

23 January 2018

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 nine months ended on 31 December 2017

Start Time: 10.45 am

Conclusion Time: 11.16 am

This is in reference to our letter dated 13 January 2018 intimating the date of the Board Meeting for consideration of the Unaudited Standalone Financial Results for the quarter and nine months ended on 31 December 2017.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that Board of Directors, in their Meeting held today, have approved the Unaudited Standalone Financial Results for the quarter ended on 31 December 2017.

We attach herewith:

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

We 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**

STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS ENDED 31 DECEMBER 2017

(In Million INR)

Sr.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2017	30-09-2017	31-12-2016	31-12-2017	31-12-2016	31-03-2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Net Sales/ Income from Operations	319.25	368.04	290.94	977.69	899.83	1255.79
	Manufacturing Sales	270.88	316.39	255.30	823.13	787.00	1114.89
	Trading Sales	44.08	48.00	28.50	136.62	91.92	119.99
	Other Operational Income	4.29	3.65	7.13	17.94	20.91	20.91
2	Other Income	3.72	6.29	1.85	15.53	6.30	7.26
3	Total Revenue (1+2)	322.96	374.33	292.79	993.23	906.13	1263.04
4	Total Expenses	213.71	234.13	216.85	650.56	668.96	932.17
	(a) Cost of material consumed	54.04	45.52	48.75	147.93	135.82	177.67
	(b) Purchases of stock-in-trade	15.12	22.60	24.49	52.29	62.58	88.05
	(c) Change in inventories	(24.69)	(6.37)	(11.84)	(45.77)	8.16	33.21
	(d) Employee benefits expenses	56.65	55.16	48.18	160.45	131.04	183.23
	(e) Depreciation and amortisation expenses	13.12	13.25	12.39	40.17	38.74	55.09
	(f) Finance cost	7.45	3.52	7.75	17.13	24.32	32.08
	(g) Other expenses - manufacturing	46.58	37.64	42.93	130.46	123.36	175.53
	(h) Other expenses - selling, general & administrative	45.44	62.82	44.19	147.89	144.95	187.31
5	Profit before tax (3-4)	109.26	140.20	75.93	342.67	237.17	330.87
6	Tax Expense	44.25	51.66	17.72	127.22	58.88	81.47
	Current tax	34.63	51.91	17.79	111.34	53.36	73.84
	Deferred tax	9.62	(0.25)	(0.07)	15.88	5.52	7.63
7	Profit for the period (5-6)	65.01	88.55	58.21	215.44	178.29	249.40
8	Other Comprehensive Income	(0.82)	(1.40)	(0.21)	(5.05)	(0.62)	(0.97)
	A (i) Items that will not be reclassified to Profit or Loss	(1.25)	(2.13)	(0.31)	(3.75)	(0.94)	(1.49)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	0.43	0.73	0.11	(1.30)	0.33	0.52
	B (i) Items that will be reclassified to Profit or Loss	-	-	-	-	-	-
	(ii) Income Tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
9	Total Comprehensive Income for the period (7+8)	64.19	87.15	58.01	210.39	177.67	248.43
10	Paid-up equity share capital (face value of INR 10 each)	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	-	-	-	-	-	1135.85
12	Earnings Per Share (of INR 10 each) (Not Annualised) - Basic & Diluted	7.64	10.41	6.84	25.33	20.96	29.32

REPORT ON SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED

(In Million INR)

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Notes:

1. The unaudited standalone financial results for the quarter and nine months ended on 31 December 2017 were reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on 23 January 2018.
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 nine months ended on 31 December 2016 and for the year ended on 31 March 2017 have been restated and accordingly the impact of transition have been provided.
4. Revenue from operations up to 30 June 2017 includes excise duty, which is discontinued with effect from 1 July 2017 upon implementation of Goods and Services Tax (GST) in India. In accordance with 'Ind AS 18, Revenue' GST is not included in revenue from operations. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the quarter and nine months ended on 31 December 2017 are not comparable with the previous periods.
5. Segment wise reporting in accordance with Ind-AS 108 is given separately.
6. Provision for taxation includes Current Tax of INR 111.34 million and Deferred Tax Expense of INR 15.88 million for the nine months ended on 31 December 2017.
7. The Reconciliation of net profit for Unaudited Standalone Results as previously reported under IGAAP to Ind-AS:

