

29 January 2019

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 and nine months ended on 31 December 2018

Start Time: 10.30 am

Conclusion Time: 11.25 am

This is in reference to our letter dated 21 January 2019 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 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 Unaudited Standalone Financial Results for the quarter and nine months ended on 31 December 2018.

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 2018

In Million INR

Sr.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2018	30-09-2018	31-12-2017	31-12-2018	31-12-2017	31-03-2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales/ Income from Operations	415.56	425.42	319.25	1,223.58	977.69	1,352.53
	Manufacturing Sales	362.54	348.72	270.28	1,034.15	822.23	1,133.52
	Trading Sales	53.02	72.48	43.80	181.09	135.85	185.62
	Other Operational Income	-	4.22	5.17	8.34	19.61	33.39
2	Other Income	5.57	2.86	3.72	16.16	15.53	18.77
3	Total Revenue (1+2)	421.13	428.28	322.96	1,239.74	993.23	1,371.30
4	Total Expenses	256.39	289.88	213.71	802.56	650.56	934.23
	(a) Cost of material consumed	44.79	56.30	54.04	169.98	147.93	217.04
	(b) Purchases of stock-in-trade	41.41	46.22	15.12	106.01	52.29	78.42
	(c) Change in inventories	(19.71)	(49.21)	(24.69)	(103.69)	(45.77)	(62.35)
	(d) Excise Duty	-	-	-	-	4.67	4.67
	(d) Employee benefits expenses	69.28	65.74	56.65	197.78	160.45	222.88
	(e) Finance cost	9.40	6.86	7.45	21.59	17.13	23.15
	(f) Depreciation and amortisation expenses	15.19	15.15	13.12	46.27	40.17	54.51
	(g) Other expenses	96.03	148.82	92.01	364.61	273.68	395.91
5	Profit before tax (3-4)	164.74	138.40	109.26	437.18	342.67	437.07
6	Tax Expense	46.15	39.08	44.25	122.44	127.22	131.49
	Current tax	47.66	39.70	34.63	126.70	111.34	125.15
	Deffered tax	(1.51)	(0.62)	9.62	(4.26)	15.88	6.34
7	Profit for the period (5-6)	118.59	99.32	65.01	314.75	215.44	305.58
8	Other Comprehensive Income	(0.28)	(1.56)	(0.82)	(1.83)	(5.05)	(1.22)
	A (i) Items that will not be reclassified to Profit or Loss	(0.39)	(2.19)	(1.25)	(2.58)	(3.75)	(1.86)
	(ii) Income Tax realting to items that will not be reclassified to profit or loss	0.11	0.63	0.43	0.75	(1.30)	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)	118.31	97.76	64.19	312.92	210.39	304.36
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	-	-	-	-	-	1,375.71
12	Earnings Per Share (of INR 10 each) (Not Annualised) - Basic & Diluted	13.94	11.68	7.64	37.00	25.33	35.92

REPORT ON SEGMENT REVENUE, RESULTS, ASSETS AND LIABILITIES

In Million INR

Sr.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2018	30-09-2018	31-12-2017	31-12-2018	31-12-2017	31-03-2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue						
	a. Poultry Healthcare	305.14	296.18	268.54	928.34	807.72	1,140.56
	b. Animal Healthcare	102.92	111.78	45.54	250.90	150.36	178.58
	c. Veterinary Social Business	7.50	13.24	-	36.00	-	-
	d. Other Operational Income	-	4.22	5.17	8.34	19.61	33.39
	Total Income from Operations (Net)	415.56	425.42	319.25	1,223.58	977.69	1,352.53
2	Segment Results (Profit before Finance Cost and Taxes)						
	a. Poultry Healthcare	122.17	107.62	75.14	358.44	256.56	341.79
	b. Animal Healthcare	55.36	32.34	36.40	91.39	83.63	85.04
	c. Veterinary Social Business	(3.38)	1.07	-	0.60	-	-
	d. Other Operational Income	-	4.22	5.17	8.34	19.61	33.39
	Total Segment Results	174.14	145.26	116.71	458.77	359.80	460.22
	a. Finance Costs	9.40	6.86	7.45	21.59	17.13	23.15
	b. Exceptional Items	-	-	-	-	-	-
	c. Other unallocable expenditure/(income) (Net)	-	-	-	-	-	-
	Profit before Tax	164.74	138.40	109.26	437.18	342.67	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 and Nine Months ended on 31 December 2018 were reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on 29 January 2019. The Statutory Auditor have carried out "Limited Review" of financial results of the Company for the quarter and Nine months ended on 31 December 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 nine months ended 31 December 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 126.70 million and Deferred Tax Expense of INR (4.26) million for the nine months ended on 31 December 2018.
7. During the quarter the Company has made equity investment to the extent of INR 108.87 million in its Wholly-owned Subsidiary Company namely Hester Biosciences Africa Limited.
8. During the period, members of the Company has approved an issue of equity shares through Qualified Institutional Placement (QIP) or preferential allotment to the extent of INR 1,000 million through Postal Ballot.
9. The figures have been re-grouped / rearranged where ever necessary.

