

10 August 2018

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 Board Meeting held today and Submission of Unaudited Standalone Financial Results for the quarter ended on 30 June 2018

Start Time: 9.30 am

Conclusion Time: 9.50 am

This is in reference to our letter dated 2 August 2018 intimating the date of the Board Meeting for consideration of the Unaudited Standalone Financial Results for the quarter ended on 30 June 2018.

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 followings:

1. Unaudited Standalone Financial Results for the quarter ended on 30 June 2018.
2. The Board of Directors declared 1st interim dividend of 20% that is INR 2.00 per equity share on the face value of INR 10 (ten) per share, for the financial year 2018-19.
3. Approved issuance of equity shares, and/or equity linked securities and/or securities convertible into equity shares through Qualified Institutional Placement (QIP) or preferential allotment for an amount not exceeding INR 100 crores, subject to approval of members.
4. Approved borrowings as a loan to the extent of US Dollar 10 million under External Commercial Borrowing (ECB) as per guidelines issued by Reserve Bank of India.

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 ENDED 30 JUNE 2018

In Million INR

Sr.	Particulars	Quarter Ended			Year Ended
		30-06-2018	31-03-2018	30-06-2017	31-03-2018
		Unaudited	Audited	Audited	Audited
1	Net Sales/ Income from Operations	382.60	374.83	290.41	1,352.53
	Manufacturing Sales	312.78	310.38	235.86	1,133.52
	Trading Sales	55.59	49.00	44.54	185.62
	Other Operational Income	14.23	15.45	10.00	33.39
2	Other Income	7.74	3.24	5.53	18.77
3	Total Revenue (1+2)	390.33	378.07	295.94	1,371.30
4	Total Expenses	256.29	283.66	202.72	934.23
	(a) Cost of material consumed	68.89	69.10	48.37	217.04
	(b) Purchases of stock-in-trade	18.39	26.12	14.57	78.42
	(c) Change in inventories	(34.76)	(16.58)	(14.71)	(62.35)
	(d) Excise Duty	-	-	4.67	4.67
	(e) Employee benefits expenses	62.76	62.43	48.64	222.88
	(f) Finance Cost	5.33	6.02	6.16	23.15
	(g) Depreciation and amortisation expenses	15.93	14.34	13.81	54.51
	(h) Other expenses	119.76	122.23	81.22	395.91
5	Profit before tax (3-4)	134.04	94.41	93.21	437.07
6	Tax Expense	37.20	4.27	31.45	131.49
	Current tax	39.33	13.81	24.93	125.15
	Deffered tax	(2.13)	(9.54)	6.52	6.34
7	Profit for the period (5-6)	96.84	90.14	61.76	305.58
8	Other Comprehensive Income	0.33	1.23	(0.24)	(1.22)
	A (i) Items that will not be reclassified to Profit or Loss	0.47	1.93	(0.37)	(1.86)
	(ii) Income Tax realting to items that will not be reclassified to profit or loss	(0.14)	(0.70)	0.13	0.64
	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)	97.17	91.37	61.52	304.36
10	Paid-up equity share capital (face value of INR 10)	85.07	85.07	85.07	85.07
11	Reserve as shown in the Audited Balance Sheet of the previous year	-	-	-	1,375.71
12	Earnings Per Share (of INR 10 each) (Not Annualised) - Basic & Diluted	11.38	10.59	7.23	35.92

REPORT ON SEGMENT REVENUE, RESULTS, ASSETS AND LIABILITIES

In Million INR

Sr.	Particulars	Quarter Ended			Year Ended
		30-06-2018	31-03-2018	30-06-2017	31-03-2018
		Unaudited	Audited	Audited	Audited
1	Segment Revenue				
	a. Poultry Healthcare	327.01	331.16	257.06	1,140.56
	b. Animal Healthcare	36.21	28.22	23.34	178.58
	c. Veterinary Social Business	15.26	-	-	-
	d. Other Operational Income	4.12	15.45	10.00	33.39
	Total Revenue	382.60	374.83	290.41	1,352.53
2	Segment Results (Profit before Finance Cost and Taxes)				
	a. Poultry Healthcare	128.83	99.01	96.85	375.18
	b. Animal Healthcare	3.69	1.42	2.15	85.04
	c. Veterinary Social Business	2.91	-	-	-
	d. Other Operational Income	3.94	-	-	-
	Total Segment Results	139.37	100.43	99.00	460.22
	a. Finance Cost	5.33	6.02	6.16	23.15
	b. Exceptional Items (Income)	-	-	-	-
	c. Other unallocable expenditure/(income) [Net]	-	-	(0.37)	-
	Profit before Tax	134.04	94.41	93.21	437.07
3	Segment Assets				
	a. Poultry Healthcare	-	-	-	1,641.41
	b. Animal Healthcare	-	-	-	187.21
	c. Veterinary Social Business	-	-	-	-
	Unallocated Assets	-	-	-	189.13
	Total	-	-	-	2,017.75
4	Segment Liabilities				
	a. Poultry Healthcare	-	-	-	451.52
	b. Animal Healthcare	-	-	-	32.21
	c. Veterinary Social Business	-	-	-	-
	Unallocated Liabilities	-	-	-	73.23
	Total	-	-	-	556.96

