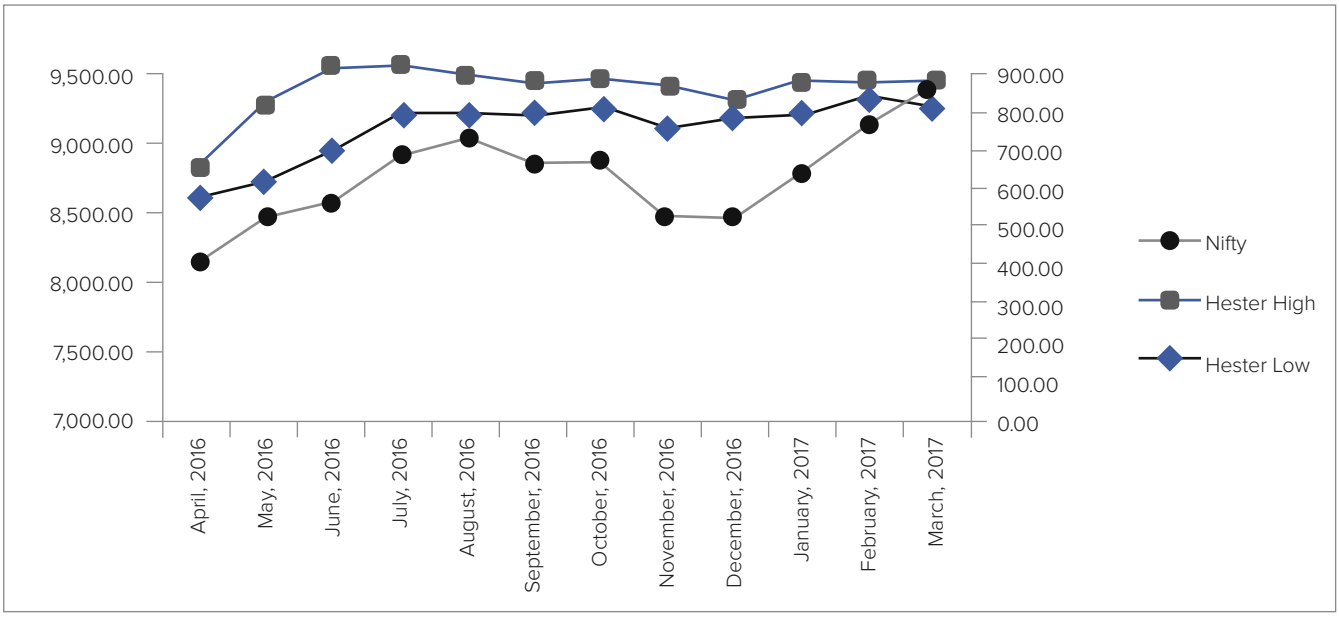
* Closing prices on the last working day of month.



b) Monthly share price data on NSE for the financial year 2016-17 is as under:

Months	Hester High (₹)	Hester Low (₹)	BSE Sensex Closing (₹*)
April, 2016	559.95	485.50	7,849.80
May, 2016	719.00	520.00	8,160.10
June, 2016	824.25	611.05	8,287.75
July, 2016	825.00	701.00	8,638.50
August, 2016	799.00	692.15	8,786.20
September, 2016	780.95	700.10	8,611.15
October, 2016	787.00	716.10	8,625.70
November,2016	769.00	670.00	8,224.50
December, 2016	734.95	681.10	8,185.80
January, 2017	779.95	702.00	8,561.30
February, 2017	778.00	740.00	8,879.60
March, 2017	775.00	713.15	9,173.75

* Closing prices on the last working day of month.



6) SHARES HELD IN PHYSICAL AND DEMATERIALISED FORM

The Company's shares are compulsorily traded in the dematerialised mode. As on 31 March 2017, 94.66 per cent shares were held in the dematerialised form and the balance 5.34 per cent shares were held in physical form. The shareholders whose shares are held in physical form are requested to dematerialise the same at the earliest in their own interest. The dematerialised security code (ISIN) for the equity shares is INE782E01017. As on that date, total promoter's holding is 54.07 per cent of the capital. Shareholding pattern of the Company as on 31 March 2017 is given below:

7) DISTRIBUTION OF SHAREHOLDING AS ON 31 MARCH 2017

a) On the basis of shares held:

No. of Equity Shares held (Range)	No. of Shareholders	Percentage to total Shareholders	Percentage to total Shareholders	Percentage to total shares held
Up to 500	5,331	89.06	602,193	7.08
501 to 1000	246	4.11	185,443	2.18
1001 to 2000	171	2.86	248,353	2.92
2001 to 3000	54	0.90	131,513	1.55
3001 to 4000	19	0.32	70,198	0.83
4001 to 5000	18	0.30	81,125	0.95
5001 to 10000	71	1.19	499,315	5.87
Above 10001	76	1.27	6,688,725	78.63
Total	**5,986**	**100.00**	**8,506,865**	**100.00**

b) On the basis of category:

Sr.	Description	No. of members		No. of shares	
		Nos.	%	Nos.	%
A	**Promoters Holding**				
	Directors & Relatives	22	0.37	4,327,234	50.86
	Promoters' Companies	3	0.05	272,838	3.21
B	**Non Promoter Holding**				
	Resident Individual	5,438	90.85	2,618,646	30.79
	Hindu Undivided Family	156	2.61	216,219	2.54
	Non Resident Individual	158	2.64	472,586	5.56
	Mutual Fund, Nationalised Bank etc.	9	0.14	127,049	1.49
	Foreign Portfolio Investor	4	0.07	43,351	0.51
	Domestic Companies	135	2.26	369,971	4.35
	Clearing Members and others	61	1.02	58,971	0.69
	Total	**5,986**	**100.00**	**8,506,865**	**100.00**

8) SHARE TRANSFER SYSTEM

Applications for transfer of shares in the physical form are processed by the Company's Registrar & Transfer Agent, Link Intime India Private Limited. The Share Transfer Committee constituted for transfer / transmission of shares, issue of duplicate shares and allied matters considers and approves the share transfer within the stipulated time limit, subject to transfer instrument being valid and complete in all respects.

The Company has obtained half-yearly certificates from the Company Secretary in practice for compliance of share transfer formalities as per the requirement of Regulation 40(9) of the SEBI (LODR) Regulations, 2015 and submitted to Stock Exchanges for compliances of Regulation 40 (10) of the SEBI (LODR) Regulations, 2015.

9) PAN REQUIREMENT FOR TRANSFER OF SHARES IN THE PHYSICAL FORM

The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) for securities market transactions and off-market/ private transactions involving transfer of shares in the physical form of listed companies. Therefore it shall be mandatory for the transferee(s) to furnish a copy of the PAN Card to the Company / Registrar & Share Transfer Agents for Registration of such transfers. Members / Investors are therefore requested to make note of the same and submit their PAN Card copy to the Company Registrar and Share Transfer Agents. Members are also requested to use new Transfer Forms (Form No. SH-4) pursuant to Section 56 of the Company's Act, 2013 and its applicable rules.

10) SECRETARIAL AUDIT

A practicing company secretary carried out secretarial audit in each of the quarters in the financial year 2016-17, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit reports confirm that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with depositories. The reports of secretarial audit were submitted to stock exchanges for compliances of Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996.

11) NOMINATION FACILITY

It is in the interest of the shareholders to appoint a nominee for their investments in the Company. Those members who are holding shares in the physical mode and have not appointed a nominee or want to change the nomination are requested to send us the nomination form duly filled in and signed by all the joint holders.

12) CHANGE IN SHAREHOLDERS' DETAILS

In case you are holding your shares in dematerialised form (e.g. in electronic mode), communication regarding change in address, bank account details, change in nomination, dematerialisation of your share certificates or other inquiries should be addressed to your DP where you have opened your dematerialised account, quoting your client ID number. In case of physical holding of shares, any communication for change of any details should be addressed to our registrar and transfer agent of the Company, Link Intime India Private Limited, as per the address mentioned below.

13) DETAILS OF DIVIDEND

The Board of Directors has declared and paid Interim Dividend at ₹3.00 per share (30 per cent) for the financial year 2016-17 and Board of Directors also recommended final dividend at ₹2.30 per share (23 per cent) for the financial year 2016-17. The payment of final dividend as recommended by the Directors, if approved at the

Meeting, will be made:

(i) To those members whose names are on the Register of Members on Friday, 21 July 2017 or to their mandates.

(ii) In respect of shares held in electronic form, to those "deemed members" whose names appears of the statement of beneficiary ownership, furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the end of business hours on Friday, 21 July 2017.

14) DETAILS OF UNCLAIMED DIVIDEND

Financial Years	Date of declaration of dividend	Dividend payment %	Unpaid/ Unclaimed Amount (in ₹)	Expected date of transfer of unclaimed dividend of IEPF
2009-10	28 July 2010	30	346,725.00	1 October 2017
2010-11	03 September 2011	35	358,095.50	7 November 2018
2011-12	14 September 2012	10	126,197.00	19 November 2019
2012-13	14 August 2013	20	272,278.00	18 October 2020
2013-14	23 September 2014	20	222,322.00	27 November 2021
2014-15	15 September 2015	31	422,526.90	19 November 2022
2015-16 (Interim)	10 March 2016	30	400,113.00	15 May 2023
2015-16 (Final)	29 July 2016	11	166,923.90	3 October 2023
2016-17 (Interim)	20 October 2016	30	390,012.00	25 December 2023

15) LOCATIONS OF THE COMPANY'S OFFICES AND MANUFACTURING PLANT

Plant	:	Village: Merda Adraj, Taluka: Kadi, Dist: Mehsana, Gujarat 382721
Registered Office	:	'Pushpak', 1st Floor, Panchvati Circle, Motilal Hirabhai Road, Ahmedabad 380006 Phone: 079-26445107, Fax: 079-26445105 E-mail: mail@hester.in, Website: www.hester.in
Branches	:	
Coimbatore No.18, Ashok Layout, Civil Aerodrome Post, Sitra, Coimbatore 641 014, Tamil Nadu		**Hyderabad** House No.7-4-10/3, Yesodara Nagar, Opp. Medicare Hospital, Sagar Ring Road, L. B. Nagar, Hyderabad 500074, Telangana
Bangalore No 14, 4th Main, 4th block, 1st Stage, Near Indian Academy College, Opp. Regency Magnum Apartment, Hennur Main Road, HBR Layout, Kalyanagar Post, Bangalore 560043, Karnataka		**Pune** Gat No.1313, Near Sriram warehousing, Pune - Saswad Road, At Post. Wadki, Tal. Haweli, Pune 412308, Maharashtra
Panchkula DSS-25 Sector-12 Panchkula, Near Yadav Bhawan, Panchkula 134109, Haryana		

16) REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited (Link Intime) is acting as Registrar & Share Transfer Agent of the Company. For lodgement of transfer deeds and other documents or any grievances / complaints, investors may contact the Company's Registrar and Share Transfer Agent at the following address:

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, Ellisbridge, Ahmedabad 380006
Phone: +91 79 26465179 /86 / 87
E-mail: ahmedabad@linkintime.co.in
Website: www.linkintime.co.in

17) ADDRESS FOR CORRESPONDENCE

Shareholders' correspondence should be addressed to the Company's Registrar and Share Transfer Agent at the address mentioned above.

Shareholders may also contact the Company Secretary, at the Registered Office of the Company for any assistance:

Ms. Amala Parikh
Company Secretary and Compliance Officer
Phone: +91 79 26445107
E-mail: investor@hesterbiosciences.co.in

Shareholders holding shares in the electronic mode should address all their correspondence to their respective depository participants.

18) OUTSTANDING GDRS / ADRS / WARRANTS, ITS CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Company has not issued any GDRs / ADRs / warrants or any convertible instruments.

19) DETAILS OF NON-COMPLIANCE

There was no non-compliance during the year and no penalties were imposed or strictures passed on the Company by any Stock Exchange, SEBI or any other statutory authority. The Statutory Auditors of the Company have certified the compliance of the conditions of Corporate Governance and annexed the certificate with the Directors' Report and sent the same to all the shareholders of the Company. The certificate shall also be sent to all the concerned Stock Exchanges along with the annual reports filed by the Company.

20) NON-MANDATORY REQUIREMENTS OF REGULATION 27 (1) & PART E OF SCHEDULE II OF THE SEBI (LODR) REGULATIONS, 2015

- Shareholder's Right: Half-yearly financial results, including summary of the significant events, are presently not being sent to shareholders of the Company. However, quarterly financial results are published in the leading newspapers and are also available on the website of the Company: http://www.hester.in/FinancialReports.html
- Audit Qualification: There is no qualification in the Auditor's Report on the Financial Statements to the shareholders of the Company.
- Separate post of Chairman and CEO: Mr. Bhupendra V. Gandhi is acting as the Chairman of the Company and Mr. Rajiv Gandhi acting as CEO & Managing Director of the Company.
- Reporting of Internal Auditors: The Company's Internal Auditor reports directly to the Audit Committee.

By order of Board of Directors

Place: Ahmedabad
Date: 8 May 2017

Rajiv Gandhi
CEO & Managing Director

CEO & MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

To,
The Board of Directors
HESTER BIOSCIENCES LIMITED

As required under the Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) read with Schedule II part B of the Listing Regulations, we hereby certify that;

1. We have reviewed the Balance Sheet and Profit and Loss account, its schedule and notes to the accounts and cash flow statements for the year ended 31 March 2017 and that to the best of our knowledge and belief:
   a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
   b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. We also certify that based on our knowledge and information provided to us, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
3. We accept the responsibilities for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
   a. Significant changes in internal control over financial reporting during the year.
   b. Significant changes in accounting policies during the year and that the same have been disclosed in notes to the financial statements; and
   c. Instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Ahmedabad
Date: 8 May 2017

Rajiv Gandhi
CEO & Managing Director

Jigar Shah
Chief Financial Officer

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Registration No.: L99999GJ1987PLC022333
Nominal Capital: ₹112,000,000

To,
The Members of
HESTER BIOSCIENCES LIMITED
Ahmedabad

I have examined the compliance of conditions of corporate governance by HESTER BIOSCIENCES LIMITED, for the year ended on 31 March 2017 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

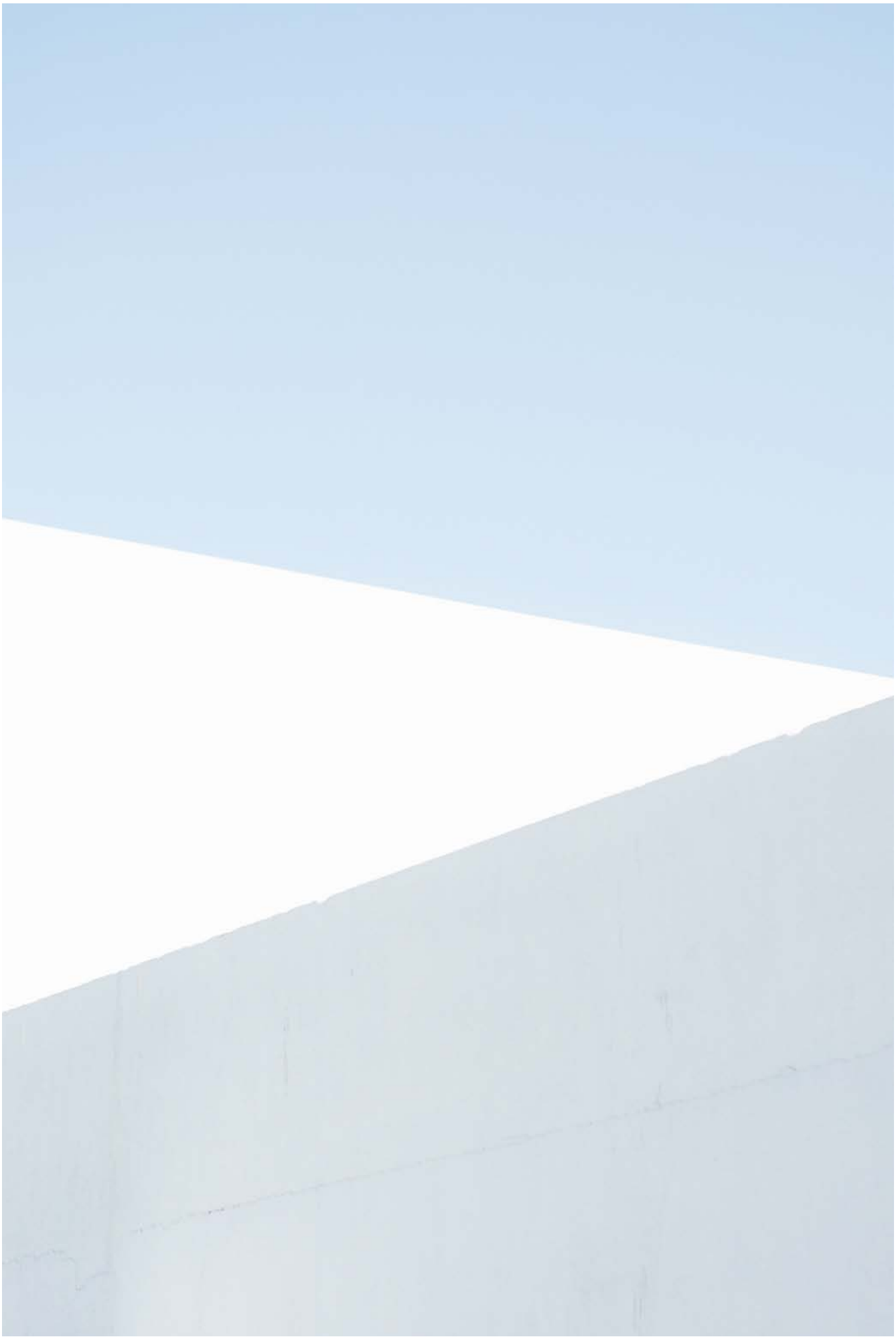
In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the mandatory conditions as stipulated in above mentioned Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the Listing Agreement of the said Company with stock exchanges, except that formal Risk Management Policy should be adopted by board, covering detailed areas of risk involved in the organisation.

I further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

Place: Ahmedabad
Date: 8 May 2017

Name of Company Secretary: **TAPAN SHAH**
Membership No.: **FCS4476**
C P No.: **2839**



5.0
Financial Statements

Independent Auditors' Report

To

The Members of

HESTER BIOSCIENCES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of HESTER BIOSCIENCES LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profits and its cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31 March 2017, taken on record by the Board of Directors, none of the director is disqualified as on 31 March 2017, from being appointed as a Director in terms of Section 164(2) of the Act.

   f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in ''Annexure B''; and

   g. With respect to the other matters to be included In the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to explanations given to us :

      i) The Company doesn't have any pending litigations which would impact its financial position in its financial statements.

      ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv) The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 31 to the standalone financial statements.

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

Tehmul B. Sethna
Partner
Membership No: 035476

Place: Ahmedabad
Date: 8 May 2017

Annexure A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

i) In respect of Fixed Assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in phased manner by the management during the year, which in our opinion is reasonable, having regards to the size of the Company and nature of the assets. No material discrepancies were noticed on such physical verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii) As explained to us, physical verification of the inventories have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such physical verification.

iii) The Company has granted unsecured loan to Subsidiary Company covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). There are no firms, Limited Liability Partnership and other parties covered in the register maintained under section 189 of the Act.

(a) In respect of the aforesaid loan, the terms and conditions under which such loans were granted are not prejudicial to Company's interest.

(b) In respect of aforesaid loan, no schedule for repayment of principal and payment of interest has been stipulated by the Company. Therefore, in the absence of stipulation of repayment terms, we don't make any comment in the regularity of repayment of principal and payment of interest.

(c) In respect of the aforesaid loan, there is no amount which is overdue for more than ninety days.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v) According to information and explanation given to us, the Company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and rules framed there under.

vi) We have broadly reviewed the cost records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that, the prescribed accounts and cost records have been made and maintained. We have not, however, made a detailed examination of the same.

vii) In respect of Statutory dues:

a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been regularly deposited with the appropriate authorities. According to information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March 2017 for a period of more than six months from the date they become payable.

According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess on account of any dispute, which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Note 29 of notes to the financial statements.

viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanation given by the management, we are

of the opinion that company has not defaulted in repayment of dues to bank. The Company does not have any borrowing from financial institution, government or by way of debenture.

ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanation given by the management and overall examination of the balance sheet, we report that monies raised by way of term loan was applied for the purposes for which the loan was obtained. No monies were raised, during the year, by the Company by way of initial public offer or further public offer (including debt instruments).

x) According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees have been noticed or reported during the year.

xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

xvi) According to the information and explanations given to us, the provisions of Section 45-IA of Reserve Bank of India Act, 1934 are not applicable to the company.

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

Tehmul B. Sethna
Partner
Membership No: 035476

Place: Ahmedabad
Date: 8 May 2017

Annexure B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Hester Biosciences Limited ('the Company') as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of the Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Tehmul B. Sethna
Partner
Membership No: 035476

Place: Ahmedabad
Date: 8 May 2017

Balance Sheet as at 31 March 2017

(Figures in ₹)

Particulars	Note No	As at 31 March 2017	As at 31 March 2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	85,068,650	85,068,650
(b) Reserves and Surplus	4	1,112,298,910	918,135,973
		1,197,367,560	1,003,204,623
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	5	186,617,516	128,681,540
(b) Deferred Tax Liabilities (Net)	6	87,955,752	80,325,641
(c) Other Long-Term Liabilities	7	1,500,000	1,500,000
		276,073,268	210,507,181
(3) Current Liabilities			
(a) Short-Term Borrowings	8	175,149,825	210,430,193
(b) Trade Payables	9	74,695,837	58,434,324
(c) Other Current Liabilities	10	77,890,254	85,485,014
(d) Short-Term Provisions	11	35,711,493	20,154,691
		363,447,409	374,504,222
Total		**1,836,888,237**	**1,588,216,026**
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		601,428,509	608,991,402
(ii) Intangible Assets		7,082,313	6,691,955
(iii) Capital Work-In-Progress		212,936,253	104,700,647
(b) Non-Current Investments	13	86,016,130	86,699,078
(c) Long Term Loans and Advances	14	177,068,139	109,286,046
		1,084,531,344	916,369,127
(2) Current Assets			
(a) Inventories	15	330,667,698	336,205,238
(b) Trade Receivables	16	267,086,033	262,389,400
(c) Cash and Cash Equivalents	17	119,503,918	52,593,746
(d) Short-Term Loans and Advances	18	35,099,244	20,658,515
		752,356,893	671,846,899
Total		**1,836,888,237**	**1,588,216,026**
Significant Accounting Policies	2		
Accompanying notes form part of financial statements			

As per our report of even date attached.

For & on behalf of the Board of Directors

For Apaji Amin & Co. LLP
Chartered Accountants
FRN: 100513W/W100062

Tehmul B. Sethna
Partner
Membership No.: 035476

Place : Ahmedabad
Date : 8 May 2017

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Jigar Shah
CFO

Place : Ahmedabad
Date : 8 May 2017

Sanjiv Gandhi
Director
Din No: 00024548

Amala Parikh
Company Secretary

Statement of Profit and Loss for the year ended 31 March 2017

(Figures in ₹)

Particulars	Note No	For the year ended 31 March 2017	For the year ended 31 March 2016
I. Revenue from Operations	19	1,232,160,684	1,008,921,789
II. Other Income	20	7,255,641	8,718,178
III. Total Revenue (I+II)		**1,239,416,325**	**1,017,639,966**
IV. Expenses:			
Cost of Materials Consumed	21	177,671,559	157,675,078
Purchase of Stock-In-Trade	22	88,049,358	67,592,739
Changes In Inventories of Finished Goods Work-In-Progress and Stock-in-Trade	23	33,212,860	(29,746,277)
Employee Benefit Expense	24	184,717,781	154,398,247
Finance Cost	25	32,079,931	36,856,318
Depreciation and Amortisation Expense	26	55,090,489	57,318,796
Other Expenses	27	339,212,269	325,052,288
V. Total Expenses		**910,034,247**	**769,147,189**
VI. Profit Before Tax (III-V)		329,382,077	248,492,777
VII. Tax Expense:			
(1) Current Tax		72,973,667	62,756,577
(2) Minimum Alternate Tax		350,460	(33,492,027)
(3) Deferred Tax		7,630,111	26,998,713
VIII. Profit For The Year (VI-VII)		**248,427,839**	**192,229,514**
IX. Earning per Equity Share:			
(1) Basic & Diluted	45	29.20	22.60
Significant Accounting Policies	2		
Accompanying notes form part of financial statements			

As per our report of even date attached.

For & on behalf of the Board of Directors

For Apaji Amin & Co. LLP
Chartered Accountants
FRN: 100513W/W100062

Tehmul B. Sethna
Partner
Membership No.: 035476

Place : Ahmedabad
Date : 8 May 2017

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Jigar Shah
CFO

Place : Ahmedabad
Date : 8 May 2017

Sanjiv Gandhi
Director
Din No: 00024548

Amala Parikh
Company Secretary

Cash Flow Statement for the year ended 31 March 2017

(Figures in ₹)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
A. Cash flow from operating activities		
Net Profit Before Tax as Per Profit & Loss statement	329,382,077	248,492,777
Adjustments for:		
Depreciation and amortisation expense	55,090,489	57,318,796
Bad debts written off	5,530,924	1,558,104
(Profit) / loss on sale of assets	956,948	12,501
Finance Cost	32,079,931	36,856,318
Loss on sale of investments	-	2,660,750
Balance Written off	(1,109,556)	(3,470,550)
Interest Income	(3,766,469)	(1,260,932)
Unrealised Foreign Exchange Gain	106,888	(552,886)
Operating profit / (loss) before working capital changes	**418,271,233**	**341,614,879**
Adjusted For		
Trade receivables	(9,224,890)	(82,313,422)
Inventories	5,537,540	(45,120,574)
Trade payables & Other Liabilities	16,261,513	12,166,866
Other current liabilities	(7,594,760)	12,572,907
Short-term provisions	522,493	8,909,055
Loans & Advances	(82,222,823)	(1,657,826)
Cash generated from operations	341,550,307	246,171,886
Net income tax (paid) / refunds	(70,576,202)	(59,745,163)
Net cash flow from / (used in) operating activities (A)	**270,974,105**	**186,426,723**
B. Cash flow from investing activities		
Proceeds from sale of assets	1,319,724	3,769,430
Proceeds from sale of investments	682,948	118,250
Investment in Subsidiary & Associates	-	(682,948)
Capital Expenditure on Fixed Assets	(158,430,233)	(62,948,093)
Interest income	3,766,469	1,260,932
Investment in Bank Deposits	(2,255,062)	-
Redemption of Bank Deposits	-	1,645,802
Net cash flow from / (used in) investing activities (B)	**(154,916,154)**	**(56,836,627)**

Cash Flow Statement for the year ended 31 March 2017

(Figures in ₹)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
C. Cash flow from financing activities		
Proceeds / (Repayment) of Short-term Borrowings	(35,280,368)	9,608,185
Interest paid	(32,079,931)	(36,856,318)
Interim Dividend Paid	(25,520,595)	(25,520,595)
Final Dividend Paid	(9,357,552)	(26,371,080)
Dividend Distribution Tax Paid	(7,100,369)	(10,594,745)
Proceeds/(Repayment) of long term borrowing	57,935,976	(24,063,313)
Other Long term Current Liabilities	-	(5,375,650)
Net cash flow from / (used in) financing activities (C)	**(51,402,840)**	**(119,173,517)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	**64,655,111**	**10,416,579**
Cash and cash equivalents at the beginning of the year	49,620,633	39,204,054
Cash and cash equivalents at the end of the year [Note No. 17]	**114,275,744**	**49,620,634**
Major Components of Cash & Cash Equivalents		
Cash on Hand	1,487,161	1,745,048
Balance with banks - On Current Accounts	112,788,582	47,875,585
Fixed Deposits having maturity of less than 3 Months	-	-
Total Cash & Cash Equivalents	**114,275,744**	**49,620,633**

The above Cash Flow has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statements.

As per our report of even date attached.

For & on behalf of the Board of Directors

For Apaji Amin & Co. LLP
Chartered Accountants
FRN: 100513W/W100062

Tehmul B. Sethna
Partner
Membership No.: 035476

Place : Ahmedabad
Date : 8 May 2017

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Jigar Shah
CFO

Place : Ahmedabad
Date : 8 May 2017

Sanjiv Gandhi
Director
Din No: 00024548

Amala Parikh
Company Secretary

Notes Forming Part of Financial Statements for the year ended 31 March 2017

1 Corporate Information

Hester Biosciences Limited is a public limited company domiciled in India and listed on BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE).The company is engaged in manufacturing of Poultry vaccines and Large Animal Vaccines and trading of Poultry and Large animal health products having its manufacturing set up at Merda Adraj village, Mehsana District, Gujarat.

2 Significant Accounting Policies

a BASIS OF PREPARATION:

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), accounting standards notified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable under historical cost convention on accrual basis.

b USE OF ESTIMATES:

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumption that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Difference between the actual results and the estimates are recognised in the periods in which the results are known/ materialised.

c REVENUE RECOGNITION:

Revenue is recognised to the extent it is probable that economic benefits will flow to the company and can be reliably measured.

Revenue from sale of products is recognised on dispatch or appropriation of goods in accordance with the terms of sale and rewards of ownership have passed to the buyer. Revenue from services are recognised as the related services are performed. Sale of goods is recorded net of returns, discounts, rebates, VAT/Sales Tax, Service Tax but inclusive of excise duty.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

d PROPERTY PLANT & EQUIPMENTS :

Tangible Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses. Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management. Subsequent costs related to an item of Property, Plant and Equipment are recognised in the carrying amount of the item if the recognition criteria are met.

Revaluation of Land is made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. When the fair value differs materially from its carrying amount, the carrying amount is adjusted to the revalued amount. The fair value is determined based on appraisal undertaken by a professionally qualified valuer.

Items of Property, Plant and Equipment that have been retired from active use and are held for disposal are stated at the lower of their net carrying amount and net realisable value and are shown separately in the financial statements under the head ‘Other current assets’. Any write-down in this regard is recognised immediately in the Statement of Profit and Loss. An item of Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Statement of Profit and Loss.

e INTANGIBLE ASSETS & CAPITAL WORK IN PROGRESS

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

Cost of fixed assets not ready for their intended use before the balance sheet date is disclosed as capital work-in-progress and is carried at cost, comprising direct cost, related incidental expenses and directly attributable interest. Advances paid towards the acquisition of fixed assets outstanding as of each balance sheet date is disclosed under long term loans and advances.

f DEPRECIATION / AMORTISATION :

Depreciation on Fixed Assets is provided on Straight Line method (SLM) based on useful life of the assets as prescribed under Part-C of Schedule II to the companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II are used. The Management estimates the useful lives for such fixed assets as under:-

Particulars	Estimated Useful Life
Furniture & Fixtures	Over a Period of 9 Years
Vehicles	Over a Period of 8 Years
Plant & Machineries, Equipments, Electrical Installation & Utilities	Over a Period of 9 Years
Office Building	Over a Period of 30 Years

g IMPAIRMENT OF ASSET:

The company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indications exist, the carrying value of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to Profit and Loss Account. If at the Balance Sheet date there is an indication that previously assessed impairment losses no longer exist, than such loss is reversed and the asset is restated to that effect.

h INVESTMENTS:

Investments, which are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. Investments in buildings that are not intended to be occupied substantially for use by, or in the operations of the Company, have been classified as Investment Properties. Investment properties are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

i INVENTORIES:

Inventories include raw materials, bought out components, work-in-progress and manufactured finished goods. Finished products:

Finished products produced by the Company are valued at lower of cost and net realisable value. Cost includes direct materials, labour, a proportion of manufacturing overheads and Excise duty has been charged on finished goods.

Notes Forming Part of Financial Statements for the year ended 31 March 2017

Work in Progress:

Work in Progress is valued at cost of direct materials, labour and other Manufacturing overheads up to estimated stage of process.

Raw materials and stores and spares:

Raw materials and stores and spares are valued at Lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The cost is determined using First in First out (FIFO) method.

j BORROWING COSTS:

Borrowing costs that are attributable to the acquisitions or construction of fixed assets/ qualifying assets for expansion/new project are capitalised to respective fixed assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are charged to revenue in the year in which they are incurred.

k FOREIGN CURRENCY TRANSACTIONS:

i Foreign currency transactions are recorded at the exchange rates prevailing at the time of transaction.

ii Monetary items representing assets and liabilities denominated in foreign currencies at the balance sheet date are translated at rates prevailing on balance sheet date.

iii Investments in equity capital of company registered outside India are carried in the Balance Sheet at the rates prevailing on the date of transaction.

iv Any income or expenses on account of exchange difference either on settlement or on transaction other than that arising in long term foreign currency items is recognised in the Statement of Profit and Loss, for the period in which the difference takes place.

l RESEARCH AND DEVELOPMENT:

Revenue expenditure on Research and Development is charged to the Statement of Profit and Loss for the year in which it is incurred. Capital expenditure on Research and Development is shown as an addition to the fixed assets and is depreciated on the same basis as other fixed assets.

m PROVISION FOR RETIREMENT BENEFITS:

(i) Short-Term Employee Benefits:

Short term employee benefits such as salaries, wages, leave encashment, bonus etc. are recognised as an expense and are charged to the statement of Profit and Loss for the year in which the related services is rendered.

(ii) Post- employment benefit plans:

a) Defined Contribution Plan:

Contribution for provident fund are accrued in accordance with applicable Statutes and deposited with the Regional Provident Fund Commissioner.

b) Defined Benefit Plan:

The liabilities in respect of gratuity and leave encashment are determined Using Projected Unit Credit Method

with actuarial valuation carried out as at Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit & loss for the period in which they occur.

Contributions in respect of gratuity are made to the Group Gratuity Scheme with Life Insurance Corporation of India. Employee benefits recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for Unrecognised past service cost and as reduced by the fair value of respective fund.

n SEGMENT REPORTING:

The company identifies primary segments based on the nature of products and market catered by each segments for which separate financial information is available and for which operating profit/loss amounts are evaluated by the company.

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole. Segment-wise revenue, expenses, assets and liabilities have been identified to segment on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the company as a whole and are not allocable to specific segment on reasonable basis have been included under unallocated revenue/ expenses/ assets/ liabilities.

o EARNING PER SHARE:

Basic earning per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

p CASH AND CASH EQUIVALENTS:

Cash and cash equivalents for the purpose of cash flow statement comprise Cash on hand and balance at Bank including fixed deposits with an original maturity period of less than three months and short term investments with an original maturity of three months or less.

q TAXATION:

i. Current Tax:

Provision for Income Tax is determined in accordance with the provisions of Income Tax Act, 1961.

ii. Deferred Tax Provision:

Deferred Tax charge or credit is recognised on timing differences; being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. It is calculated using the applicable tax rates and tax laws that have been enacted by the balance sheet date. The deferred tax assets is recognised and carried forward only to the extent that there is virtual certainty that there will be sufficient future taxable income available to realise the assets. At each Balance Sheet date, recognised and unrecognised Deferred Tax Liabilities / Assets are reviewed.

iii. Minimum Alternative Tax (MAT):

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India which gives rise to future economic benefit in the form of MAT credit entitlement for adjustment of future income tax liability, is considered as an asset only when there is convincing evidence that the company will pay normal income tax within the specified period. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with it will fructify. Such assets are revised at each balance sheet date.

Notes Forming Part of Financial Statements for the year ended 31 March 2017

r GRANTS:

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received. Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

s PROVISIONS AND CONTINGENT LIABILITIES:

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A Contingent Liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

3. Share Capital

(Figures in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
AUTHORISED CAPITAL		
11,200,000 (P.Y. 11,200,000) Equity Shares of ₹10/- each	112,000,000	112,000,000
	112,000,000	112,000,000
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
8,506,865 (P.Y. 8,506,865) Equity Shares of ₹10/-each fully paid up	85,068,650	85,068,650
Total	**85,068,650**	**85,068,650**

3.1 The Reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31 March 2017	As at 31 March 2016
Equity Shares at the beginning of the year	8,506,865	8,506,800
Add: Issue of shares during the year	-	65
Outstanding at the end of the year	8,506,865	8,506,865

3.2 Rights, Preferences and Restriction attached to Shares:-

Share capital of the company consists of one class of equity shares having a Par value of ₹10/- Per Share. Each holder of equity share is eligible for one vote per share held. The dividend proposed by the Board of Director is subject to the approval of the Shareholders in the ensuing Annual General Meeting except Interim Dividend.

In the event of liquidation, the equity Shareholders are eligible to receive the remaining Asset of the company after distribution of all preferential amounts, in proportion to their Shareholding.

