

9 November 2017

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

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

Scrip Code: 524669

Symbol: HESTERBIO

Respected Sir / Madam,

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

Start Time: 10.30 am

Conclusion Time: 11.10 am

This is in reference to our letter dated 27 October 2017 intimating the date of the Board Meeting for consideration of the Unaudited Standalone Financial Results for the quarter and half year ended on 30 September 2017.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that Board of Directors, in their Meeting held today, have approved the Unaudited Standalone Financial Results for the quarter and half year ended on 30 September 2017. The Boards of Directors have declared an interim dividend of 40%, that is INR 4 (four) per equity share on the face value of INR 10 (ten) per share, for the financial year 2017-18.

We attach herewith:

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

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

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

**Sincerely,
For Hester Biosciences Limited**



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

UNAUDITED FINANCIAL RESULTS (STANDALONE) FOR THE QUARTER/HALF YEAR ENDED 30 SEPTEMBER 2017
In Million INR

Sr.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-09-2017	30-06-2017	30-09-2016	30-09-2017	30-09-2016	31-03-2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Net Sales/ Income from Operations	384.79	290.41	301.71	675.20	608.89	1255.79
	Manufacturing Sales	330.50	235.86	258.96	566.35	531.69	1114.89
	Trading Sales	50.64	44.54	35.77	95.19	63.42	119.99
	Other Operational Income	3.65	10.00	6.99	13.66	13.78	20.91
2	Other Income	6.29	5.53	1.10	11.82	4.46	7.26
3	Total Revenue (1+2)	391.09	295.94	302.82	687.02	613.34	1263.04
4	Total Expenses	250.88	202.73	231.68	453.61	452.11	932.17
	(a) Cost of material consumed	45.52	48.37	42.65	93.90	87.07	177.67
	(b) Purchases of stock-in-trade	22.60	14.57	23.24	37.17	38.09	88.05
	(c) Change in inventories	(6.37)	(14.71)	5.36	(21.08)	20.00	33.21
	(d) Employee benefits expenses	55.16	48.64	44.92	103.80	82.86	183.23
	(e) Depreciation and amortisation expenses	13.25	13.81	13.44	27.05	26.35	55.09
	(f) Finance cost	3.52	6.16	8.76	9.68	16.57	32.08
	(g) Other expenses - manufacturing	54.39	46.25	41.36	100.64	80.42	175.53
	(h) Other expenses - selling, general & admin.	62.82	39.64	51.95	102.45	100.75	187.31
5	Profit before tax (3-4)	140.20	93.21	71.14	233.41	161.23	330.87
6	Tax Expense	51.66	31.32	11.25	82.97	41.14	81.47
	Current tax	51.91	24.80	3.24	76.71	35.56	73.84
	Deffered tax	(0.25)	6.52	8.01	6.26	5.59	7.63
7	Profit for the period (5-6)	88.55	61.89	59.89	150.44	120.09	249.40
8	Other Comprehensive Income	(1.40)	(0.24)	(0.20)	(1.63)	(0.41)	(0.97)
	A (i) Items that will not be reclassified to Profit or Loss	(2.13)	(0.37)	(0.31)	(2.50)	(0.63)	(1.49)
	(ii) Income Tax realting to items that will not be reclassified to profit or loss	0.73	0.13	0.11	0.87	0.22	0.52
	B (i) Items that will be reclassified to Profit or Loss	-	-	-	-	-	-
	(ii) Income Tax realting to items that will be reclassified to profit or loss	-	-	-	-	-	-
9	Total Comprehensive Income for the period (7+8)	87.15	61.65	59.69	148.80	119.68	248.43
10	Paid-up equity share capital (face value of INR 10)	85.07	85.07	85.07	85.07	85.07	85.07
11	Reserve as shown in the Audited Balance Sheet of the previous year	-	-	-	-	-	1,135.85
12	Earnings Per Share (of INR 10 each) (Not Annualised) - Basic & Diluted	10.41	7.28	7.04	17.68	14.12	29.32

REPORT ON SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED
In Million INR