For and on behalf of the Board of Directors



Place: Ahmedabad
Date: 29 January 2019

Rajiv Gandhi
CEO & Managing Director

SHAH KARIA & ASSOCIATES

Chartered Accountants

405, SCARLET BUSINESS HUB, OPP. ANKUR SCHOOL,
NR. MAHALAXMI FIVE ROADS, FATEHPURA, PALDI,
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LIMITED REVIEW REPORT

The Board of Directors
Hester Biosciences Limited

We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Hester Biosciences Ltd.** (the "Company") for the quarter ended December 31, 2018 (the "Statement"), 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.

The comparative financial information of the Company for the corresponding quarter ended December 31, 2017 was reviewed by the predecessor auditor who expressed an unmodified conclusion on those financial information on January 23, 2018 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

Priyank Shah
Partner
Membership No.: 118627



Place: Ahmedabad
Date: January 29, 2019



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CIN L99999GJ1987PLC022333

Press Release

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29 January 2019

Q3FY19 Results: Sales up by 30%, Profitability up by 82%

Financial Highlights

(INR in Million)

	Q3			9 Months		
	FY19	FY18	Growth	FY19	FY18	Growth
Net Sales	415.56	319.25	30%	1,223.58	977.69	25%
Net Profit	118.59	65.01	82%	314.75	215.44	46%
EPS (In INR)	13.94	7.64	82%	37.00	25.33	46%

Business Overview

Hester India

- The sales target for the 9 months ended was achieved by 94%. The profitability improved during the period. This improvement is attributed to a better product mix, better inventory management and a reduction in the cost of production.

Hester Nepal

- In the last quarter, we have invested in creating an elaborate marketing and distribution network within Nepal. With this, we hope to see a spurt in domestic sales.
- To remove the dependency on tender business, we have started aggressive marketing efforts as well as product registration efforts in many countries. This will yield results good results by the end of 2019.

Texas Lifesciences

- We received WHO-GMP certification in October 2018. This will directly help us in registration of Texas products internationally.
- With more products shifted to Texas for manufacturing, Texas has helped Hester in achieving the objectives for timely supplies and for assuring the desired quality of products.

Hester Africa

- The progress in the project is as per schedule. We are currently in the construction phase.
- In the nine months of this FY19, Hester Biosciences (India) has injected INR 127.00 Million (USD 1.75 Million) as an equity contribution in Hester Biosciences Africa. Hester India's total equity contribution in Hester Africa now stands at INR 159.50 Million (USD 2.25 Million).

Hester's Q3 & 9M FY19 Key Financials

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Hester India's Revenue Growth in INR Million - Division

	Division	Q3FY19	Q3FY18	Growth	9MFY19	9MFY18	Growth
1	Poultry Healthcare	305.14	268.54	13.63%	928.34	807.72	14.93%
2	Animal Healthcare	102.92	45.54	126.00%	250.90	150.36	66.87%
3	Veterinary Social Business*	07.50	00.00		36.00	00.00	
4	Other Operating Income	00.00	5.17		8.34	19.61	
	Net Sales	415.56	319.25	30.17%	1,223.58	977.69	25.15%

*This is the first year for Veterinary Social Business Division.

Hester India's Revenue Growth in INR Million - Geography

	Territory	Q3FY19	Q3FY18	Growth	9MFY19	9MFY18	Growth
1	Domestic	386.50	291.30	32.68%	1,098.97	868.90	26.48%
2	Export	29.06	22.72	27.88%	116.28	89.20	30.42%
	Net Sales*	415.56	314.02		1,215.24	958.10	

*Net Sales are excluding other operating income.

Hester India's Profitability Analysis

	Particular	Q3FY19	Q3FY18	Up / (Down)	9MFY19	9MFY18	Up / (Down)
1	GP Margin	72.50%	67.50%	5.00%	69.27%	67.21%	2.06%
2	EBIDTA Margin	44.22%	39.50%	4.72%	39.96%	39.32%	0.64%
3	NP Margin	28.54%	20.36%	8.18%	25.72%	22.04%	3.68%
4	EPS in INR (Non Annualised)	13.94	7.64	6.30	37.00	25.33	11.67

Hester Nepal in INR Million

	Particular	Q3FY19	Q3FY18	Growth	9MFY19	9MFY18	Growth
1	Net Sales	14.04	03.70	279.31%	28.96	9.98	190.06%
2	Net Profit / (Loss)	(20.41)	(19.15)		(57.38)	(54.49)	

Texas Lifesciences in INR Million

	Particular	Q3FY19	Q3FY18	Growth	9MFY19	9MFY18	Growth
1	Net Sales	27.18	04.88	457.28%	61.32	15.05	307.40%
2	Net Profit / (Loss)	2.21	00.56	297.42%	4.81	00.17	2743.74%



Rajiv Gandhi
Hester Biosciences Limited
CEO & Managing Director