3.3 The details of shareholders holding more than 5% shares:

Particulars	As at 31 March 2017		As at 31 March,2016	
	No. of Shares	% held	No. of Shares	% held
MR. RAJIV GANDHI	949,397	11.16	859,397	10.10
MS. NINA GANDHI	696,340	8.19	696,340	8.19
MR. SANJIV D GANDHI	692,820	8.14	692,820	8.14

3.4 Aggregate number of shares issued for consideration other than cash for the period of 5 years immediately preceding the balance sheet date

Particulars	Financial Year	No. of Shares
Equity shares alloted as fully paid - up pursuant to the demerger of Trading Unit of Innoves Animal Healthcare Private Limited into the company	2014-15	65

4. Reserve & Surplus

(Figures in ₹)

Particulars	As at 31 March 2017		As at 31 March 2016	
Capital Reserve				
As per last Balance sheet	9,424,089		9,424,089	
Add: Addition during the year	-		-	
		9,424,089		9,424,089
Securities Premium				
As per Last Balance Sheet	175,067,105		175,067,105	
Add: Addition during the year	-		-	
		175,067,105		175,067,105
General Reserve				
As per Last Balance Sheet	312,262,311		287,262,961	
Add: Transferred from Surplus in Statement of Profit and Loss	30,000,000		25,000,000	
Less: Shares issued to pursuant to the scheme of Amalgamation (Refer Note no 39)	-		650	
		342,262,311		312,262,311
Surplus- Statement of Profit & Loss				
As per Last Balance Sheet	421,382,468		285,636,085	
Add: Profit for the year	248,427,839		192,229,514	
Add: Adjustment (Refer Note No 40)	-		10,495,346	
	669,810,308		488,360,945	
Less: Appropriations				
- Dividend (Including Dividend Distribution tax)	54,264,902		41,978,477	
- Transferred to General Reserve	30,000,000		25,000,000	
		585,545,406		421,382,468
Total		**1,112,298,910**		**918,135,973**

Notes Forming Part of Financial Statements for the year ended 31 March 2017

5. Long Term Borrowings

(Figures in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
Term Loans (Secured)		
- From Banks	183,000,405	124,418,107
Hire Purchase Loans (Secured)		
- From Banks	3,617,111	4,263,433
Total	**186,617,516**	**128,681,540**

5.1 Repayment terms and security offered for the loans are set out as below:

(Figures in ₹)

Particulars	Rate of Interest	Terms of repayment	Repayable in	
			Number of installments	Each Installment of ₹
State Bank of India- Term Loan 3 is Secured by hypothecation of plant and machinery purchased out of bank finance and also collaterally secured by Equitable mortgage of Land & Building on survey no. 1972 and 1973/p at village Merda-Adraj, Kadi Thol Road, Kadi, Mehsana and Hypothecation of uncumbered plant and machinery of the company. It is also secured by Personal Guarantee of some of the Directors of the company.	12.5%^	Monthly	10 12 12 12 12 12 12	1,000,000 2,000,000 2,500,000 3,000,000 4,000,000 5,000,000 6,000,000
Kotak Mahindra Bank Ltd. Is secured by hypothecation of specific vehicle/car	10.00%	Monthly	59	32,950*
HDFC Bank loan is secured by hypothecation of specific vehicle/car	10.15%	Monthly	60	15,961*
ICICI Bank Loan is secured by hypothecation of specific vehicle/car	10.00%	Monthly	60	84,300*
ICICI Bank Loan is secured by hypothecation of specific vehicle/car	10.25%	Monthly	60	33,671*
Kotak Mahindra Bank Ltd. Is secured by hypothecation of specific vehicle/car	11.07%	Monthly	47	25,147*
ICICI Bank Loan is secured by hypothecation of specific vehicle/car	10.25%	Monthly	48	30,725*
ICICI Bank Loan is secured by hypothecation of specific vehicle/car	10.27%	Monthly	60	13,398*
Axis Bank Loan is secured by hypothecation of specific vehicle/car	9.91%	Monthly	60	24,404*
Axis Bank Loan is secured by hypothecation of specific vehicle/car	9.91%	Monthly	60	19,435*

^ Interest rate on loan is varying, which is linked to base rate of Bank, from time to time.

* Installment includes interest.

Notes Forming Part of Financial Statements for the year ended 31 March 2017

6. Deferred Tax Liabilities (Net)

(Figures in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
Deferred Tax Liabilities		
- Excess of Net Block over Written Down Value as per provision of I.T. Act	32,832,556	22,985,684
- Benefit availed u/s 35 (2AB) on Capital Addition	55,264,582	57,645,284
Total Deferred Tax Liabilities (A)	88,097,138	80,630,968
Deferred Tax Assets		
- Provision for Employee Benefits	141,386	305,327
Total Deferred Tax Assets (B)	141,386	305,327
Net Deferred Tax Liabilities (A-B)	**87,955,752**	**80,325,641**

7. Other Long Term Liabilities

(Figures in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
-Trade Deposits	1,500,000	1,500,000
Total	**1,500,000**	**1,500,000**

8. Short Term Borrowings

(Figures in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
Loan Repayable on Demand		
- Secured		
- From Bank- Cash Credit	53,207,895	210,430,193
- Credit Card	21,941,929	
- Unsecured		
- Working Capital Demand Loan	100,000,000	-
Total	**175,149,825**	**210,430,193**

8.1 Cash Credit accounts and credit card are secured by first and exclusive hypothecation charge on all the current assets of the company. It is also collaterally secured by Equitable Mortgage of Land and Building on Survey No. 1972 and 1973/p1 situated at Village Merda Adraj, Kadi Thol Road, Kadi, Mehsana, and hypothecation of unencumbered plant and machinery of the company and personal guarantee of some of the directors.

8.2 Interest Rates on Loans are varying, which are linked to base rate of Bank, from time to time.

Notes Forming Part of Financial Statements for the year ended 31 March 2017

9. Trade Payables

(Figures in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
Trade Payables (Refer Note :- 38)	74,695,837	58,434,324
Total	**74,695,837**	**58,434,324**

10. Other Current Liabilities

(Figures in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
Current Maturities of Long Term Borrowings		
- Term Loans	30,000,000	45,096,000
- Hire Purchase Loans	2,501,789	2,354,428
Unclaimed Dividends	2,538,269	2,522,319
Advance from Debtors	1,763,568	995,784
Creditors for Capital Expense	17,063,506	6,687,684
Duties and Taxes	10,944,284	10,346,155
Other Liabilities	13,078,838	17,482,643
Total	**77,890,254**	**85,485,014**

11. Short Term Provisions

(Figures in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
Provision For Employees Benefit		
Provision For Employees Benefit	752,002	229,511
Others		
Proposed Dividend	19,565,790	9,357,552
Tax on Dividend	3,983,125	1,904,977
Provision for Tax (Net of Advance Tax)	11,410,576	8,662,651
Total	**35,711,493**	**20,154,691**

Notes Forming Part of Financial Statements for the year ended 31 March 2017

12. Fixed Assets

(Figures in ₹)

Sr. No.	Particulars	Gross Block				Depreciation					Net Block	
		As at 01 April 2016	Addition during the year	Disposals during the year	As at 31 March 2017	Upto 01 April 2016	Transfer to General Reserve	Adjustment during the year	For the Year	Upto 31 March 2017	Net Carrying value as at 31 March 2017	Net Carrying value as at 31 March 2016
A-1.	**Tangible Assets**											
	Land & Site Development	1,660,844	-	-	1,660,844	-	-	-	-	-	1,660,844	1,660,844
	Factory Building	12,094,768	-	-	12,094,768	7,747,914	-	-	374,211	8,122,125	3,972,643	4,346,854
	Plant & Machineries											
	- Imported	4,552,524	-	-	4,552,524	4,552,524	-	-	-	4,552,524	-	-
	- Indigenous	33,490,107	-	-	33,490,107	33,490,107	-	-	-	33,490,107	-	-
	Electrical Installations	3,088,718	-	-	3,088,718	3,088,718	-	-	-	3,088,718	-	-
	Storage Equipment	431,276	-	-	431,276	431,276	-	-	-	431,276	-	-
	Furniture & Fixtures	1,245,262	-	-	1,245,262	1,245,262	-	-	-	1,245,262	-	-
	Vehicles	7,947,609	-	-	7,947,609	7,947,609	-	-	-	7,947,609	-	-
	Scooters	25,083	-	-	25,083	25,083	-	-	-	25,083	-	-
	Office Equipments	1,048,165	-	-	1,048,165	1,048,165	-	-	-	1,048,165	-	-
	Computers	1,564,121	-	-	1,564,121	1,564,121	-	-	-	1,564,121	-	-
	Utilities	3,365,753	-	-	3,365,753	3,365,753	-	-	-	3,365,753	-	-
	Dead Stock	169,064	-	-	169,064	169,064	-	-	-	169,064	-	-
	Dead Stock Canteen	32,598	-	-	32,598	32,598	-	-	-	32,598	-	-
	TOTAL (A1)	**70,715,894**	**-**	**-**	**70,715,894**	**64,708,195**	**-**	**-**	**374,211**	**65,082,407**	**5,633,487**	**6,007,698**
	Previous Year Figures	**70,715,894**	**-**	**-**	**70,715,894**	**64,333,984**	**-**	**-**	**374,211**	**64,708,195**	**6,007,698**	**6,381,909**
A-2.	**Tangible Assets - New Project**											
	Land &Site Development	15,589,000	1,051,000	-	16,640,000	-	-	-	-	-	16,640,000	15,589,000
	Factory Building	317,436,184	14,827,900	-	332,264,084	45,620,849	-	-	10,261,969	55,882,819	276,381,266	271,815,335
	Office Building	119,146,417	1,646,818	-	120,793,235	32,656,520	-	-	3,751,090	36,407,609	84,385,626	86,489,897
	Guest House-Building	4,191,825	-	-	4,191,825	828,201	-	-	131,689	959,889	3,231,936	3,363,624
	Plant & Machineries											
	- Imported	30,986,512	10,354,039	-	41,340,551	15,971,654	-	-	2,243,792	18,215,446	23,125,106	15,014,858
	- Indigenous	262,236,883	6,956,093	-	269,192,976	139,874,509	-	-	21,529,609	161,404,118	107,788,857	122,362,374
	Electrical Installations	58,807,534	776,637	-	59,584,171	37,128,257	-	-	3,179,986	40,308,243	19,275,928	21,679,277
	Storage Equipment	8,899,862	1,011,500	-	9,911,362	4,149,625	-	-	819,196	4,968,822	4,942,540	4,750,237
	Furniture and Fixtures	41,529,545	3,448,146	-	44,977,691	22,289,972	-	-	3,596,494	25,886,466	19,091,225	19,239,573
	Vehicles	37,403,335	2,508,667	4,427,458	35,484,544	19,341,585	-	3,070,510	3,604,025	19,875,100	15,609,444	18,061,750
	Factory Equipments	7,170,784	1,158,213	-	8,328,997	1,870,904	-	-	807,862	2,678,766	5,650,231	5,299,880
	Office Equipments	8,577,377	1,285,712	-	9,863,089	6,163,687	-	-	394,340	6,558,026	3,305,063	2,413,690
	Computer	9,662,845	2,092,498	-	11,755,343	7,367,579	-	-	1,282,214	8,649,793	3,105,550	2,295,265.88
	Utilities	45,974,591	528,205	-	46,502,796	32,740,765	-	-	1,903,276	34,644,040	11,858,756	13,233,826
	Live Stock	1,375,115	948,103	919,724	1,403,494	-	-	-	-	-	1,403,494	1,375,115
	TOTAL (A2)	968,987,809	48,593,531	5,347,182	1,012,234,158	366,004,106	-	3,070,510	53,505,541	416,439,137	595,795,022	602,983,703
	Previous Year Figures	866,615,306	107,208,227	4,835,724	968,987,809	310,611,160	-	1,053,793	56,446,739	366,004,106	602,983,703	556,004,151
	TOTAL (A1+A2)	**1,039,703,703**	**48,593,531**	**5,347,182**	**1,082,950,052**	**430,712,301**	**-**	**3,070,510**	**53,879,752**	**481,521,543**	**601,428,509**	**608,991,402**
	Previous Year Figures(A1+A2)	**937,331,200**	**107,208,227**	**4,835,724**	**1,039,703,703**	**374,945,144**	**-**	**1,053,793**	**56,820,950**	**430,712,301**	**608,991,401**	**562,386,060**
B	**Intangible Assets**											
	Software	5,401,421	337,400	-	5,738,821	3,815,251	-	-	274,739	4,089,990	1,648,830	1,586,170
	Product & Trademark Registration	2,756,330	1,263,695	-	4,020,025	310,544	-	-	376,401	686,945	3,333,079	2,445,786
	Goodwill	2,800,000	-	-	2,800,000	140,000	-	-	559,597	699,597	2,100,403	2,660,000
	TOTAL (B)	**10,957,751**	**1,601,095**	**-**	**12,558,846**	**4,265,795**	**-**	**-**	**1,210,737**	**5,476,532**	**7,082,313**	**6,691,956**
	Previous Year Figures	**6,681,308**	**4,276,443**	**-**	**10,957,751**	**3,767,950**	**-**	**-**	**497,847**	**4,265,796**	**6,691,955**	**2,913,360**
C	**Capital Work-in-progress**	**104,700,647**	**136,377,006**	**28,141,399**	**212,936,253**	**-**	**-**	**-**	**-**	**-**	**212,936,253**	**104,700,647**
	Previous Year Figures	142,741,877	41,375,930	79,417,160	104,700,647	-	-	-	-	-	104,700,647	142,741,883
	Current Year Total	1,155,362,100	186,571,632	33,488,581	1,308,445,151	434,978,096	-	3,070,510	55,090,489	486,998,075	821,447,075	720,384,004
	Previous Year Total	1,086,754,385	152,860,600	84,252,884	1,155,362,100	378,713,093	-	1,053,793	57,318,796	434,978,097	720,384,002	708,041,303

Note-Capital Expenditure on Research and development facility is ₹51,603,244 (P.Y. ₹9,899,804)

Notes Forming Part of Financial Statements for the year ended 31 March 2017

13. Non Current Investments

(Figures in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
Trade Investments (Valued at cost unless stated otherwise)		
Unquoted Investment in Equity Instrument		
Investment in Subsidiary:		
1,280,000 (P.Y. 1,280,000) Equity shares each of NPR. 100 in Hester Biosciences Nepal Pvt. Ltd	86,016,130	86,016,130
Others		
NIL (P.Y. 107,000) Equity shares of BWP 1 each fully paid-up in Leruarua Vetcare (Proprietary) Limited	-	682,948
Total	**86,016,130**	**86,699,078**

14. Long Term Loans and Advances (Unsecured, Considered Good)

(Figures in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
Capital Advances	74,444,454	32,706,153
Security Deposit	9,328,158	7,948,811
Loans & Advances to related parties (Refer Note 45)	39,689,467	6,445,799
Other Loans & Advances		
Advance to others	-	111,306
Loans & Advances to Employees	600,166	3,411,102
EPCG Advance	512,665	512,665
MAT Credit Entitlement	52,493,230	58,150,210
Total	**177,068,139**	**109,286,046**

15. Inventories (At lower of cost and net realisable value)

(Figures in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
Raw Materials	49,499,474	32,603,545
Work-in-Progress	195,711,413	205,146,944
Finished Goods	23,059,860	40,683,409
Stock-in-Trade	27,149,507	33,303,287
Stores & Spares	17,079,569	10,770,296
Packing Materials	18,167,876	13,697,758
Total	**330,667,699**	**336,205,238**

Notes Forming Part of Financial Statements for the year ended 31 March 2017

16. Trade Receivables (Unsecured, Considered Good)

(Figures in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
(A) Outstanding for a period exceeding six months from the date they are due for Payment		
1) Considered Good		
- Due from Related Parties	655,207	3,243,199
- From Others	26,999,657	28,262,154
2) Doubtful	-	-
(B) Others		
1) Considered Good		
- Due from Related Parties	1,100,387	13,875,236
- From Others	238,330,782	217,008,811
2) Doubtful	-	-
Total	**267,086,033**	**262,389,400**

17. Cash & Cash Equivalent

(Figures in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
(A) Cash and Cash Equivalents		
1. Cash on Hand	1,487,161	1,745,048
2. Balances with Banks		
-In Current Accounts	112,788,582	47,875,585
-In Fixed Deposits having original maturity of less than twelve months	4,749,353	850,688
Total-(A)	**119,025,097**	**50,471,322**
(B) Other Bank Balances		
-Fixed Deposits having original maturity period of more than twelve months	478,822	2,122,424
Total-(B)	**478,822**	**2,122,424**
Total-(A) + (B)	**119,503,918**	**52,593,746**

17.1 Balances with banks in current account include Unclaimed Dividend Amount of ₹2,538,269 (P.Y. ₹2,522,319)

17.2 Balances with banks in fixed deposit account includes balances held as margin money or security against borrowing, guarantees and other commitments ₹5,228,175 (P.Y. ₹2,973,112)

Notes Forming Part of Financial Statements for the year ended 31 March 2017

18. Short Term Loans and Advances (Unsecured, Considered Good)

(Figures in ₹)

Particulars	As at 31 March 2017	At as 31 March 2016
Advance To Sundry Creditors	31,168,905	14,601,773
Advance to Staff	1,829,628	2,400,646
Advance recoverable in cash or kind or for value to be received	2,100,711	2,722,304
Others	-	933,792
Total	**35,099,244**	**20,658,515**

19. Revenue from Operations

(Figures in ₹)

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
(A) Sale of Goods				
Manufacturing Sales				
Domestic Sales	984,259,632		817,285,240	
Export Sales	130,630,292	1,114,889,924	81,089,871	898,375,111
Trading Sales				
Domestic Sales	106,302,221		85,897,062	
Export Sales	13,684,183	119,986,404	19,187,212	105,084,274
(B) Other Operating Income		20,911,813		26,561,049
Total		**1,255,788,141**		**1,030,020,435**
Less: Excise Duty		23,627,457		21,098,646
Total		**1,232,160,684**		**1,008,921,789**

19.1 Particulars of Sales

(Figures in ₹)

Particulars of Sales	Year ended 31 March 2017	Year ended 31 March 2016
-Poultry	1,102,935,797	935,611,719
-Large Animal	152,852,344	94,408,716
Total	**1,255,788,141**	**1,030,020,435**

Notes Forming Part of Financial Statements for the year ended 31 March 2017

20. Other Income

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Interest Income		
- From Bank Deposits	86,116	220,656
- From Others	3,680,353	1,013,876
Miscellaneous Income	1,319,577	3,433,809
Rent Income	38,268	26,400
Exchange Profit & loss (Net)	1,021,771	552,886
Sundry balances / Excess provisions Written off / Written back (Net)	1,109,556	3,470,550
Total	**7,255,641**	**8,718,178**

21. Cost of Material Consumed

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Opening Stock	32,603,545	16,043,817
Add: Purchases	194,567,488	174,234,805
	227,171,032	190,278,622
Less: Closing Stock	49,499,474	32,603,545
Total	**177,671,559**	**157,675,078**

21.1 Particulars of Raw material Consumed

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Growth Media	118,719,752	101,959,150
Other Chemicals	58,951,807	55,715,928
Total	**177,671,559**	**157,675,078**