Notes:

1. The Unaudited Standalone Financial Results for the quarter ended on 30 June 2018 were reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on 10 August 2018. The Statutory Auditor have carried out "Limited Review" of financial results of the Company for the quarter ended on 30 June 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.
3. 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 ended 30 June 2018 is not comparable with the previous corresponding period.
4. Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after 1 April 2018, replaces existing revenue recognition requirements. Under the modified retrospective approach there were no adjustments required to the retained earnings at 1 April 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results.
5. Segment wise reporting in accordance with Ind AS 108 is given separately.
6. Provision for taxation includes Current Tax of INR 39.33 million and Deferred Tax Expense of INR (2.13) million for the quarter ended on 30 June 2018.
7. The Board of Directors have declared 1st Interim Dividend of INR 2 per equity share (20%) for the financial year 2018-19.
8. During the quarter the Company has made equity investment to the extent of INR 6.86 million in its Wholly-owned Subsidiary Company namely Hester Biosciences Kenya Limited.
9. The figures have been re-grouped / rearranged where ever necessary.

For and on behalf of the Board of Directors



Place: Ahmedabad
Date: 10 August 2018

Rajiv Gandhi
CEO & Managing Director

SHAH KARIA & ASSOCIATES

Chartered Accountants

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LIMITED REVIEW REPORT

The Board of Directors
Hester Biosciences Ltd.

We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Hester Biosciences Ltd.** (the "Company") for the quarter ended June 30, 2018 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Regulations"), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 (the "Circular").

The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review of the 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 Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and 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, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.



SHAH KARIA & ASSOCIATES

Chartered Accountants

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Hester Biosciences Ltd.

Limited Review Report on unaudited standalone financial results

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The comparative financial information of the Company for the corresponding quarter ended June 30, 2017 was reviewed by the predecessor auditor who expressed an unmodified conclusion on those financial information on July 28, 2017 and the financial statements of the Company for the year ended March 31, 2018, were audited by the predecessor auditor who expressed an unmodified opinion on those financial statements on May 14, 2018.

For **SHAH KARIA AND ASSOCIATES**

Chartered Accountants

ICAI Firm Registration No.: 131546W



Priyank Shah

Partner

Membership No.: 118627



Place: Ahmedabad

Date: August 10, 2018

Press Release

10 August 2018

Q1FY19 Results: Sales up by 32%, Profitability up by 57%

Financial Highlights

	Q1FY19	Q1FY18	Growth	FY18
Net Sales (INR Million)	382.60	290.41	32%	1352.53
Net Profit (INR Million)	96.84	61.52	57%	305.58
EPS (INR)	11.38	7.23	57%	35.92

Q1 Highlights

- Hester has reported a Net Sales of INR 382.60 Million in Q1FY19 as compared to INR 290.41 Million for the previous corresponding period, thereby registering a growth of 32%.
- Net Profit for Q1FY19 is recorded at INR 96.84 Million as against INR 61.52 Million for the previous corresponding period, thereby registering a growth of 57%.
- Earnings per Share for the Q1FY19 are at INR 11.38 as against INR 7.23 for Q1FY18.
- Net Profit margin for Q1FY19 is at 25.31% of sales as against 21.18% in Q1FY18.

Business Overview

Hester India operations

- The top-line growth can be attributed to the commissioning of the expanded capacity and shifting the focus on high value products.
- The company improved its EBIDTA and the Net Profit in Q1FY19. The main drivers for the improvement were reduction in the costs of goods sold, better inventory management, rationalising the product mix and better credit control.
- Considering the high profitability in Q1 and being reasonably confident of maintaining this level, the board declared an interim dividend of 20 percent (INR 2 per share) for the current financial year.
- Various inorganic growth opportunities in the sphere of animal health manufacturing and distribution are currently being explored. The company hopes to grow its business either towards increasing its market penetration with additional products or towards increasing the geographical market reach.

Hester Nepal operations

- Nepal plant has started generating revenues leading to a positive EBIDTA level. We hope to see a growing trend from here on.
- Hester Nepal received manufacturing and marketing authorisations for 4 additional animal vaccines

Hester Africa operations

The animal vaccine manufacturing project in Tanzania has been finalised. The first commercial batch is slated to be released in 2020 end. This plant would be the first of its kind in Africa to address many prevailing diseases in the continent. The plant is designed to generate a top-line of USD 30 million at full capacity.



Rajiv Gandhi
Hester Biosciences Limited
CEO & Managing director