Particulars	Quarter Ended	Nine Months Ended	Year Ended
	31 December 2016	31 December 2016	31 March 2017
Net Profit as per the Indian GAAP	58.01	177.68	248.43
Actual Loss on defined benefit obligation recognized in other comprehensive income	0.31	0.94	1.49
Current Tax on above Adjustment	(0.11)	(0.33)	(0.52)
Net Profit under Ind-AS	58.21	178.29	249.40
Other Comprehensive Income	(0.31)	(0.94)	(1.49)
Current Tax on above Adjustment	0.11	0.33	0.52
Total Comprehensive Income Under Ind-AS	58.01	177.68	248.43

8. This reconciliation statement has been provided in accordance with circular CIR/CFD/FAC/62/2016 issued by SEBI dated 05 July 2016 on account of implementation of Ind-AS by Listed Companies.
9. The figures have been re-grouped / rearranged where ever necessary.

For and on behalf of the Board of Directors



Rajiv Gandhi
CEO & Managing Director

Place: Ahmedabad
Date: 23 January 2018

Apaji Amin & Co LLP

CHARTERED ACCOUNTANTS

Partners :

Tehmul B. Sethna

B. Com., F.C.A.

Rity M. Malhotra

M. Com., A.C.A.

Chirag R. Ganatra

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

LIMITED REVIEW REPORT

We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **HESTER BIOSCIENCES LIMITED** for the quarter and nine months ended on 31th December 2017, attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

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 an analytical procedure 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 thereafter 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 and SEBI circular dated 5 July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Ahmedabad

Date: 23rd January, 2018



For Apaji Amin & Co. LLP

Chartered Accountants

Firm Regn No.: 100513W/W100062

Tehmul .B. Sethna

Partner

Membership No.: 035476

Press Release

23 January 2018

Q3FY18 Results: Sales up by 10%, Profitability up by 12%

Nine Months FY18 Results: Sales up by 9%, Profitability up by 21%

	FY18 - FY17 Q3 Comparison			FY18 - FY17 Nine Month Comparison		
	FY18	FY17	Growth	FY18	FY17	Growth
Net Sales (INR Million)	319.25	290.94	10%	977.69	899.83	9%
Net Profit (INR Million)	65.01	58.21	12%	215.44	178.29	21%
EPS (INR)	7.64	6.84	12%	25.33	20.96	21%

Q3 Highlights

1. Hester has reported a Net Sales of INR 319.25 Mn in Q3FY18 as compared to INR 290.94 Mn for the previous corresponding period, thereby registering a growth of 10%.
2. Net Profit for Q3FY18 is recorded at INR 65.01 Mn as against INR 58.21 Mn for the previous corresponding period, thereby registering a growth of 12%.
3. Earnings Per Share for the Q3FY18 is at INR 7.64 as against INR 6.84 for Q3FY17.

Nine Months Highlights

1. Hester has reported a Net Sales of INR 977.69 Mn in Nine months ended FY18 as compared to INR 899.83 Mn for the previous corresponding period, thereby registering a growth of 9%.
2. Net Profit for Nine months ended FY18 is recorded at INR 215.44 Mn against INR 178.29 Mn for the previous corresponding period, thereby registering a growth of 21%.
3. Earnings Per Share for Nine months ended FY18 is at INR 25.33 as against INR 20.96 for the Nine months ended FY17.

Business Overview

- The sales in the Poultry divisions grew at 9.28% while in the Large Animal divisions it grew at 22.05% in Q3FY18.
- Domestic sales grew by 10.49% while exports grew by 17.62% in Q3FY18. Exports have grown marginally, lesser than budgeted. By the end of the year, we hope to see an increase in exports as we have rationalised as well as increased our production capacities to ensure a proper flow of products for exports, besides additional registrations having been received from a few African countries.
- Nepal plant registered a turnover of INR 3.7 million for Q3FY18 and INR 9.90 million for nine months FY18. There is a net loss of INR 50.60 million for nine months FY18. Having received market authorisations just this month for selling in Nepal, the sales are forecasted to grow. Standardisation of most of the products has been completed. International tenders for PPR vaccine procurement are yet to pick up, which is the main cause for the lower sales.
- Hester's wholly owned subsidiary Hester Biosciences Africa Limited has completed the market survey. The prospects to set up an animal vaccine manufacturing unit in Tanzania seems to be emerging.



HESTER

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Summary:

1. Operation of Hester India having grown by 10%, we have addressed all capacity related issues to ensure a higher growth. Geographical territories within India have been added in the large animal divisions. Domestic tender business in Q4 would also lead the sales in the large animal vaccine division.
2. Operations of Hester Nepal would pick up with the flow of international tenders.



Rajiv Gandhi
Hester Biosciences Limited
CEO & Managing Director