21.2 Value of indigenous and imported Raw Material consumed during the year

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
	Percentage	Value (₹)	Percentage	Value (₹)
Imported	8.13%	14,448,388	7.36%	11,612,148
Indigenous	91.87%	163,223,172	92.64%	146,062,930
Total	**100.00%**	**177,671,559**	**100.00%**	**157,675,078**

Notes Forming Part of Financial Statements for the year ended 31 March 2017

22. Purchase of Stock-in-Trade

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Purchase of stock in trade:-		
- Poultry	33,086,441	22,946,907
- Large Animal	54,962,917	44,645,832
Total	**88,049,358**	**67,592,739**

23. Change in Inventories

(Figures in ₹)

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
Closing Stock				
-Finished Goods	50,209,367		73,986,696	
-Semi-finished Goods	195,711,413		205,146,944	
		245,920,779		279,133,639
Opening Stock				
-Finished Goods	73,986,696		41,711,310	
-Semi-finished Goods	205,146,944		207,676,052	
		279,133,639		249,387,362
Total		**33,212,860**		**(29,746,277)**

24. Employee Benefit Expenses

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Salaries, Wages & Bonus	172,420,420	144,686,627
Contribution to P.F./Gratuity Fund	8,258,842	6,466,290
Staff Welfare	4,038,519	3,245,330
Total	**184,717,781**	**154,398,247**

25. Finance Cost

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Interest Expense	25,246,106	34,252,701
Other Borrowing Cost	6,833,825	2,603,617
Total	**32,079,931**	**36,856,318**

Notes Forming Part of Financial Statements for the year ended 31 March 2017

26. Depreciation & Amortisation Expense

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Depreciation	53,879,752	56,820,950
Amortisation of Intangible Asset	1,210,737	497,847
Total	**55,090,489**	**57,318,796**

27. Other Expenses

(Figures in ₹)

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
Manufacturing Expense				
Power and Fuel	51,810,721		56,719,628	
Consumption of stores and spares	7,650,616		12,334,982	
Excise Duty*	(681,821)		1,989,579	
Repairs & Maintenance				
- Machinery	7,710,007		11,546,139	
- Building	5,035,801		5,195,879	
- Electrical	3,071,240		1,700,008	
Packing Expense	39,743,101		39,229,696	
Quality Control and Testing Expense	3,443,683		3,398,677	
Other Production Expense	34,118,452		36,290,381	
		151,901,803		168,404,970
Selling And Distribution Expense				
Selling Expense	40,050,799		33,275,379	
Sales Tax Expense	3,150,436		3,757,881	
Transportation Expense	38,264,680		30,659,909	
Travelling Expense	16,578,150		13,362,840	
		98,044,065		81,056,009
Establishment Expense:				
Communication Expenses	5,269,906		5,073,756	
Insurance Expense	2,904,353		2,354,890	
Legal, Professional and Consultancy	16,899,612		15,759,034	
Printing and Stationery	1,888,049		1,936,773	
Travelling and Conveyance	17,956,372		13,362,389	
Rent,Rates and Taxes	5,411,197		6,846,515	
Repairs and Maintenance - Others	5,740,760		3,255,257	
Vehicle & Petrol Expense	8,635,337		8,012,093	
Electricity Charges	1,308,144		1,396,866	
Diminution in value of Investment	-		2,660,750	
Charity & Donations	3,279,218		1,272,500	
Bad Debts written off	5,530,924		1,558,104	
Loss on sale of Fixed Asset	956,948		12,501	
Miscellaneous Expense	12,405,830		10,945,130	
Payment to Auditor				
- As Auditor	621,750		686,750	
- For Taxation Matters	229,000		229,000	
- For Other Services	229,000		229,000	
		89,266,401		75,591,309
Total		**339,212,269**		**325,052,288**

*Excise Duty shown under expenditure represents the aggregate of Excise Duty borne by the Company and difference between excise duty on opening & closing stock of finished goods.

Notes Forming Part of Financial Statements for the year ended 31 March 2017

28. Commitments

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advance]	42,367,494	9,519,453

29. Contingent Liabilities not Provided for

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Claims against the company not acknowledged as debts:		
Income Tax:		
In respect of matters decided against the Company, for which the Company is in appeal/may opt for appeal with higher authorities.	6,216,945	6,236,165

30. Dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

(Figures in ₹)

Particulars		Year ended 31 March 2017	Year ended 31 March 2016
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-
(ii)	The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006;	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	-	-

The above information has been determined to the extent such parties have been identified by the Company on the basis of information collected by the Management, which has been relied upon by the auditors.

Notes Forming Part of Financial Statements for the year ended 31 March 2017

31. Specified bank notes disclosure (SBNs)

In accordance with the MCA notification G.S.R. 308 dated 30 March 2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from 8 November 2016 to 30 December 2016, is given below:

(Figures in ₹)

Particulars	SBNs	ODNs	Total
Closing Cash on Hand as on 8 November 2016	826,500	2,882,847	3,709,347
(+) Permitted receipts	-	2,171,695	2,171,695
(-) Permitted payments	-	3,777,148	3,777,148
(-) Amount Deposited in banks	826,500	-	826,500
Closing Cash on Hand as on 30 December 2016	-	1,277,394	1,277,394

32. Eligible Research and Development Expenditure included in Notes 21 to 27 (Except Note no. 25 & 26) are as under:-

Research and Development Expenditure eligible for deduction in the current year:

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Revenue Expenditure		
Salary and Wages	13,540,845	13,919,363
Provident Fund Contribution	227,943	178,668
Packing-Forwarding-Freight expenses	21,191	26,314
Power and fuel Cost	11,058,215	10,999,080
Chemical	561,515	3,620,265
Carriage Inward Expenses	35,524	34,651
Consumable (Local)	1,316,991	1,122,538
Other Allow./Reimbursement	499,912	380,344
R & D Expense	213,441	9,979,651
Repair and Maintenance expenses	712,629	519,478
Traveling Expense	91,272	342,258
Other Admin Expense	57,506	2,603
Total (A)	**28,336,984**	**41,125,213**
Capital Expenditure (B)	**51,603,244**	**9,899,804**
Total (A + B)	**79,940,228**	**51,025,017**

Notes Forming Part of Financial Statements for the year ended 31 March 2017

33. Expenditure in Foreign Currency (on accrual basis):

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Purchase of Materials/Trading goods/Packing (on C.I.F basis)	32,985,745	23,813,943
Travelling	6,555,791	6,715,344
Capital Expenditure	23,819,118	1,575,662
Membership/Registration Fee	674,682	186,228
Consultancy & Professional Fees	173,878	1,212,214
Books & Periodicals	134,426	204,941
Office Maintenance	3,835,384	-
Others	85,485	483,724

34. Earnings in Foreign Currency (on accrual basis):

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
F.O.B. value of Exports	134,626,580	92,711,355
Other Operating Revenue	20,911,813	26,561,049
Other income	-	603,934

35. Dividend Remittances in foreign currency:

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Final Dividend for 2014-15		
On 200,550 Equity shares of ₹10/- each to 3 Non Resident Share Holder		621,705
Interim Dividend for 2015-16		
On 200,550 Equity shares of ₹10/- each to 3 Non Resident Share Holder		601,650
Final Dividend for 2015-16		
On 200,550 Equity shares of ₹10/- each to 3 Non Resident Share Holder	220,605	
Interim Dividend for 2016-17		
On 200,550 Equity shares of ₹10/- each to 3 Non Resident Share Holder	601,650	

Notes Forming Part of Financial Statements for the year ended 31 March 2017

36. Proposed Dividend

The final dividend proposed for the year is below

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
On Equity Shares of ₹10 Each		
Amount of Dividend Proposed	19,565,790	9,357,552
Dividend Per Share	2.30	1.10

The directors have recommended the payment of a final dividend of ₹2.30 per fully paid equity share (31 March 2016 – ₹ 1.10). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

37. Details of Corporate Social Responsibility (CSR) Expenditure

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Amount Required to Be spent under Section 135 of the Act	3,787,617	3,164,067
Amount Spent during the year	1,611,000	970,000

38. Balances of receivables, payables, loans & advances and deposits are subject to confirmations. Any adjustments, if required would be made at the time of reconciliation of settlement of accounts.

39. Pursuant to the Scheme of Amalgamation and Arrangement u/s 391 to 394 of the Companies Act, 1956 dated 8 December 2015, the company has issued 1 Equity share of ₹10 each fully paid-up in respect of every 33,537 equity share of ₹10 each in the equity share capital of Innoves Animal Health Private Limited, aggregating 65 equity shares of the company.

40. Adjustment represents borrowing costs that are attributable to the acquisitions or constructions of qualifying assets for expansion/new project were needed to be capitalised to the respective fixed assets in the previous years and in the current year the amount is capitalised to fixed assets thereby increasing the reserves by ₹9.27 million.

41. In the opinion of the Board of directors, loans and advances are of the value stated in the Balance Sheet, to be realised in the normal course of business and provision for all known liabilities have been made in the books of accounts which are adequate and not in excess of the amount reasonably required.

42. Trade Receivables outstanding for a period exceeding six months from the date they are due for payment includes trade receivable of ₹ NIL (P.Y. ₹ 4.87 million) for which management is pursuing for its recovery and is negotiating with each party. Based on the current negotiation with the respective parties, management is hopeful for its realisation in full and consequently no provision has been made for such trade receivables.

Notes Forming Part of Financial Statements for the year ended 31 March 2017

43. Regulation 34(3) read with para E of Schedule V of SEBI (Listing Obligations & Disclosure Requirement Regulations, 2015

A. Loans and Advances given to subsidiaries, associates, firms or companies in which directors are interested

(Figures in ₹)

Name of party	Relationship	Amount outstanding as at 31 March 2017	Maximum Balance outstanding during the year
Hester Biosciences Nepal Pvt Ltd.	Subsidiary	44,700,000	49,296,172
		(4,596,172)	(4,596,172)
Leruarua Vetcare (Proprietary) Limited	Associates	514,204	2,363,831
		(1,849,627)	(1,849,627)

Note: Figures in Brackets relate to Previous Year

44. The management of the company has during the year carried out technical evaluation for identification of impairment of assets, if any in accordance with the Accounting Standard (AS) 28, issued by the Institute of Chartered Accountants of India. Based on the judgement of the management and as certified by the directors, no provision for impairment of the asset is considered necessary in respect of any of the assets of the company.

45.

(i) List of Related Parties as on 31 March 2017

(a) Subsidiary Company:

Hester Biosciences Nepal Private Limited

(b) Key Management Personnel:

Mr. Rajiv Gandhi - CEO & Managing Director

Mr. Jigar Shah - Chief Financial Officer

Ms. Amala Parikh - Company Secretary

(c) Promoters and their relatives having control:

Dr. Bhupendra V. Gandhi (Non-Executive Chairman)

Mr. Sanjiv Gandhi (Non-Executive Director)

Mr. Ravin Gandhi (Non-Executive Director)

Ms. Nina Gandhi (Alternate Director)

(d) Enterprise having significant influence:

Hester Coatings LLP

Sinsui India Private Limited

Biolink Healthcare Limited

Hester Diagnostics Private Limited

Gujarat Polyplast Private Limited

III. Related Party Transactions

Following are the transactions and amount outstanding with related parties as defined under Accounting Standard-18 on "Related Parties Disclosure" as defined under the Companies (Accounting Standards Rules), 2006 :

(Figures in ₹)

Particulars		Key Management Personnel / Relatives of KMP		Subsidiary / Associate Company		Enterprises having Significant Influence (EHSI)		Total	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
(a)	Sale of Goods			1,755,594	17,661,737			1,755,594	17,661,737
	Leruarua Vetcare (Proprietary) Limited			-	17,661,737			-	17,661,737
	Hester Biosciences Nepal Private Limited			1,755,594	-			1,755,594	-
(b)	Purchase			30,937,860	-			30,937,860	
	Gujarat Polyplast Private Limited			17,812,860	-			17,812,860	
	Hester Biosciences Nepal Private Limited			13,125,000	-			13,125,000	
(c)	Sitting Fees for Board Meetings	120,000	80,000					120,000	80,000
	Ms. Priya Gandhi	10,000	20,000					10,000	20,000
	Mr. Sanjiv Gandhi	40,000	40,000					40,000	40,000
	Dr. Bhupendra V. Gandhi	40,000	20,000					40,000	20,000
	Ms. Nina Gandhi	30,000	-					30,000	-
(d)	Interest Income			3,070,401	-			3,070,401	-
	Hester Biosciences Nepal Private Limited			3,070,401	-			3,070,401	-
(e)	Remuneration Paid	22,772,450	13,660,419					22,772,450	13,660,419
	Mr. Rajiv Gandhi	17,400,000	8,290,723					17,400,000	8,290,723
	Mr. Jigar Shah	5,192,450	5,189,696					5,192,450	5,189,696
	Ms. Amala Parikh	180,000	180,000					180,000	180,000
(f)	Rent Paid - MD's Residence					600,000	600,000	600,000	600,000
	Biolink Healthcare Limited					600,000	600,000	600,000	600,000
(g)	Salary Paid	517,543	-					517,543	-
	Ms. Priya Gandhi	517,543	-					517,543	-
(h)	Advance Given for Purchase			13,400,000				13,400,000	
	Hester Biosciences Nepal Private Limited			13,400,000				13,400,000	
(i)	Loans and Advances Given			31,814,204	6,349,319			31,814,204	6,349,319
	Hester Biosciences Nepal Private Limited			31,300,000	4,499,692			31,300,000	4,499,692
	Leruarua Vetcare (Proprietary) Limited			514,204	1,849,627			514,204	1,849,627
(j)	Loans and Advances Received Back			1,534,457		-	870,432	1,534,457	870,432
	Sinsui India Private Limited			-		-	870,432	-	870,432
	Leruarua Vetcare (Proprietary) Limited			1,534,457		-	-	1,534,457	-
(k)	Investment in Subsidiary/Associates			-	682,948			-	682,948
	Hester Biosciences Nepal Private Limited			-	-			-	-
	Leruarua Vetcare (Proprietary) Limited			-	682,948			-	682,948
(l)	Disinvestment in Subsidiary/Associates			731,078	-			731,078	-
	Leruarua Vetcare (Proprietary) Limited			731,078	-			731,078	-

Balances at the end of the Year

Following are the transactions and amount outstanding with related parties as defined under Accounting Standard-18 on "Related Parties Disclosure" as defined under the Companies (Accounting Standards Rules), 2006 :

(Figures in ₹)

Particulars		Key Management Personnel / Relatives of KMP		Subsidiary / Associate Company		Enterprises having Significant Influence (EHSI)		Total	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
(a)	Trade Receivables			1,755,594	17,118,435			1,755,594	17,118,435
	Leruarua Vetcare (Proprietary) Limited			-	17,118,435			-	17,118,435
	Hester Biosciences Nepal Private Limited			1,755,594	-			1,755,594	
(b)	Trade Payables			3,777,326	-			3,777,326	-
	Gujarat Polyplast Private Limited			3,777,326	-			3,777,326	-
(c)	Loans & Advances			53,089,467	6,445,799			53,089,467	6,445,799
	Hester Biosciences Nepal Private Limited			52,260,093	4,596,172			52,260,093	4,596,172
	Leruarua Vetcare (Proprietary) Limited			829,374	1,849,627			829,374	1,849,627
(d)	Investment			86,016,130	86,699,078			86,016,130	86,699,078
	Hester Biosciences Nepal Private Limited			86,016,130	86,016,130			86,016,130	86,016,130
	Leruarua Vetcare (Proprietary) Limited			-	682,948			-	682,948
(e)	Remuneration Payable	4,703,400	800,000					4,703,400	800,000
	Mr. Rajiv Gandhi	4,703,400	800,000					4,703,400	800,000

Notes Forming Part of Financial Statements for the year ended 31 March 2017

46. Disclosure as per As-15 (Revised) on "Employee Benefit" for the year ended 31 March 2017

a Defined Contribution Plans

The company made contribution towards provident fund to defined contribution retirement benefit plans for qualifying employees. The provident fund plan is operated by the regional provident fund commissioner, the company required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefit.

The company recognised ₹ 5.19 million (P.Y. ₹ 3.95 million) for provident fund contribution in the profit and loss account. The contributions payable to this plan by the Company are at rates specified in the rules of the scheme.

b Defined Benefit Plan

The company made annual contribution to the employee's Group Gratuity Cash Accumulation Scheme of the Life Insurance Corporation of India, a funded benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or a part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The present value of define benefit obligation and the related current service cost were measured using the projected unit credit method as per actuarial valuation carried out at balance sheet date.