Sr.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-09-2017	30-06-2017	30-09-2016	30-09-2017	30-09-2016	31-03-2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Segment Revenue						
	a. Poultry	299.35	267.07	270.52	566.42	555.57	1102.93
	b. Large Animal	85.44	23.34	31.19	108.78	53.32	152.86
	Total Income from Operations (Net)	384.79	290.41	301.71	675.20	608.89	1255.79
2	Segment Results (Profit before Finance Cost, Exceptional Items and Taxes)						
	a. Poultry	98.65	97.21	77.17	195.86	174.14	327.09
	b. Large Animal	45.08	2.15	2.73	47.23	3.66	35.86
	Total	143.73	99.36	79.90	243.09	177.80	362.95
	a. Finance Costs	3.53	6.15	8.76	9.68	16.57	32.08
	b. Exceptional Items	-	-	-	-	-	-
	c. Other unallocable expenditure/(income) [Net]	-	-	-	-	-	-
	Profit before Tax	140.20	93.21	71.14	233.41	161.23	330.87
3	Segment Assets						
	a. Poultry	-	-	-	1,664.38	1,416.81	1,457.80
	b. Large Animal	-	-	-	159.13	93.37	133.59
	Unallocated Assets	-	-	-	185.28	123.35	125.71
	Total	-	-	-	2,008.79	1,633.53	1,717.10
4	Segment Liabilities						
	a. Poultry	-	-	-	466.62	417.89	426.97
	b. Large Animal	-	-	-	101.78	18.32	4.80
	Unallocated Liabilities	-	-	-	94.22	85.91	87.96
	Total	-	-	-	662.62	522.12	519.73

UNAUDITED (STANDALONE) STATEMENT OF ASSETS AND LIABILITIES				
In Million INR				
Sr.	Particulars	As at	As at	As at
		30-09-2017	30-09-2016	31-03-2017
		Unaudited	Unaudited	Unaudited
I	ASSETS			
A	Non-current assets			
	(a) Property, plant and equipment	586.10	611.19	601.43
	(b) Intangible Assets	6.60	7.71	7.08
	(c) Capital Work in progress	289.15	127.87	212.94
	(d) Financial Assets			
	(i) Investment	144.78	86.70	86.02
	(ii) Loans	61.02	38.21	39.69
	(iii) Other Financial Assets	35.32	15.33	9.93
	(e) Other non-current assets	122.45	104.60	127.45
B	Current assets			
	(a) Inventories	345.06	324.52	330.67
	(b) Financial Assets			
	(i) Trade Receivables	291.41	227.78	267.09
	(ii) Cash & Cash Equivalents	137.02	36.61	119.50
	(iii) Others	-	-	-
	(c) Other Current Assets	71.60	34.53	35.10
	TOTAL ASSETS	2,090.51	1,615.06	1,836.89
II	EQUITIES & LIABILITIES			
C	Equity			
	(a) Equity Share capital	85.07	85.07	85.07
	(b) Other Equity	1261.10	1037.81	1,135.85
	Liabilities			
D	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	167.69	129.59	186.62
	(ii) Other financial liabilities	-	-	-
	(b) Provisions	-	-	-
	(c) Deferred tax liabilities (Net)	94.22	85.91	87.96
	(d) Other non-current liabilities	1.50	0.00	1.50
E	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	279.37	122.03	175.15
	(ii) trade Payables	62.51	62.58	74.70
	(iii) Other financial liabilities	35.31	53.07	32.50
	(b) Provisions	41.15	1.12	12.16
	(c) Other current liabilities	62.59	37.89	45.39
	TOTAL EQUITIES & LIABILITIES	2,090.51	1,615.06	1,836.89

Notes:

1. The unaudited standalone financial results for the quarter and half year ended on 30 September 2017 were reviewed and recommended by the Audit Committee and then approved by the Board of Directors at their meeting held on 9 November 2017.
2. The unaudited standalone financial results have been prepared in accordance with the Indian Accounting Standards (Ind-As) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules, 2016.
3. The Company has transited to the Ind AS with effect from 01 April 2016 and for this purpose comparative figures of the quarter and half year ended on 30 September 2016 and for the year ended on 31 March 2017 have been restated and accordingly the impact of transition have been provided.
4. Segment wise reporting in accordance with Ind-AS 108 is given separately.
5. Provision for taxation includes Current Tax of INR 76.71 million and Deferred Tax Expense of INR 6.26 million for the half year ended on 30 September 2017.
6. The Reconciliation of net profit for Unaudited Standalone Results as previously reported under IGAAP to Ind-AS:

(In Million INR)

Particulars	Quarter Ended	Half Year Ended	Year Ended
	30 September 2016	30 September 2016	31 March 2017
Net Profit as per the Indian GAAP	59.69	119.68	248.43
Actual Loss on defined benefit obligation recognised in other comprehensive income	0.31	0.63	1.49
Current Tax on above Adjustment	(0.11)	(0.22)	(0.52)
Net Profit under Ind-AS	59.89	120.09	249.40
Other Comprehensive Income	(0.31)	(0.63)	(1.49)
Current Tax on above Adjustment	0.11	0.22	0.52
Total Comprehensive Income Under Ind-AS	59.69	119.68	248.43