The following table sets out the funded status of the gratuity plan and the amount recognised by the company's financial statement as at 31 March 2017.

i) Change in benefit obligations:

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Projected benefit obligations at beginning of the year	14,006,008	10,698,609
Service Cost	1,751,007	1,376,166
Interest Cost	1,155,496	859,098
Actuarial (Gain) / Loss	1,267,872	1,338,274
Benefits Paid	(147,717)	(266,139)
Projected benefit obligations at the end of year	18,032,666	14,006,008

ii) Change in plan Asset:

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Fair value of plan assets at the beginning of the period	14,610,757	11,574,267
Expected return on plan assets	1,205,387	929,414
Contribution	2,156,358	2,429,191
Benefit paid	(147,717)	(266,139)
Actuarial Gain/(Loss) on plan asset	(218,769)	(55,976)
Fair value of plan assets at the end of the period	17,606,016	14,610,757
Total actuarial gain/(loss) to be recognised	(1,486,641)	(1,394,250)

iii) Expenses recognised in income statement:

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Current service cost	1,751,007	1,376,166
Interest Cost	(49,891)	(70,316)
Net Actuarial (Gain)/Loss to be recognised	1,486,641	1,394,250
Expense recognised in P/L	3,187,757	2,700,100

iv) Assumptions used in accounting for the Gratuity plan:

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Discount rate opening period	8.25%	8.03%
Discount rate closing period	7.57%	8.25%
Rate of return on plan asset opening period	8.25%	8.03%
Rate of return on plan asset closing period	7.57%	8.25%
Salary escalation opening period	6.00%	6.00%
Salary escalation closing period	6.00%	6.00%
Attrition rate opening period	2.00%	2.00%
Attrition rate closing period	2.00%	2.00%

v) Amount recognised in the Balance sheet:

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Liability at the end of the period	18,032,666	14,006,008
Fair value of the plan assets at the end of the period	17,606,016	14,610,757
Funded Status (Surplus/(Deficit))	(426,650)	604,749
Net Asset/(Liability) recognised in the Balance Sheet	(426,650)	604,749

vi) Actual Return on Plan Assets :

(Figures in ₹)

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Expected Return on Plan Assets	1,205,387	929,414
Actuarial Gain/loss on Plan Assets	(218,769)	(55,976)
Actual Return on Plan Assets	986,618	873,438

Notes Forming Part of Financial Statements for the year ended 31 March 2017

vii) Balance sheet Reconciliation:

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Opening Net Liability	(604,749)	(875,658)
Expenses As Above	3,187,757	2,700,100
Employers Contribution Paid	(2,156,358)	(2,429,191)
Closing Net Liability/(Asset) in the Balance Sheet	426,650	(604,749)

47. Earning per Share

Calculation of Net Profit available for Equity Shareholders:

(Figures in ₹)

Particulars		Year ended 31 March 2017	Year ended 31 March 2016
A	Net Profit After Tax	248,427,839	192,229,514
	Profit available to Equity shareholders	248,427,839	192,229,514
B	Weighted Average No. of Eq. Shares of ₹10/- each	8,506,865	8,506,808
C	Basic and diluted Earning per share	29.2	22.6

48. Segment Information

(Figures in ₹)

Particulars	Year ended 31 March 2017			Year ended 31 March 2016		
	Poultry Division	Large Animal Division	Total	Poultry Division	Large Animal Division	Total
A. Segment Revenue						
Sales and Operating Earnings (Net)	1,080,133,640	152,027,044	1,232,160,684	914,984,030	93,937,759	1,008,921,789
Other Income	6,815,533	440,108	7,255,641	11,562,427	380,475	11,942,902
Total Segment Revenue	**1,086,949,173**	**152,467,152**	**1,239,416,325**	**926,546,457**	**94,318,234**	**1,020,864,691**
Identifiable Segment Expenses	866,293,565	11,660,751	877,954,316	656,731,920	78,783,675	735,515,595
Segment Operating Income	**220,655,608**	**140,806,401**	**361,462,009**	**269,814,537**	**15,534,559**	**285,349,096**
Less : Unallocable Finance Cost			32,079,931			36,856,318
Net Profit Before Tax			**329,382,078**			**248,492,778**
Less : Tax Expense			80,954,238			56,263,263
Net Profit after Tax			**248,427,840**		`	**192,229,515**

Notes Forming Part of Financial Statements for the year ended 31 March 2017

(Figures in ₹)

Particulars	Year ended 31 March 2017			Year ended 31 March 2016		
	Poultry Division	Large Animal Division	Total	Poultry Division	Large Animal Division	Total
B. Other Information						
Segment Assets	1,457,796,971	133,588,260	1,591,385,231	1,358,325,963	63,932,154	1,422,258,117
Unallocated Assets			125,705,597			93,144,877
Segment Liabilities	426,966,468	4,801,045	431,767,513	421,878,190	9,994,538	431,872,728
Unallocated Liabilities			87,955,752			80,325,641
Depreciation/Amortisation	54,869,560	220,930	55,090,490	57,128,596	189,840	57,318,436
Capital Expenditure	158,289,744	140,489	158,430,233	73,443,739	-	73,443,739

49. Previous year's figures have been regrouped/ reclassified wherever necessary to confirm to current year's classification/ disclosure.

As per our report of even date attached.

For & on behalf of the Board of Directors

For Apaji Amin & Co. LLP
Chartered Accountants
FRN: 100513W/W100062

Tehmul B. Sethna
Partner
Membership No.: 035476

Place : Ahmedabad
Date : 8 May 2017

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Jigar Shah
CFO

Place : Ahmedabad
Date : 8 May 2017

Sanjiv Gandhi
Director
Din No: 00024548

Amala Parikh
Company Secretary

Independent Auditors' Report

To

The Members of

HESTER BIOSCIENCES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of HESTER BIOSCIENCES LIMITED ("the Holding Company"), its subsidiary (collectively referred to as "the Company" or "the Group"), comprising the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Relevant Rules of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid

consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2017, and its consolidated profit and their consolidated cash flows for the year ended on that date.

Other matters

We did not audit the financial statements of subsidiary Company included in the consolidated financial results, whose financial statements reflect total assets of ₹484.40 million as at 31 March 2017, total revenue of ₹12.93 million of the year ended 31 March 2017 and total loss of ₹21.67 million as considered in consolidated financial results. These financial statements have been audited by other auditor whose report have been furnished to us by the management and our opinion on the Statement, in so far relates to the amounts and disclosures included in respect of subsidiary Company, is solely based on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that :

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and reports of the other auditor.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Relevant rules of the Companies (Accounts) Rules, 2014.

   e. On the basis of the written representations received from the Directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company, none of the Directors of the Company, is disqualified as on 31 March 2017 from being appointed as a Director in terms of section 164(2) of the Act.

   f. with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in ''Annexure A''; and

   g. With respect to the other matters to be included In the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to explanations given to us :

      i) The Company doesn't have any pending litigations which would impact its financial position in its financial statements.

      ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv) The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 32 to the consolidated financial statements.

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

Tehmul B. Sethna
Partner
Membership No: 035476

Place: Ahmedabad
Date: 8 May 2017

Annexure A to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Hester Biosciences Limited ('the Company') as of 31 March 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of the Management and Directors of the Company; and (3) provide reasonable assurance regarding

prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting is based solely on our report on the standalone financial statement of the Holding Company for the year ended 31 March 2017, since it did not have any subsidiary, associate or jointly controlled Companies which are incorporated in India as on that date.

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

Tehmul B. Sethna
Partner
Membership No: 035476

Place: Ahmedabad
Date: 8 May 2017

Consolidated Balance Sheet as at 31 March 2017

(Figures in ₹)

Particulars	Note No	As at 31 March 2017	As at 31 March 2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	85,068,650	85,068,650
(b) Reserves and Surplus	4	1,111,068,096	932,000,755
		1,196,136,746	1,017,069,405
(2) Minority Interest		45,768,978	46,451,716
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	5	446,210,486	330,930,094
(b) Deferred Tax Liabilities (Net)	6	87,955,752	80,325,641
(c) Other Long-Term Liabilities	7	1,500,000	1,500,000
		535,666,238	412,755,735
(4) Current Liabilities			
(a) Short-Term Borrowings	8	183,156,111	210,430,193
(b) Trade Payables	9	74,695,837	58,434,324
(c) Other Current Liabilities	10	110,124,080	92,983,851
(d) Short-Term Provisions	11	35,711,493	20,154,691
		403,687,521	382,003,059
Total		**2,181,259,483**	**1,858,279,915**
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		1,019,122,211	639,631,632
(ii) Intangible Assets		7,082,314	6,691,956
(iii) Capital Work-In-Progress		212,936,253	364,579,666
(b) Non-Current Investments	13	-	682,948
(c) Long Term Loans and Advances	14	138,208,046	104,689,874
		1,377,348,824	1,116,276,076
(2) Current Assets			
(a) Inventories	15	334,114,711	336,205,238
(b) Trade Receivables	16	265,330,439	262,389,400
(c) Cash and Cash Equivalents	17	119,566,726	52,835,148
(d) Short-Term Loans and Advances	18	21,887,146	20,831,517
(e) Other Current Assets	19	63,011,637	69,742,536
		803,910,659	742,003,830
Total		**2,181,259,483**	**1,858,279,915**
Significant Accounting Policies	2		
Accompanying notes form part of financial statements			

As per our report of even date attached.

For Apaji Amin & Co. LLP
Chartered Accountants
FRN: 100513W/W100062

Tehmul B. Sethna
Partner
Membership No.: 035476

Place : Ahmedabad
Date : 8 May 2017

For & on behalf of the Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Jigar Shah
CFO

Place : Ahmedabad
Date : 8 May 2017

Sanjiv Gandhi
Director
Din No: 00024548

Amala Parikh
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31 March 2017

(Figures in ₹)

Particulars	Note No	For the year ended 31 March 2017	For the year ended 31 March 2016
I. Revenue from Operations	20	1,230,405,090	1,008,921,789
II. Other Income	21	4,199,108	8,832,691
III. Total Revenue (I+II)		**1,234,604,198**	**1,017,754,480**
IV. Expenses:			
Cost of Materials Consumed	22	180,133,700	157,675,078
Purchase of Stock-In-Trade	23	74,912,858	67,592,739
Changes In Inventories of Finished Goods, Work-In-Progress and Stock-in-Trade	24	33,212,860	(29,746,277)
Employee Benefit Expense	25	184,728,112	154,398,247
Finance Cost	26	34,986,747	37,190,177
Depreciation and Amortisation Expense	27	70,017,522	57,512,540
Other Expenses	28	348,758,684	325,052,288
V. Total Expenses		**926,750,484**	**769,674,791**
VI. Profit Before Tax, Minority Interest and share in profit/ (loss) of Associates (III - V)		307,853,713	248,079,689
VII. Tax Expense:			
(1) Current Tax		72,973,667	62,756,577
(2) Minimum Alternate Tax		350,460	(33,492,027)
(3) Deferred Tax		7,630,111	26,998,713
VIII. Profit Before Minority Interest and share in Profit/(Loss) of Associate		**226,899,475**	**191,816,426**
IX. Profit/(Loss) Attributable to Minority Interest		(7,583,117)	(144,108)
X. Profit For The Year (VIII-IX)		**234,482,592**	**191,960,534**
XI. Earning per Equity Share:			
(1) Basic & Diluted	47	27.56	22.57
Significant Accounting Policies	2		
Accompanying notes form part of financial statements			

As per our report of even date attached.

For & on behalf of the Board of Directors

For Apaji Amin & Co. LLP
Chartered Accountants
FRN: 100513W/W100062

Tehmul B. Sethna
Partner
Membership No.: 035476

Place : Ahmedabad
Date : 8 May 2017

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Jigar Shah
CFO

Place : Ahmedabad
Date : 8 May 2017

Sanjiv Gandhi
Director
Din No: 00024548

Amala Parikh
Company Secretary

Consolidated Cash Flow Statement for the year ended 31 March 2017

(Figures in ₹)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
A. Cash flow from operating activities		
Net Profit Before Tax as Per Profit & Loss statement	307,853,713	248,079,689
Adjustments for:		
Depreciation and amortisation expense	70,017,522	57,512,540
Prior Period Expenses	289,134	-
Bad debts written off	5,530,924	1,558,104
(Profit) / loss on sale of assets	956,948	12,501
Finance Cost	34,986,747	37,190,177
Diminution in value of investments	-	2,660,750
Excess balances / provisions written back (net)	(1,109,556)	(3,470,550)
Interest Income	(696,068)	(1,138,052)
Forex Loss/(Gain) on Consolidation	(436,399)	39,676
Unrealised Foreign Exchange Loss / (Gain)	106,888	(552,886)
Operating profit / (loss) before working capital changes	**417,499,854**	**341,891,949**
Adjusted For		
Trade receivables	(7,469,296)	(82,313,422)
Inventories	2,090,526	(45,120,574)
Trade payables & Other Liabilities	16,261,513	12,166,866
Other current liabilities	17,140,229	29,526,989
Short-term provisions	522,491	(1,857,662)
Loans & Advances	(34,223,342)	53,135,322
Other Current Assets	6,730,902	(59,215,438)
Cash generated from operations	418,552,878	248,214,029
Net income tax (paid) / refunds	(70,576,202)	(59,745,163)
Net cash flow from / (used in) operating activities (A)	**347,976,676**	**188,468,866**
B. Cash flow from investing activities		
Proceeds from sale of assets	1,463,945	3,769,430
Proceeds from sale of Investments	682,948	118,250
Investment in Associates	-	(682,948)
Capital Expenditure on Fixed Assets	(302,433,197)	(138,974,800)
Interest income	696,068	1,138,052
Investment in Bank Deposits	(2,255,062)	-
Redemption of Bank Deposits	-	1,645,802
Net cash flow from / (used in) investing activities (B)	**(301,845,298)**	**(132,986,213)**

Consolidated Cash Flow Statement for the year ended 31 March 2017

(Figures in ₹)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
C. Cash flow from financing activities		
Proceeds/(Repayment) of Short Term Borrowings	(27,274,082)	9,608,185
Interest paid	(34,986,747)	(37,190,177)
Proceeds from Issue of Share Capital	7,304,091	14,052,469
Interim Dividend Paid	(25,520,595)	(25,520,595)
Final Dividend paid	(9,357,552)	(26,371,080)
Dividend Distribution Tax Paid	(7,100,369)	(10,594,745)
Proceeds/(Repayment) of long term borrowing	115,280,392	13,045,823
Other Long term Current liabilities	-	(3,875,660)
Net cash flow from / (used in) financing activities (C)	**18,345,138**	**(66,845,780)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	64,476,516	(11,363,127)
Cash and cash equivalents at the beginning of the year	49,862,035	61,225,163
Cash and cash equivalents (Closing Balance)	**114,338,552**	**49,862,035**
Major Components of Cash & Cash Equivalents		
Cash on Hand	1,512,622	1,874,091
Balance with banks - On Current Accounts	112,825,930	47,987,945
Fixed Deposits having maturity of less than 3 Months	-	-
Total	**114,338,552**	**49,862,035**

The above cash flow has been prepared under the "Indirect Method" as set out in Accounting Standard -3 on Cash Flow Statements.

As per our report of even date attached.

For & on behalf of the Board of Directors

For Apaji Amin & Co. LLP
Chartered Accountants
FRN: 100513W/W100062

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Sanjiv Gandhi
Director
Din No: 00024548

Tehmul B. Sethna
Partner
Membership No.: 035476

Jigar Shah
CFO

Amala Parikh
Company Secretary

Place : Ahmedabad
Date : 8 May 2017

Place : Ahmedabad
Date : 8 May 2017

Notes Forming Part of Consolidated Financial Statements for the year ended 31 March 2017

1 Corporate Information

Hester Biosciences Limited is a public limited Company domiciled in India and listed on BSE Limited and The National Stock Exchange of India Limited. The Company is engaged in manufacturing of "Poultry and Large Animal vaccines" and trading of "Poultry and Large Animal" health products having its manufacturing set up at Merda Adraj village, Mehsana District, Gujarat.

2 Significant Accounting Policies

a BASIS OF PREPARATION:

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), accounting standards notified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable under historical cost convention on accrual basis.

b USE OF ESTIMATES:

The financial statements of Company and its subsidiary have been consolidated on a line by line basis by adding together like items of assets, liabilities, incomes, expenses, after eliminating intra group transactions and any unrealised gains or losses in accordance with the Accounting Standard - 21 on "Consolidated Financial Statements" (AS 21). The financial statements of the Company and its subsidiary have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. The excess of cost of investments in the subsidiary Company over the share of the equity of the subsidiary Company at the date on which the investment in the subsidiary Company is made is recognised as 'Goodwill on Consolidation' and is disclosed on the face of the Balance Sheet in the Consolidated Financial Statements. Alternatively, where the share of equity in the subsidiary Company as on the date of investment is in excess of cost of the investment, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the Consolidated Financial Statements.

Investment in an Associate, is reported according to the equity method i.e. the investment is initially recorded at cost in accordance with Accounting Standard 23 "Accounting for Investments in associates in Consolidated Financial Statements". The carrying amount of the investment is adjusted thereafter for the post acquisition change in the Company's share of net assets of the associate. The excess of cost of investment in associate, over the net assets at the date of acquisition of the investment in the associate is separately disclosed under non current investments as Goodwill.

c REVENUE RECOGNITION:

Revenue is recognised to the extent it is probable that economic benefits will flow to the Company and can be reliably measured.

Revenue from sale of products is recognised on dispatch or appropriation of goods in accordance with the terms of sale and rewards of ownership have passed to the buyer. Revenue from services are recognised as the related services are performed. Sale of goods is recorded net of returns, discounts, rebates, VAT/Sales Tax, Service Tax but inclusive excise duty.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

d PROPERTY, PLANT & EQUIPMENTS :

Tangible Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses. Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management. Subsequent costs related to an item of Property, Plant and Equipment are recognised in the carrying amount of the item if the recognition criteria are met.

Revaluation of Land is made with sufficient regularity to ensure that the carrying amount does not differ materially

from that which would be determined using fair value at the balance sheet date. When the fair value differs materially from its carrying amount, the carrying amount is adjusted to the revalued amount. The fair value is determined based on appraisal undertaken by a professionally qualified valuer.

Items of Property, Plant and Equipment that have been retired from active use and are held for disposal are stated at the lower of their net carrying amount and net realisable value and are shown separately in the financial statements under the head 'Other current assets'. Any write-down in this regard is recognised immediately in the Statement of Profit and Loss. An item of Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Statement of Profit and Loss.

e INTANGIBLE ASSETS & CAPITAL WORK-IN-PROGRESS:

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

Cost of fixed assets not ready for their intended use before the balance sheet date is disclosed as capital work-in-progress and is carried at cost, comprising direct cost, related incidental expenses and directly attributable interest. Advances paid towards the acquisition of fixed assets outstanding as of each balance sheet date is disclosed under long term loans and advances.

f DEPRECIATION / AMORTISATION :

Depreciation on Fixed Assets is provided on Straight Line method (SLM) based on useful life of the assets as prescribed under Part-C of Schedule II to the Companies Act, 2013 except in respect of the following assets where useful life is different than those prescribed in Schedule II are used. The Management estimates the useful lives for such fixed assets as under:

Particulars	Estimated Useful Life
Furniture & Fixtures	Over a Period of 9 Years
Vehicles	Over a Period of 8 Years
Plant & Machineries, Equipments, Electrical Installation & Utilities	Over a Period of 9 Years
Office Building	Over a Period of 30 Years

g IMPAIRMENT OF ASSET:

The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indications exist, the carrying value of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to Profit and Loss Account. If at the Balance Sheet date there is an indication that previously assessed impairment losses no longer exist, than such loss is reversed and the asset is restated to that effect.

h INVESTMENTS:

Investments, which are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

Investments in buildings that are not intended to be occupied substantially for use by, or in the operations of the Company, have been classified as investment properties. Investment properties are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Notes Forming Part of Consolidated Financial Statements for the year ended 31 March 2017

i INVENTORIES:

Inventories include raw materials, bought out components, work-in-progress and manufactured finished goods.

Finished products:

Finished products produced by the Company are valued at lower of cost and net realisable value. Cost includes direct materials, labour, a proportion of manufacturing overheads and excise duty have been charged on finished goods.

Work-in-Progress:

Work-in-Progress is valued at cost of direct materials, labour and other manufacturing overheads up to estimated stage of process.

Raw materials, stores and spares:

Raw materials, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The cost is determined using First in First out (FIFO) method.

j BORROWING COSTS:

Borrowing costs that are attributable to the acquisitions or construction of fixed assets/ qualifying assets for expansion/new project are capitalised to respective fixed assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are charged to revenue in the year in which they are incurred.

k FOREIGN CURRENCY TRANSACTIONS:

i Foreign currency transactions are recorded at the exchange rates prevailing at the time of transaction.

ii Monetary items representing assets and liabilities denominated in foreign currencies at the balance sheet date are translated at rates prevailing on balance sheet date.

iii Investments in equity share capital of Company registered outside India are carried in the Balance Sheet at the rates prevailing on the date of transaction.

iv Any incomes or expenses on account of exchange difference either on settlement or on transaction other than that arising in long term foreign currency items are recognised in the Statement of Profit and Loss, for the period in which the difference takes place.

l RESEARCH AND DEVELOPMENT:

Revenue expenditure on Research and Development is charged to the Statement of Profit and Loss for the year in which it is incurred. Capital expenditure on Research and Development is shown as an addition to the fixed assets and is depreciated on the same basis as other fixed assets.

m PROVISION FOR RETIREMENT BENEFITS:

(i) Short-Term Employee Benefits

Short term employee benefits such as salaries, wages, leave encashment, bonus etc. are recognised as an expense and are charged to the statement of Profit and Loss for the year in which the related services is rendered.

(ii) Post- employment benefit plans

a) Defined Contribution Plan:

Contribution for provident fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner.

b) Defined Benefit Plan:

The liabilities in respect of gratuity and leave encashment are determined Using Projected Unit Credit Method with actuarial valuation carried out as at Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and loss for the period in which they occur

Contributions in respect of gratuity are made to the Group Gratuity Scheme with Life Insurance Corporation of India. Employee benefits recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for Unrecognised past service cost and as reduced by the fair value of respective fund.

n SEGMENT REPORTING:

The Company identifies primary segments based on the nature of products and market catered by each segments for which separate financial information is available and for which operating profit/loss amounts are evaluated by the Company.

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Segment-wise revenue, expenses, assets and liabilities have been identified to segment on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to specific segment on reasonable basis have been included under 'unallocated revenues / expenses / assets / liabilities.

o EARNING PER SHARE:

Basic earnings per share are calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

p CASH AND CASH EQUIVALENTS:

Cash and cash equivalents for the purpose of cash flow statement comprise cash on hand and balance at Bank including fixed deposits with an original maturity period of less than three months and short term investments with an original maturity of three months or less.

q TAXATION:

i. Current Tax:

Provision for Income Tax is determined in accordance with the provisions of Income Tax Act, 1961.

ii. Deferred Tax Provision:

Deferred Tax charge or credit is recognised on timing differences; being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. It is calculated using the applicable tax rates and tax laws that have been enacted by the balance sheet date. The deferred tax assets is recognised and carried forward only to the extent that there is virtual certainty that there will be sufficient future taxable income available to realise the assets. At each Balance Sheet date, recognised and unrecognised Deferred Tax Liabilities / Assets are reviewed.

iii. Minimum Alternative Tax (MAT):

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India which gives rise to future economic benefit in the form of MAT credit entitlement for adjustment of future income tax liability, is considered as an asset only when there is convincing evidence that the Company will pay normal income tax within the specified period. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with it will fructify. Such assets are revised at each balance sheet date.

r GRANTS:

Government grants are recognised when there is reasonable assurance that the Company will comply with the

Notes Forming Part of Consolidated Financial Statements for the year ended 31 March 2017

conditions attached to them and the grants will be received. Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

s PROVISIONS AND CONTINGENT LIABILITIES:

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A Contingent Liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

3. Share Capital

(Figures in ₹)

Particulars	As at 31 March 2017	At as 31 March 2016
AUTHORISED CAPITAL		
11,200,000 (P.Y. 11,200,000) Equity Shares of ₹10/- each	112,000,000	112,000,000
	112,000,000	112,000,000
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
8,506,865 (P.Y. 8,506,865) Equity Shares of ₹10/-each fully paid up	85,068,650	85,068,650
Total	**85,068,650**	**85,068,650**

3.1 The Reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31 March 2017	At as 31 March 2016
Equity Shares at the beginning of the year	8,506,865	8,506,800
Add: Issue of shares during the year	-	65
Outstanding at the end of the year	**8,506,865**	**8,506,865**

3.2 **Rights, Preferences and Restriction attached to Shares:-**

Share capital of the Company consists of one class of equity shares having a Par value of ₹10/- Per Share. Each holder of equity share is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting except Interim Dividend.

In the event of liquidation the equity Shareholders are eligible to receive the remaining Asset of the Company after distribution of all preferential amounts, in proportion to their Shareholding.

3.3 The details of shareholders holding more than 5% shares:

Name of the share holders	As at 31 March 2017		At as 31 March 2016	
	No. of Shares	% held	No. of Shares	% held
MR. RAJIV GANDHI	949,397	11.16	859,397	10.10
MS. NINA GANDHI	696,340	8.19	696,340	8.19
MR. SANJIV D GANDHI	692,820	8.14	692,820	8.14

3.4 Aggregate number of shares issued for consideration other than cash for the period of 5 years immediately preceding the balance sheet date

Particulars	Financial Year	No.of Shares
Equity shares alloted as fully paid - up pursuant to the demerger of Trading Unit of Innoves Animal Health Private Limited into the Company	2014-15	65

4. Reserve & Surplus

(Figures in ₹)

Particulars	As at 31 March 2017		At as 31 March 2016	
Capital Reserve				
As per last Balance sheet	23,099,903		20,246,766	
Add: Addition during the year	-		2,853,137	
		23,099,903		23,099,903
Securities Premium				
As per Last Balance Sheet	175,067,105		175,067,105	
		175,067,105		175,067,105
General Reserve				
As per Last Balance Sheet	312,262,311		287,262,961	
Add:Transferred from Surplus in Statement of Profit and Loss	30,000,000		25,000,000	
Less: Shares issued pursuant to the scheme of Amalgamation (Refer Note no 40)	-		650	
		342,262,311		312,262,311
Foreign Currency Translation Reserve				
As per Last Balance Sheet	457,948		(441,013)	
Add: Changes during the year	(1,150,349)		898,961	
		(692,401)		457,948
Surplus- Statement of Profit & Loss				
As per Last Balance Sheet	421,113,488		285,636,085	
Add: Profit for the year	234,482,592		191,960,534	
Add: Adjustment (Refer Note No 41)	-		10,495,346	
	655,596,080		488,091,965	
Less: Appropriations				
- Proposed Dividend	45,086,385		34,878,147	
- Dividend Distribution Tax	9,178,517		7,100,330	
- Transferred to General Reserve	30,000,000		25,000,000	
		571,331,178		421,113,488
Total		**1,111,068,096**		**932,000,755**

Notes Forming Part of Consolidated Financial Statements for the year ended 31 March 2017

5. Long Term Borrowings

(Figures in ₹)

Particulars	As at 31 March 2017	At as 31 March 2016
Term Loans (Secured)		
- From Banks	439,712,263	326,357,925
Hire Purchase Loans (Secured)		
- From Banks	6,498,223	4,572,169
Total	**446,210,486**	**330,930,094**

5.1 Repayment terms and security offered for the loans are set out as below:

Particulars	Rate of Interest	Terms of repayment	Repayable in	
			Number of installments	Each Installment of ₹
State Bank of India- Term Loan 3 is Secured by hypothecation of plant and machinery purchased out of bank finance and also collaterally secured by Equitable mortgage of Land & Building on survey no. 1972 and 1973/p at village Merda-Adraj, Kadi Thol Road, Kadi, Mehsana and Hypothecation of uncumbered plant and machinery of the company. It is also secured by Personal Guarantee of some of the Directors of the company.	12.5%^	Monthly	10 12 12 12 12 12 12	1,000,000 2,000,000 2,500,000 3,000,000 4,000,000 5,000,000 6,000,000
Kotak Mahindra Bank Ltd. Is secured by hypothecation of specific vehicle/car	10.00%	Monthly	59	32,950*
HDFC Bank loan is secured by hypothecation of specific vehicle/car	10.15%	Monthly	60	15,961*
ICICI Bank Loan is secured by hypothecation of specific vehicle/car	10.00%	Monthly	60	84,300*
ICICI Bank Loan is secured by hypothecation of specific vehicle/car	10.25%	Monthly	60	33,671*
Kotak Mahindra Bank Ltd. is secured by hypothecation of specific vehicle/car	11.07%	Monthly	47	25,147*
ICICI Bank Loan is secured by hypothecation of specific vehicle/car	10.25%	Monthly	48	30,725*
ICICI Bank Loan is secured by hypothecation of specific vehicle/car	10.27%	Monthly	60	13,398*
Axis Bank Loan is secured by hypothecation of specific vehicle/car	9.91%	Monthly	60	24,404*
Axis Bank Loan is secured by hypothecation of specific vehicle/car	9.91%	Monthly	60	19,435*

Particulars	Rate of Interest	Terms of repayment	Repayable in	
			Number of installments	Each Installment of NPR
For Subsidiary Company:				
-Century Commercial Bank Limited is secured by hypothecation of current assets. It is also collaterally secured by Equitable Mortgage of Land and Building on Ward No: 7 Ugarachandi VDC Kavre, Nepal and hypothecation of unencumbered plant and machinery of the Company and personal guarantee of some of the Directors.	10.00%	Quarterly	3 4 4 4 8	550,000 2,750,000 4,125,000 6,325,000 6,875,000
-Century Commercial Bank Limited is secured by hypothecation of current assets. It is also collaterally secured by Equitable Mortgage of Land and Building on Ward No: 7 Ugarachandi VDC Kavre, Nepal and hypothecation of unencumbered plant and machinery of the Company and personal guarantee of some of the Directors.	10.00%	Quarterly	2 4 4 12 2	55,700 278,500 417,750 557,000 779,800
-Nepal Investment Bank Limited is secured by hypothecation of current assets. It is also collaterally secured by Equitable Mortgage of Land and Building on Ward No: 7 Ugarachandi VDC Kavre, Nepal and hypothecation of unencumbered plant and machinery of the Company and personal guarantee of some of the Directors.	10.00%	Quarterly	4 4 3	594,500 2,972,500 4,458,750
-Nepal Investment Bank Limited is secured by hypothecation of specific vehicle / car	10.25%	Monthly	60	34,190
-Nepal Investment Bank Limited is secured by hypothecation of specific vehicle / car	9.25%	Monthly	60	39,365
-Nepal Investment Bank Limited is secured by hypothecation of specific vehicle / car	9.00%	Monthly	60	60,407

^ Interest rate on loan is varying, which is linked to base rate of Bank, from time to time.

* Installment includes interest.

6. Deferred Tax Liabilities (Net)

(Figures in ₹)

Particulars	As at 31 March 2017	At as 31 March 2016
Deferred Tax Liabilities		
- Excess of Net Block over Written Down Value as per provision of I.T. Act	32,832,556	22,985,684
- Benefit available under Income Tax Act	55,264,582	57,645,284
Total Deferred Tax Liabilities(A)	88,097,138	80,630,968
Deferred Tax Assets		
- Provision for Employee Benefits	141,386	305,327
Total Deferred Tax Assets(B)	141,386	305,327
Net Deferred Tax Liabilities(A-B)	**87,955,752**	**80,325,641**

Notes Forming Part of Consolidated Financial Statements for the year ended 31 March 2017

7. Other Long Term Liabilities

(Figures in ₹)

Particulars	As at 31 March 2017	At as 31 March 2016
-Trade Deposits	1,500,000	1,500,000
Total	**1,500,000**	**1,500,000**

8. Short Term Borrowings

(Figures in ₹)

Particulars	As at 31 March 2017	At as 31 March 2016
Loan Repayable on Demand		
Secured		
- From Bank- Cash Credit	61,214,180	210,430,193
- Credit Card	21,941,927	-
Unsecured		
- Working Capital Demand Loan	100,000,000	-
Total	**183,156,111**	**210,430,193**

8.1 Cash Credit accounts and credit cards are secured by first and exclusive hypothecation charge on all the current assets of the Company. It is also collaterally secured by Equitable Mortgage of Land and Building on Survey No. 1972 and 1973/p1 situated at Village Merda Adraj, Kadi Thol Road, Kadi, Mehsana and hypothecation of unencumbered plant and machinery of the Company and personal guarantee of some of the Directors.

8.2 Cash Credit accounts of subsidiary company are secured by first and exclusive hypothecation charge on all the current assets of the Company. It is also collaterally secured by Equitable Mortgage of Land and Building on Ward No: 7 Ugarachandi VDC Kavre, Nepal and hypothecation of unencumbered plant and machinery of the Company and personal guarantee of some of the Directors.

8.3 Interest Rates on Loans are varying, which are linked to base rate of Bank, from time to time.

9. Trade Payables

(Figures in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
Trade Payables (Refer Note :- 39)	74,695,837	58,434,324
Total	**74,695,837**	**58,434,324**

10. Other Current Liabilities

(Figures in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
Current Maturities of Long Term Borrowings		
- Term Loans	30,000,000	45,096,000
- Hire Purchase Loans	2,756,596	2,610,668
Unclaimed Dividends	2,538,269	2,522,319
Advance from Debtors	1,763,568	995,784
Creditors for Capital expense	17,063,506	6,687,684
Duties and Taxes	11,655,033	10,600,740
Other Liabilities	44,347,108	24,470,656
Total	**110,124,080**	**92,983,851**

11. Short Term Provisions

(Figures in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
Provision For Employees Benefit		
Provision For Employees Benefit	752,002	229,511
Others		
Proposed Dividend	19,565,790	9,357,552
Tax on Dividend	3,983,125	1,904,977
Provision for Tax (Net of Advance Tax)	11,410,576	8,662,651
Total	**35,711,493**	**20,154,691**

Notes Forming Part of Consolidated Financial Statements for the year ended 31 March 2017

12. Fixed Assets

(Figures in ₹)

Sr. No.	Particulars	Gross Block					Depreciation					Net Block	
		As at 01 April 2016	Addition during the year	Translation reserve	Disposals during the year	As at 31 March 2017	Upto 01 April 2016	Transfer to General Reserve	Adjustment during the year	For the Year	Upto 31 March 2017	Net Carrying value as at 31 March 2017	Net Carrying value as at 31 March 2016
A-1.	**Tangible Assets**												
	Land & Site Development	1,660,844	-		-	1,660,844	-	-	-	-	-	1,660,844	1,660,844
	Factory Building	12,094,768	-		-	12,094,768	7,747,914	-	-	374,211	8,122,125	3,972,643	4,346,854
	Plant & Machineries												
	- Imported	4,552,524	-		-	4,552,524	4,552,524	-	-	-	4,552,524	-	-
	- Indigenous	33,490,107	-		-	33,490,107	33,490,107	-	-	-	33,490,107	-	-
	Electrical Installations	3,088,718	-		-	3,088,718	3,088,718	-	-	-	3,088,718	-	-
	Storage Equipment	431,276	-		-	431,276	431,276	-	-	-	431,276	-	-
	Furniture & Fixtures	1,245,262	-		-	1,245,262	1,245,262	-	-	-	1,245,262	-	-
	Vehicles	7,947,609	-		-	7,947,609	7,947,609	-	-	-	7,947,609	-	-
	Scooters	25,083	-		-	25,083	25,083	-	-	-	25,083	-	-
	Office Equipments	1,048,165	-		-	1,048,165	1,048,165	-	-	-	1,048,165	-	-
	Computers	1,564,121	-		-	1,564,121	1,564,121	-	-	-	1,564,121	-	-
	Utilities	3,365,753	-		-	3,365,753	3,365,753	-	-	-	3,365,753	-	-
	Dead Stock	169,064	-		-	169,064	169,064	-	-	-	169,064	-	-
	Dead Stock Canteen	32,598	-		-	32,598	32,598	-	-	-	32,598	-	-
	TOTAL (A1)	**70,715,894**	**-**	**-**	**-**	**70,715,894**	**64,708,195**	**-**	**-**	**374,211**	**65,082,407**	**5,633,487**	**6,007,698**
	Previous Year Figures	**70,715,894**	**-**	**-**	**-**	**70,715,894**	**64,333,984**	**-**	**-**	**374,211**	**64,708,195**	**6,007,698**	**6,381,909**
A-2.	**Tangible Assets - New Project**												
	Land & Site Development	45,411,672	1,434,800	(166,847)	-	46,679,624	-	-	-	-	-	46,679,624	45,411,672
	Factory Building	317,436,184	210,712,689	(907,259)	-	527,241,614	45,620,849	-	31,817	13,862,610	59,515,277	467,726,337	271,815,335
	Office Building	119,146,417	1,646,818		-	120,793,235	32,656,520	-	-	3,751,090	36,407,609	84,385,626	86,489,897
	Guest House-Building	4,191,825	-		-	4,191,825	828,201	-	-	131,689	959,889	3,231,936	3,363,624
	Plant & Machineries					-					-		
	- Imported	30,986,512	10,354,039		-	41,340,551	15,971,654	-	-	2,243,792	18,215,446	23,125,106	15,014,858
	- Indigenous	262,236,883	209,182,140	(546,672)	144,221	470,728,130	139,874,509	-	98,663	32,694,829	172,668,001	298,060,129	122,362,374
	Electrical Installations	58,807,534	776,637		-	59,584,171	37,128,257	-	-	3,179,986	40,308,243	19,275,928	21,679,277
	Storage Equipment	8,899,862	1,011,500		-	9,911,362	4,149,625	-	-	819,196	4,968,822	4,942,540	4,750,237
	Furniture and Fixtures	42,274,065	5,549,426	(4,177)	-	47,819,313	22,689,892	-	(1,649)	3,664,428	26,352,671	21,466,643	19,584,173
	Vehicles	38,680,436	5,794,734	(7,167)	4,427,458	40,040,545	20,145,727	-	(3,074,207)	3,697,264	20,768,784	19,271,762	18,534,710
	Factory Equipments	7,170,784	1,158,213		-	8,328,997	1,870,904	-	-	807,862	2,678,766	5,650,231	5,299,880
	Office Equipments	8,577,377	1,285,712		-	9,863,089	6,163,687	-	-	394,340	6,558,026	3,305,063	2,413,690
	Computer	9,662,845	2,092,498		-	11,755,343	7,367,579	-	-	1,282,214	8,649,793	3,105,550	2,295,266
	Utilities	45,974,591	528,205		-	46,502,796	32,740,765	-	-	1,903,276	34,644,040	11,858,756	13,233,826
	Live Stock	1,375,115	948,103		919,724	1,403,494	-	-	-	-	-	1,403,494	1,375,115
	TOTAL (A2)	**1,000,832,102**	**452,475,514**	**(1,632,123)**	**5,491,403**	**1,446,184,090**	**367,208,168**	**-**	**(2,945,376)**	**68,432,574**	**432,695,366**	**1,013,488,724**	**633,623,934**
	Previous Year Figures	**898,331,936**	**107,239,642**	**96,248**	**4,835,724**	**1,000,832,102**	**311,621,480**	**-**	**1,053,793**	**56,640,482**	**367,208,170**	**633,623,933**	**586,710,461**
	TOTAL (A1+A2)	**1,071,547,995**	**452,475,514**	**(1,632,123)**	**5,491,403**	**1,516,899,984**	**431,916,363**	**-**	**(2,945,376)**	**68,806,785**	**497,777,773**	**1,019,122,211**	**639,631,632**
	Previous Year Figures(A1+A2)	**969,047,830**	**107,239,642**	**96,248**	**4,835,724**	**1,071,547,996**	**375,955,464**	**-**	**1,053,793**	**57,014,693**	**431,916,365**	**639,631,632**	**593,092,371**
B	**Intangible Assets**												
	Software	5,401,421	337,400		-	5,738,821	3,815,251	-	-	274,739	4,089,990	1,648,831	1,586,170
	Product & Trademark Registration	2,756,330	1,263,695		-	4,020,025	310,544	-	-	376,401	686,945	3,333,080	2,445,786
	Goodwill	2,800,000	-		-	2,800,000	140,000	-	-	559,597	699,597	2,100,403	2,660,000
	TOTAL (B)	**10,957,751**	**1,601,095**	**-**	**-**	**12,558,846**	**4,265,795**	**-**	**-**	**1,210,737**	**5,476,532**	**7,082,314**	**6,691,956**
	Previous Year Figures	**6,681,308**	**4,276,443**	**-**	**-**	**10,957,751**	**3,767,950**	**-**	**-**	**497,847**	**4,265,796**	**6,691,955**	**2,913,360**
C	**Capital Work-in-progress**	364,579,666	136,377,006	-	288,020,418	212,936,253	-	-	-	-	-	212,936,253	364,579,666
	Previous Year Figures	326,034,417	117,371,221	591,187	79,417,160	364,579,665	-	-	-	-	-	364,579,665	326,034,417
	Current Year Total	**1,447,085,411**	**590,453,615**		**293,511,821**	**1,742,395,082**	**436,182,158**	**-**	**(2,945,376)**	**70,017,522**	**503,254,305**	**1,239,140,778**	**1,010,903,253**
	Previous Year Total	**1,301,763,555**	**228,887,306**	**687,435**	**84,252,884**	**1,447,085,411**	**379,723,413**	**-**	**1,053,793**	**57,512,540**	**436,182,161**	**1,010,903,251**	**922,040,148**