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

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

Place: Ahmedabad
Date: 9 November 2017
For and on behalf of the Board of Directors

Rajiv Gandhi
CEO & Managing Director

Apaji Amin & Co LLP

CHARTERED ACCOUNTANTS

Partners :

Tehmul B. Sethna

B. Com., F.C.A.

Rity M. Malhotra

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

LIMITED REVIEW REPORT

“We have reviewed the accompanying Statement of unaudited Standalone Financial Results of **HESTER BIOSCIENCES LIMITED** for the quarter and half year ended on 30th September 2017, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulation, 2015, read with Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016. This statement is the responsibility of the company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

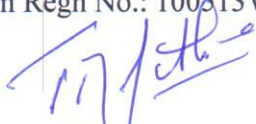
We conducted our review of Statement in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards i.e. Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 , read with Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Ahmedabad
Date: 9th November 2017

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




Tehmul .B. Sethna
Partner
Membership No.: 035476

Press Release

09 November 2017

Q2FY18 Hester's net profit up 47.85 %

Company declares INR 4.00 per share as interim dividend

Financial Highlights

	FY18 - FY17 Q2 Comparison			FY18 - FY17 H1 Comparison		
	FY18	FY17	Growth	FY18	FY17	Growth
Net Sales INR Million	384.79	301.71	27.53%	675.20	608.89	10.89%
Net Profit INR Million	88.55	59.89	47.85%	150.44	120.09	25.27%
EPS INR	10.41	7.04	47.85%	17.68	14.12	25.27%

Q2 Highlights

- Net Sales for Q2FY18 is recorded at INR 384.79 Million as compared to INR 301.71 Million for the previous corresponding period, thereby registering a growth of 27.53%.
- Net Profit for Q2FY18 is recorded at INR 88.55 Million as compared to INR 59.89 Million for the previous corresponding period, thereby registering a growth of 47.85%.
- Earnings Per Share for the Q2FY18 stands at INR 10.41 as compared to INR 7.04 for Q2FY17.

H1 Highlights

- Net Sales for H1FY18 is recorded at INR 675.20 Million as compared to INR 608.89 Million for the previous corresponding period, thereby registering a growth of 10.89%.
- Net Profit for H1FY18 is recorded at INR 150.44 Million as compared to INR 120.09 Million for the previous corresponding period, thereby registering a growth of 25.27%.
- Earnings Per Share for H1FY18 stands at INR 17.68 as against INR 14.12 for H1FY17.

Business Overview

- The sales in the Poultry divisions grew at 12.21% while in the Large Animal divisions it grew at 173.90% in Q2FY18.
- Domestic sales grew by 37.03% while exports decreased by 15.84% in Q2FY18. While the growth in domestic market sales is attributed to deeper market penetration as well as in being awarded tender businesses in the large animal segment, the drop in exports is mainly due to:
 - o Slower pace of international tenders
 - o Diversion of large animal vaccines to execute domestic tender business

We are in the process of planning towards unexpected tender businesses thereby creating an internal system by which we would not have to divert product supplies, but have enough stocks for execution of all orders.

- The pursuit for improving the bottom line continues which is evident in the results. Increased sales of large animal vaccines as well as the on-going process towards rationalising the product mix are the main drivers, besides working towards improved efficiencies in the over all operations.
- The diagnostics division has been launched and the contribution to sales is expected from Q4FY18.
- Nepal plant registered a turnover of INR 13.20 Million for Q2FY18 and INR 19.40 Million for H1FY18. There is a net loss of INR 19.00 Million for H1FY18. The operations have been moving slower than forecasts due to unforeseen internal circumstances towards standardising the production and QC activities. We hope to over come all these hurdles by the end of this financial year.
- Hester's wholly owned subsidiary Hester Biosciences Africa Limited is currently undertaking a market survey towards setting up an animal vaccine manufacturing unit in Tanzania, for Africa specific animal diseases. The current timeline for the project is being maintained.

Summary:

1. The operations indicate that the large animal vaccine business has a good potential for improving the profitability of the company. The growth anticipated is also from the large animal vaccines.
2. Future sales forecasts are being made, factoring the current profitability benchmark.



Rajiv Gandhi
Hester Biosciences Limited
CEO & Managing director