Note-Capital Expenditure on Research and development facility is ₹51,603,244 (P.Y. ₹9,899,804)

13. Non Current Investments

(Figures in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
Trade Investments (Valued at cost unless stated otherwise)		
Unquoted Investment in Equity Instrument		
Investment in Associates		
NIL (P.Y. 107,000) Equity shares of BWP 1 each fully paid-up in Leruarua Vetcare (Proprietary) Limited #	-	682,948
Total	**-**	**682,948**

includes Goodwill of ₹ NIL (P.Y. ₹ 6,82,948) and share if post acquisition profit ₹ NIL.

14. Long Term Loans and Advances (Unsecured, Considered Good)

(Figures in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
Capital Advances	74,444,454	32,706,153
Security Deposit	9,328,158	7,948,811
Loans & Advances to related parties (Refer Note 45)	829,374	1,849,627
Other Loans & Advances		
Advance to others	-	111,306
Loans & Advances to Employees	600,166	3,411,102
EPCG Advance	512,665	512,665
MAT Credit Entitlement	52,493,230	58,150,210
Total	**138,208,046**	**104,689,874**

15. Inventories (At lower of cost and net realisable value)

(Figures in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
Raw Materials	52,946,487	32,603,545
Work-in-Progress	195,711,413	205,146,944
Finished Goods	23,059,860	40,683,409
Stock-in-Trade	27,149,507	33,303,287
Stores & Spares	17,079,569	10,770,296
Packing Materials	18,167,876	13,697,758
Total	**334,114,711**	**336,205,238**

Notes Forming Part of Consolidated Financial Statements for the year ended 31 March 2017

16. Trade Receivables (Unsecured, Considered Good)

(Figures in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
(A) Outstanding for a period exceeding six months from the date they are due for Payment		
1) Considered Good		
Due from Related Parties (Refer Note 45)	-	3,243,199
From Others	26,999,657	28,262,154
2) Doubtful		
(B) Others		
1) Considered Good		
Due from Related Parties (Refer Note 45)	-	13,875,236
From Others	238,330,782	217,008,811
2) Doubtful	-	-
Total	**265,330,439**	**262,389,400**

17. Cash & Cash Equivalent

(Figures in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
(A) Cash and Cash Equivalents		
1. Cash on Hand	1,512,622	1,874,091
2. Balances with Banks		
-In Current Accounts	112,825,930	47,987,945
-In Fixed Deposits having original maturity of less than twelve months	4,749,353	850,688
Total-(A)	**119,087,905**	**50,712,723**
(B) Other Bank Balances		
-Fixed Deposits having original maturity period of more than twelve months	478,822	2,122,424
Total-(B)	**478,822**	**2,122,424**
Total-(A) + (B)	**119,566,726**	**52,835,148**

17.1 Balances with banks in current account include Unclaimed Dividend Amount of ₹2,538,269 (P.Y. ₹2,522,319)

17.2 Balances with banks in fixed deposit account include balances held as margin money or security against borrowing, guarantees and other commitments ₹5,228,175 (P.Y. ₹2,973,112)

18. Short Term Loans and Advances (Unsecured, Considered Good)

(Figures in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
Advance to Sundry Creditors	17,956,806	14,774,774
Advance to Staff	1,829,628	2,400,646
Advance recoverable in cash or kind or for value to be received	2,100,711	2,722,304
Others	-	933,792
Total	**21,887,146**	**20,831,517**

19. Other current assets

(Figures in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016
Purchase Vat (Recoverable on Sales Vat)	30,854,007	21,979,040
LC Margin	-	17,088,235
Other Advances	1,949,119	4,104,117
Pre-operative Expenses	30,208,512	26,571,145
Total	**63,011,637**	**69,742,536**

20. Revenue from Operations

(Figures in ₹)

Particulars	Year ended 31 March 2017		Year ended March 2016	
(A) Sale of Goods				
Manufacturing Sales				
Domestic Sales	984,259,632		817,285,240	
Export Sales	130,630,292	1,114,889,924	81,089,871	898,375,111
Trading Sales				
Domestic Sales	106,302,221		85,897,062	
Export Sales	11,928,589	118,230,810	19,187,212	105,084,274
(B) Other Operating Income		20,911,813		26,561,049
Total		**1,254,032,547**		**1,030,020,435**
Less: Excise Duty		23,627,457		21,098,646
Total		**1,230,405,090**		**1,008,921,789**

20.1 Particulars of Sales

(Figures in ₹)

Particulars of Sales	Year ended 31 March 2017	Year ended 31 March 2016
-Poultry	1,101,180,203	935,611,719
-Large Animal	152,852,344	94,408,716
Total	**1,254,032,547**	**1,030,020,435**

Notes Forming Part of Consolidated Financial Statements for the year ended 31 March 2017

21. Other Income

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March, 2016
Interest Income		
- From Bank Deposits	86,116	220,656
- From Others	609,952	917,396
Miscellaneous Income	1,333,445	3,644,803
Rent Income	38,268	26,400
Exchange Profit & loss (Net)	1,021,771	552,886
Sundry balances / Excess provisions Written off / Written back (Net)	1,109,556	3,470,550
Total	**4,199,108**	**8,832,691**

22. Cost of Material Consumed

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Opening Stock	32,603,545	16,043,817
Add: Purchases	200,476,642	174,234,805
	233,080,187	190,278,622
Less: Closing Stock	52,946,487	32,603,545
Total	**180,133,700**	**157,675,078**

22.1 Particulars of Raw Material Consumed

(Figures in ₹)

Class of Goods	Year ended 31 March 2017	Year ended 31 March, 2016
Growth Media	118,719,752	101,959,150
Other Chemicals	61,413,948	55,715,928
Total	**180,133,700**	**157,675,078**

22.2 Value of indigenous and imported Raw Material consumed during the year

Class of Goods	Year ended 31 March 2017		Year ended 31 March 2016	
	Percentage	Value (₹)	Percentage	Value (₹)
Imported	8.02%	14,448,388	7.36%	11,612,148
Indigenous	91.98%	165,685,312	92.64%	146,062,930
Total	**100.00%**	**180,133,700**	**100.00%**	**157,675,078**

23. Purchase of Stock-in-Trade

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Purchase of stock in trade:-		
- Poultry	33,086,441	22,946,907
- Large Animal	41,826,417	44,645,832
Total	**74,912,858**	**67,592,739**

24. Change in Inventories

(Figures in ₹)

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
Closing Stock				
-Finished Goods	50,209,367		73,986,696	
-Semi-finished Goods	195,711,413		205,146,944	
		245,920,779		279,133,639
Opening Stock				
-Finished Goods	73,986,696		41,711,310	
-Semi-finished Goods	205,146,944		207,676,052	
		279,133,639		249,387,362
Total		**33,212,860**		**(29,746,277)**

25. Employee Benefit Expenses

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Salaries, Wages & Bonus	172,420,420	144,686,627
Contribution to P.F./Gratuity Fund	8,258,842	6,466,290
Staff Welfare	4,048,850	3,245,330
Total	**184,728,112**	**154,398,247**

26. Finance Cost

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Interest Expense	27,701,201	34,318,877
Other Borrowing Cost	7,285,547	2,871,300
Total	**34,986,747**	**37,190,177**

Notes Forming Part of Consolidated Financial Statements for the year ended 31 March 2017

27. Depreciation & Amortisation Expense

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Depreciation	68,806,785	57,014,693
Amortisation of Intangible Asset	1,210,737	497,847
Total	**70,017,522**	**57,512,540**

28. Other Expenses

(Figures in ₹)

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
Manufacturing Expense				
Power and Fuel	51,817,838		56,719,628	
Consumption of stores and spares	7,650,616		12,334,982	
Excise Duty *	(681,821)		1,989,579	
Repairs & Maintenance				
- Machinery	7,710,007		11,546,139	
- Building	5,035,801		5,195,879	
- Electrical	3,071,240		1,700,008	
Packing Expense	39,743,101		39,229,696	
Quality Control and Testing Expense	3,443,683		3,398,677	
Other Production Expense	34,118,452		36,290,381	
		151,908,919		168,404,970
Selling And Distribution Expense				
Selling Expense	40,069,575		33,275,379	
Sales Tax Expense	3,150,436		3,757,881	
Transportation Expense	38,264,680		30,659,909	
Travelling Expense	16,578,150		13,362,840	
		98,062,842		81,056,009
Establishment Expense:				
Communication Expenses	5,326,501		5,073,756	
Insurance Expense	3,698,860		2,354,890	
Legal, Professional and Consultancy	17,029,917		15,759,034	
Printing and Stationery	1,906,644		1,936,773	
Travelling and Conveyance	17,974,965		13,362,389	
Rent, Rates and Taxes	5,452,444		6,846,515	
Repairs and Maintenance - Others	5,776,601		3,255,257	
Vehicle & Petrol Expense	8,635,337		8,012,093	
Electricity Charges	1,308,144		1,396,866	
Diminution in value of Investment	-		2,660,750	
Charity & Donations	3,279,218		1,272,500	
Bad Debts written off	5,530,924		1,558,104	
Loss on sale of Fixed Asset	956,948		12,501	
Miscellaneous Expense	12,859,122		10,945,130	
Pre-operative expenses written off	7,485,977		-	
Prior period expenses	289,134		-	
Payment to Auditor				
- As Auditor	818,184		686,750	
- For Taxation Matters	229,000		229,000	
- For Other Services	229,000		229,000	
		98,786,923		75,591,309
Total		**348,758,684**		**325,052,288**

*Excise Duty shown under expenditure represents the aggregate of Excise Duty borne by the Company and difference between excise duty on opening & closing stock of finished goods.

29. Commitments

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advance]	42,367,494	9,519,453

30. Contingent Liabilities not Provided for

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Claims against the company not acknowledged as debts:		
Income Tax:		
In respect of matters decided against the Company, for which the Company is in appeal/may opt for appeal with higher authorities.	6,216,945	6,236,165

31. Dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

(Figures in ₹)

Particulars		Year ended 31 March 2017	Year ended 31 March 2016
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-
(ii)	The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006;	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	-	-

The above information has been determined to the extent such parties have been identified by the Company on the basis of information collected by the Management, which has been relied upon by the auditors.

Notes Forming Part of Consolidated Financial Statements for the year ended 31 March 2017

32. Specified bank notes disclosure (SBNs)

In accordance with the MCA notification G.S.R. 308 dated 30 March 2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from 8 November 2016 to 30 December 2016, is given below:

(Figures in ₹)

Particulars	SBNs	ODNs	Total
Closing Cash on Hand as on 8 November 2016	826,500	2,882,847	3,709,347
(+) Permitted receipts	-	2,171,695	2,171,695
(-) Permitted payments	-	3,777,148	3,777,148
(-) Amount Deposited in banks	826,500	-	826,500
Closing Cash on Hand as on 30 December 2016	-	1,277,394	1,277,394

33. Eligible Research and Development Expenditure included in Notes 21 to 27 (Except Note no. 25 & 26) are as under:-

Research and Development Expenditure eligible for deduction in the current year:

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Revenue Expenditure		
Salary and Wages	13,540,845	13,919,363
Provident Fund Contribution	227,943	178,668
Packing-Forwarding-Freight expenses	21,191	26,314
Power and fuel Cost	11,058,215	10,999,080
Chemical (Local)	561,515	3,620,265
Carriage Inward Expenses	35,524	34,651
Consumable (Local)	1,316,991	1,122,538
Other Allow./Reimbursement	499,912	380,344
R & D Expense	213,441	9,979,651
Repairs and Maintenance expenses	712,629	519,478
Traveling Expense	91,272	342,258
Other Admin Expense	57,506	2,603
Total (A)	**28,336,984**	**41,125,213**
Capital Expenditure (B)	**51,603,244**	**9,899,804**
Total (A +B)	**79,940,228**	**51,025,017**

34. Expenditure in Foreign Currency (on accrual basis)

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Purchase of Materials/Trading goods/Packing (on C.I.F basis)	32,985,745	23,813,943
Travelling	6,555,791	6,715,344
Capital Expenditure	23,819,118	1,575,662
Membership/Registration Fee	674,682	186,228
Consultancy & Professional Fees	173,878	1,212,214
Books & Periodicals	134,426	204,941
Office Maintenance	3,835,384	-
Others	85,485	483,724

35. Earnings in Foreign Currency (on accrual basis)

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
F.O.B. value of Exports	134,626,580	92,711,355
Other Operating Revenue	20,911,813	26,561,049
Other income	-	603,934

36. Dividend Remittances in foreign currency

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Final Dividend for 2014-15		
On 200,550 Equity shares of ₹10/- each to 3 Non Resident Share Holder		621,705
Interim Dividend for 2015-16		
On 200,550 Equity shares of ₹10/- each to 3 Non Resident Share Holder		601,650
Final Dividend for 2015-16		
On 200,550 Equity shares of ₹10/- each to 3 Non Resident Share Holder	220,605	
Interim Dividend for 2016-17		
On 200,550 Equity shares of ₹10/- each to 3 Non Resident Share Holder	601,650	

Notes Forming Part of Consolidated Financial Statements for the year ended 31 March 2017

37. Proposed Dividend

The final dividend proposed for the year is below

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
On Equity Shares of ₹10 Each		
Amount of Dividend Proposed	19,565,790	9,357,552
Dividend Per Share	2.30	1.10

The directors have recommended the payment of a final dividend of ₹ 2.30 per fully paid equity share (31 March 2016 – ₹ 1.10). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

38. Details of Corporate Social Responsibility (CSR) Expenditure

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Amount Required to Be spent under Section 135 of the Act	3,787,617	3,164,060
Amount Spent during the year	1,611,000	970,000

39. Balances of receivables, payables, loans & advances and deposits are subject to confirmations. Any adjustments, if required would be made at the time of reconciliation of settlement of accounts.

40. Pursuant to the Scheme of Amalgamation and Arrangement u/s 391 to 394 of the Companies Act, 1956 dated 8 December 2015, the company has issued 1 Equity share of ₹10 each fully paid-up in respect of every 33,537 equity share of ₹10 each in the equity share capital of Innoves Animal Health Private Limited, aggregating 65 equity shares of the company.

41. Adjustment represents borrowing costs that are attributable to the acquisitions or constructions of qualifying assets for expansion/new project were needed to be capitalised to the respective fixed assets in the previous years and in the current year the amount is capitalised to fixed assets thereby increasing the reserves by ₹9.27 million.

42. In the opinion of the Board of directors, loans and advances are of the value stated in the Balance Sheet, to be realised in the normal course of business and provision for all known liabilities have been made in the books of accounts which are adequate and not in excess of the amount reasonably required.

43. Trade Receivables outstanding for a period exceeding six months from the date they are due for payment includes trade receivable of ₹ NIL (P.Y. ₹6.74 million) for which management is persuing for its recovery and is negotiating with each party. Based on the current negotiation with the respective parties, management is hopeful for its realisation in full and consequently no provision has been made for such trade receivables.

44. Hester Biosciences Nepal Pvt Ltd i.e subsidiary Company has changed the accounting policy as under:

All the expenses of administrative nature, incurred up to the point of commercialisation were previously charged to Income Statement but from the current year the same has been shown as Pre-operative Expenses - under current asset.

In order to make the figures comparable previous year figure have also been stated accordingly. By this change in accounting policy a debit balance of reserve of NPR 24,783,624 has been transferred to current asset under pre-operative expenses in the previous year and additional amount of NPR 10,953,317 has been added to current asset under pre-operative expenses thus, increasing the current asset by NPR 35,736,941. Pre-operative expenses will be written off from the current year at the rate of 20% in each year. Thus, the amount written off in the current year comes to NPR 12,160,061.

45.

(i) List of Related Parties as on 31 March 2017

(a) Key Management Personnel:

Mr. Rajiv Gandhi - CEO & Managing Director

Mr. Jigar Shah - Chief Financial Officer

Ms. Amala Parikh - Company Secretary

(b) Promoters and their relatives having control:

Dr. Bhupendra V. Gandhi (Non-Executive Chairman)

Mr. Sanjiv Gandhi (Non-Executive Director)

Mr. Ravin Gandhi (Non-Executive Director)

Ms. Nina Gandhi (Alternate Director)

(c) Enterprise having significant influence:

Hester Coatings LLP

Sinsui India Private Limited

Biolink Healthcare Limited

Hester Diagnostics Private Limited

Gujarat Polyplast Private Limited

Notes Forming Part of Consolidated Financial Statements for the year ended 31 March 2017

II. Related Party Transactions

Following are the transactions and amount outstanding with related parties as defined under Accounting Standard-18 on "Related Parties Disclosure" as defined under the Companies (Accounting Standards Rules), 2006 :

(Figures in ₹)

Particulars	Key Management Personnel / Relatives of KMP		Subsidiary / Associate Company		Enterprises Having Significant Influence (EHSI)		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
(a) Sale of Goods			-	17,661,737			-	17,661,737
Leruarua Vetcare (Proprietary) Limited			-	17,661,737			-	17,661,737
(b) Purchase			17,812,860	-			17,812,860	-
Gujarat Polyplast Private Limited			17,812,860	-			17,812,860	-
(c) Sitting Fees for Board Meetings	120,000	80,000					120,000	80,000
Ms. Priya Gandhi	10,000	20,000					10,000	20,000
Mr. Sanjiv Gandhi	40,000	40,000					40,000	40,000
Dr. Bhupendra V. Gandhi	40,000	20,000					40,000	20,000
Ms. Nina Gandhi	30,000	-					30,000	-
(d) Remuneration Paid	22,772,450	13,660,419					22,772,450	13,660,419
Mr. Rajiv Gandhi	17,400,000	8,290,723					17,400,000	8,290,723
Mr. Jigar Shah	5,192,450	5,189,696					5,192,450	5,189,696
Ms. Amala Parikh	180,000	180,000					180,000	180,000
(e) Rent Paid - MD's Residence					600,000	600,000	600,000	600,000
Biolink Healthcare Limited					600,000	600,000	600,000	600,000
(f) Salary Paid	517,543	-					517,543	-
Ms. Priya Gandhi	517,543	-					517,543	-
(i) Loans and Advances Given			514,204	1,849,627			514,204	1,849,627
Leruarua Vetcare (Proprietary) Limited			514,204	1,849,627			514,204	1,849,627
(j) Loans and Advances Received Back			1,534,457		-	870,432	1,534,457	870,432
Sinsui India Private Limited			-		-	870,432	-	870,432
Leruarua Vetcare (Proprietary) Limited			1,534,457		-	-	1,534,457	-
(k) Investment in Subsidiary/Associates			-	682,948			-	682,948
Leruarua Vetcare (Proprietary) Limited			-	682,948			-	682,948
(l) Disinvestment in Subsidiary/Associates			731,078	-			731,078	-

Balances at the end of the Year

Particulars	Key Management Personnel / Relatives of KMP		Subsidiary / Associate Company		Enterprises Having Significant Influence (EHSI)		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
(a) Trade Receivables			-	17,118,435			-	17,118,435
Leruarua Vetcare (Proprietary) Limited			-	17,118,435			-	17,118,435
(b) Trade Payables			3,777,326	-			3,777,326	-
Gujarat Polyplast Private Limited			3,777,326	-			3,777,326	-
(c) Loans & Advances			829,374	1,849,627			829,374	1,849,627
Leruarua Vetcare (Proprietary) Limited			829,374	1,849,627			829,374	1,849,627
(d) Investment			-	682,948			-	682,948
Leruarua Vetcare (Proprietary) Limited			-	682,948			-	682,948
(e) Remuneration Payable	4,703,400	800,000					4,703,400	800,000
Mr. Rajiv Gandhi	4,703,400	800,000					4,703,400	800,000

46. Disclosure as per As-15 (Revised) on "Employee Benefit" for the year ended 31 March 2017

a Defined Contribution Plans

The Company made contribution towards provident fund to defined contribution retirement benefit plans for qualifying employees. The provident fund plan is operated by the regional provident fund commissioner, the Company required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefit.

The Company recognised ₹ 5.19 million (P.Y. ₹ 3.95 million) for provident fund contribution in the profit and loss account. The contributions payable to this plan by the Company are at rates specified in the rules of the scheme.

b Defined benefit Plan

The Company made annual contribution to the employee's Group Gratuity Cash Accumulation Scheme of the Life Insurance Corporation of India, a funded benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or a part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The present value of define benefit obligation and the related current service cost were measured using the projected unit credit method as per actuarial valuation carried out at balance sheet date.

The following table sets out the funded status of the gratuity plan and the amount recognised by the Company's financial statement as at 31 March 2017.

i) Change in benefit obligations:

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Projected benefit obligations at beginning of the year	14,006,008	10,698,609
Service Cost	1,751,007	1,376,166
Interest Cost	1,155,496	859,098
Actuarial (Gain) / Loss	1,267,872	1,338,274
Benefits Paid	(147,717)	(266,139)
Projected benefit obligations at the end of year	18,032,666	14,006,008

ii) Change in plan Asset:

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Fair value of plan assets at the beginning of the period	14,610,757	11,574,267
Expected return on plan assets	1,205,387	929,414
Contribution	2,156,358	2,429,191
Benefit paid	(147,717)	(266,139)
Actuarial Gain/(Loss) on plan asset	(218,769)	(55,976)
Fair value of plan assets at the end of the period	17,606,016	14,610,757
Total actuarial gain/(loss) to be recognised	(1,486,641)	(1,394,250)

Notes Forming Part of Consolidated Financial Statements for the year ended 31 March 2017

iii) Expenses recognised in income statement:

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Current service cost	1,751,007	1,376,166
Interest Cost	(49,891)	(70,316)
Net Actuarial (Gain)/Loss to be recognised	1,486,641	1,394,250
Expense recognised in P&L	3,187,757	2,700,100

iv) Assumptions used in accounting for the Gratuity plan:

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Discount rate opening period	8.25%	8.03%
Discount rate closing period	7.57%	8.25%
Rate of return on plan asset opening period	8.25%	8.03%
Rate of return on plan asset closing period	7.57%	8.25%
Salary escalation opening period	6.00%	6.00%
Salary escalation closing period	6.00%	6.00%
Attrition rate opening period	2.00%	2.00%
Attrition rate closing period	2.00%	2.00%

v) Amount recognised in the Balance sheet:

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Liability at the end of the period	18,032,666	14,006,008
Fair value of the plan assets at the end of the period	17,606,016	14,610,757
Funded Status (Surplus/(Deficit))	(426,650)	604,749
Net Asset/(Liability) recognised in the Balance Sheet	(426,650)	604,749

vi) Actual Return on Plan Assets :

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Expected Return on Plan Assets	1,205,387	929,414
Actuarial Gain/loss on Plan Assets	(218,769)	(55,976)
Actual Return on Plan Assets	986,618	873,438

vii) Balance sheet Reconciliation:

(Figures in ₹)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Opening Net Liability	(604,749)	(875,658)
Expenses As Above	3,187,757	2,700,100
Employers Contribution Paid	(2,156,358)	(2,429,191)
Closing Net Liability/(Asset) in the Balance Sheet	426,650	(604,749)

47. Earning per Share

Calculation of Net Profit available for Equity Shareholders:

(Figures in ₹)

Particulars		Year ended 31 March 2017	Year ended 31 March 2016
A	Net Profit After Tax	234,482,592	191,960,534
	Profit available to Equity shareholders	234,482,592	191,960,534
B	Weighted Average No. of Eq. Shares of INR 10/- each	8,506,865	8.506,808
C	Basic and diluted Earning per share	27.56	22.57

48. Segment Information

(Figures in ₹)

Particulars	For the year ended 31 March 2017			For the year ended 31 March 2016		
	Poultry Division	Large Animal Division	Total	Poultry Division	Large Animal Division	Total
A. Segment Revenue						
Sales and Operating Earnings (Net)	1,078,378,046	152,027,044	1,230,405,090	914,984,030	93,937,759	1,008,921,789
Other Income	3,745,132	440,108.00	4,185,240	8,241,222	380,475	8,621,697
Unallocated Income			-			210,994
Total Segment Revenue	**1,082,123,178**	**152,467,152**	**1,234,590,330**	**923,225,252**	**94,318,234**	**1,017,754,480**
Identifiable Segment Expenses	775,142,119	116,607,751	891,749,870	653,507,196	78,783,675	732,290,871
Unallocated Expenses						193,743
Segment Operating Income	**306,981,059**	**35,859,401**	**342,840,460**	**269,718,056**	**15,534,559**	**285,269,866**
Less : Unallocable Finance Cost			34,986,747			37,190,177
Net Profit Before Tax			**307,853,713**			**248,079,689**
Less : Tax Expense			80,954,238			56,263,263
Net Profit after Tax but Before Minority Interest			**226,899,475**			**191,816,426**

Notes Forming Part of Consolidated Financial Statements for the year ended 31 March 2017

(Figures in ₹)

Particulars	For the year ended 31 March 2017 (INR)			For the year ended 31 March 2016 (INR)		
	Poultry Division	Large Animal Division	Total	Poultry Division	Large Animal Division	Total
B. Other Information						
Segment Assets	1,457,796,971	133,588,260	1,591,385,231	1,358,325,963	63,932,154	1,422,258,117
Unallocated Assets			589,874,253			436,021,799
Segment Liabilities	426,966,468	4,801,045	431,767,513	421,878,190	9,994,538	431,872,728
Unallocated Liabilities			553,355,226			409,337,783
Depreciation/Amortisation	54,869,560	220,930	55,090,490	57,128,596	189,840	57,318,436
Unallocable Depreciation			14,927,033			193,743
Capital Expenditure	158,289,744	140,489	158,430,233	73,443,739	-	73,443,739
Unallocable Capital Expenditure			143,858,743			76,026,707

49.

(Figures in ₹)

Particulars	Net Assets (Total Assets minus Total Liabilities)				Share in Profit or Loss			
	2016-17		2015-16		2016-17		2015-16	
	As % of Consolidated Net Assets	Net Assets	As % of Consolidated Net Assets	Net Assets	As % of Consolidated Net Assets	Profit/(loss)	As % of Consolidated Net Assets	Profit/(loss)
Holding Company								
Hester Biosciences Limited	85.14	1,057,335,743	85.83	912,592,321	109.55	248,565,524	100.21	192,228,164
Subsidiary Company (foreign)								
Hester Biosciences Nepal Private Limited	11.18	138,801,180	9.80	104,237,147	(6.21)	(14,082,932)	(0.14)	(267,630)
Minority interest in Subsidiary Company	3.69	45,768,798	4.37	46,451,716	(3.34)	(7,583,117)	(0.08)	(144,108)
Total	**100.00**	**1,241,905,721**	**100.00**	**1,063,281,184**	**100.00**	**226,899,475**	**100.00**	**191,816,426**

50. Previous year's figures have been regrouped/reclassified wherever necessary to confirm to current year's classification/disclosure.

As per our report of even date attached.

For & on behalf of the Board of Directors

For Apaji Amin & Co. LLP
Chartered Accountants
FRN: 100513W/W100062

Tehmul B. Sethna
Partner
Membership No.: 035476

Place : Ahmedabad
Date : 8 May 2017

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Jigar Shah
CFO

Place : Ahmedabad
Date : 8 May 2017

Sanjiv Gandhi
Director
Din No: 00024548

Amala Parikh
Company Secretary

Ten-Year Financial Statistics

(₹ in million)

Year Ended on 31 March	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Manufacturing Sales	322.41	297.84	367.83	416.73	479.21	618.08	638.34	826.17	877.28	1,091.26
Trading Sales	3.93	3.76	7.49	2.98	3.42	32.96	52.14	62.89	105.08	119.99
Other Operational Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.31	26.56	20.91
NET SALES	**326.34**	**301.60**	**375.32**	**419.71**	**482.63**	**651.04**	**690.48**	**900.37**	**1,008.92**	**1,232.16**
Other Income	2.75	0.92	0.81	1.31	2.44	2.34	7.73	3.57	8.72	7.26
TOTAL INCOME	**329.09**	**302.52**	**376.13**	**421.02**	**485.07**	**653.38**	**698.21**	**903.94**	**1,017.64**	**1,239.42**
Total Expenses	156.60	153.68	214.18	239.13	293.55	426.98	437.18	643.60	674.97	822.87
(a) (Increase)/decrease in Inventories	(19.90)	(41.36)	(40.21)	(54.59)	(51.45)	(24.64)	(30.32)	59.58	(29.75)	33.21
(b) Trading Purchase	4.23	3.28	7.25	1.89	6.72	31.76	39.28	37.23	67.59	88.05
(c) Consumption of Raw materials	62.82	71.31	91.43	113.76	119.21	147.15	104.56	150.01	157.68	177.67
(d) Manufacturing Expenses	34.50	36.51	57.08	60.98	87.41	93.48	116.49	128.91	168.40	151.91
(e) Staff Cost	29.94	36.66	49.97	58.19	68.68	90.62	98.37	123.17	154.40	184.72
(f) Selling, General & Admn. Expenses	45.01	47.28	48.65	58.89	62.98	88.61	108.80	144.71	156.65	187.31
Interest	26.55	28.88	23.63	25.28	28.27	32.18	64.34	44.49	36.86	32.08
Depreciation	36.85	38.44	42.33	44.78	41.23	43.95	53.78	54.94	57.32	55.09
PROFIT BEFORE EXCEPTIONAL ITEMS	**109.09**	**81.52**	**96.00**	**111.83**	**122.02**	**150.27**	**142.91**	**160.91**	**248.49**	**329.38**
Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27.21	0.00	0.00
PROFIT BEFORE TAX	**109.09**	**81.52**	**96.00**	**111.83**	**122.02**	**150.27**	**142.91**	**188.11**	**248.49**	**329.38**
Provision for taxation	38.69	34.16	35.67	35.88	44.11	53.37	42.03	48.16	56.26	80.95
NET PROFIT	**70.41**	**47.36**	**60.33**	**75.96**	**77.91**	**96.90**	**100.88**	**139.95**	**192.23**	**248.43**
BALANCE SHEET AS AT	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
SOURCES OF FUNDS :										
Paid-up Equity share capital	51.91	51.91	51.91	51.91	56.71	85.07	85.07	85.07	85.07	85.07
Equity Warrants	0.00	0.00	0.00	16.44	0.00	0.00	0.00	0.00	0.00	0.00
General Reserve & Surplus	282.78	314.56	356.73	411.50	543.78	593.68	674.65	757.39	918.13	1112.30
Loan Funds	201.43	187.66	201.49	213.25	140.20	214.81	324.49	387.17	386.56	394.27
TOTAL	**536.12**	**554.13**	**610.13**	**693.10**	**740.69**	**893.56**	**1,084.21**	**1,229.63**	**1,389.76**	**1,591.64**
APPLICATION OF FUNDS :										
Net Fixed Assets	409.04	405.31	398.36	392.16	365.32	346.99	506.77	565.30	615.68	608.51
Capital Work - in - Progress	0.00	0.00	0.00	0.00	63.04	240.53	131.50	142.74	104.70	212.94
Investment	0.00	0.00	0.00	25.00	25.00	27.85	36.33	88.80	86.70	86.02
Net Current Assets	146.05	174.71	238.32	301.40	311.81	304.18	458.87	486.12	663.01	772.13
Deferred Tax Assets / (Liabilities)	(18.97)	(25.89)	(26.55)	(25.46)	(24.48)	(25.99)	(49.26)	(53.33)	(80.33)	(87.96)
TOTAL	**536.12**	**554.13**	**610.13**	**693.10**	**740.69**	**893.56**	**1,084.21**	**1,229.63**	**1,389.76**	**1,591.64**
Equity Dividend	25%	25%	30%	35%	10%	20%	20%	31%	41%	53%

ABBREVIATIONS		
1	Act	Companies Act, 2013
2	AGM	Annual General Meeting
3	ADRs	American Depository Receipts
4	AS	Accounting Standards
5	bps	Basis points
6	BSE	The BSE Limited
7	bn	Billion
8	Capital W.I.P.	Capital Work in Progress
9	CARE	Credit Analysis and Research Limited
10	CAGR	Compound Annual Growth Rate
11	C.I.F.	Cost Insurance and Freight
12	CDSL	Central Depository Services Limited
13	CEO	Chief Executive Officer
14	CFO	Chief Financial Officer
15	CIN	Corporate Identity Number
16	CLID	Client Identity
17	CS	Company Secretary
18	CSR	Corporate Social Responsibility
19	DIN	Director Identification Number
20	DPID	Depository Participant Identity
21	DSIR	Department for Scientific & Industrial Research
22	EBIDTA	Earnings Before Interest, Depreciation, Taxes, and Amortisation
23	EPCG	Export Promotion Capital Goods
24	EPS	Earning Per Share
25	ESOS	Employees Stock Option Scheme
26	FAO	Food and Agriculture Organisation
27	FD	Fixed Deposit
28	FOB	Free On Board
29	F.Y.	Financial Year
30	GAAP	Generally Accepted Accounting Principles
31	GALVmed	Global Alliance for Livestock Veterinary Medicines
32	GDRs	Global Depository Receipts
33	GMP	Good Manufacturing Practices
34	GLN	Global Location Number
35	GLP	Good Laboratory Practices
36	HBL	Hester Biosciences Limited
37	HBNPL	Hester Biosciences Nepal Private Limited
38	HUF	Hindu Undivided Family
39	ICAI	Institute of Chartered Accountants of India
40	ILRI	International Livestock Research Institute
41	IPO	Initial Public Offer
42	ISIN	International Securities Identification Number
43	ISO	International Organisation for Standardisation
44	KMP	Key Managerial Personnel
45	LLP	Limited Liability Partnership
46	Listing Regulations	SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015
47	LODR	Listing Obligations and Disclosures Requirements
48	MAT	Minimum Alternate Tax
49	MBL	Maine Biological Laboratories
50	MCA	Ministry of Corporate Affairs
51	mn	Million

ABBREVIATIONS		
52	NEAPS	NSE Electronic Application Processing System
53	NGO	Non-Governmental Organisation
54	NIC	National Industrial Classification
55	NSDL	National Securities Depository Limited
56	NSE	The National Stock Exchange of India Limited
57	OHSAS	Occupational Health and Safety Assessment Series
58	OIE	World Organisation for Animal Health
59	PAT	Profit After Tax
60	PBT	Profit Before Tax
61	PBIT	Profit Before Interest and Tax
62	P/E	Price-Earnings
63	PPR	Peste des Petits Ruminants
64	PAN	Permanent Account Number
65	P.Y.	Previous Year
66	QIP	Qualified Institutional Placement
67	R & D	Research & Development
68	ROC	Registrar of Companies
69	SCRA	The Securities Contracts (Regulation) Act, 1956
70	SCORES	SEBI Complaints Redressal System
71	SEBI	Securities Exchange Board of India
72	SLM	Straight Line Method
73	SS	Secretarial Standards
74	the Company	Hester Biosciences Limited
75	WDV	Written Down Value
76	WHO	World Health Organisation

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Hester Biosciences Limited

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