

29 October 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 and half year ended on 30 September 2018

Start Time: 10.45 am

Conclusion Time: 11.02 am

This is in reference to our letter dated 17 October 2018 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 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 and half year ended on 30 September 2018.
2. The Board of Directors declared 2nd interim dividend of 20% that is INR 2.00 (two) per equity share on the face value of INR 10 (ten) per share. The Company has already paid 1st Interim Dividend of INR 2.00 (Two) per equity shares.
3. Revision in remuneration of Mr. Rajiv Gandhi, CEO & Managing Director of the Company for the current tenure ending on 31 March 2020, subject to approval of Members.

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/HALF YEAR ENDED 30 SEPTEMBER 2018

In Million INR

Sr.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-09-2018	30-06-2018	30-09-2017	30-09-2018	30-09-2017	31-03-2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales/ Income from Operations	425.42	382.60	384.79	808.02	675.20	1,352.53
	Manufacturing Sales	341.66	312.78	330.50	654.44	566.35	1,133.52
	Trading Sales	72.47	55.59	50.64	128.06	95.19	185.62
	Other Operational Income	11.29	14.23	3.65	25.52	13.66	33.39
2	Other Income	2.86	7.74	6.29	10.59	11.82	18.77
3	Total Revenue (1+2)	428.28	390.33	391.09	818.61	687.02	1,371.30
4	Total Expenses	289.88	256.29	250.88	546.16	453.61	934.23
	(a) Cost of material consumed	56.30	68.89	45.52	125.19	93.90	217.04
	(b) Purchases of stock-in-trade	46.22	18.39	22.60	64.61	37.17	78.42
	(c) Change in inventories	(49.21)	(34.76)	(6.37)	(83.97)	(21.08)	(62.35)
	(d) Excise Duty	-	-	-	-	4.67	4.67
	(e) Employee benefits expenses	65.74	62.76	55.16	128.49	103.80	222.88
	(f) Finance cost	6.86	5.33	3.52	12.19	9.68	23.15
	(g) Depreciation and amortisation expenses	15.15	15.93	13.25	31.08	27.05	54.51
	(h) Other expenses	148.82	119.76	117.20	268.57	198.42	395.91
5	Profit before tax (3-4)	138.40	134.04	140.20	272.45	233.41	437.07
6	Tax Expense	39.08	37.20	51.66	76.29	82.97	131.49
	Current tax	39.70	39.33	51.91	79.04	76.71	125.15
	Deffered tax	(0.62)	(2.13)	(0.25)	(2.75)	6.26	6.34
7	Profit for the period (5-6)	99.32	96.84	88.55	196.16	150.44	305.58
8	Other Comprehensive Income	(1.56)	0.33	(1.40)	(1.23)	(1.63)	(1.22)
	A (i) Items that will not be reclassified to Profit or Loss	(2.19)	0.47	(2.13)	(1.72)	(2.50)	(1.86)
	(ii) Income Tax realting to items that will not be reclassified to profit or loss	0.63	(0.14)	0.73	0.49	0.87	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)	97.76	97.17	87.15	194.93	148.80	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	11.68	11.38	10.41	23.06	17.68	35.92

REPORT ON SEGMENT REVENUE, RESULTS, ASSETS AND LIABILITIES

In Million INR

Sr.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-09-2018	30-06-2018	30-09-2017	30-09-2018	30-09-2017	31-03-2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue						
	a. Poultry Healthcare	296.18	327.01	299.35	623.19	566.42	1,140.56
	b. Animal Healthcare	111.78	36.21	85.44	147.98	108.78	178.58
	c. Veterinary Social Business	13.24	15.26	-	28.50	-	-
	d. Other Operational Income	4.22	4.12	-	8.35	-	33.39
	Total Income from Operations (Net)	425.42	382.60	384.79	808.02	675.20	1,352.53
2	Segment Results (Profit before Finance Cost and Taxes)						
	a. Poultry Healthcare	107.63	128.83	98.65	236.44	195.86	375.18
	b. Animal Healthcare	32.34	3.69	45.08	36.04	47.23	85.04
	c. Veterinary Social Business	1.07	2.91	-	3.99	-	-
	d. Other Operational Income	4.22	3.94	-	8.17	-	-
	Total Segment Results	145.26	139.37	143.73	284.64	243.09	460.22
	a. Finance Costs	6.86	5.33	3.53	12.19	9.68	23.15
	b. Exceptional Items	-	-	-	-	-	-
	c. Other unallocable expenditure/(income) (Net)	-	-	-	-	-	-
	Profit before Tax	138.40	134.04	140.20	272.45	233.41	437.07
3	Segment Assets						
	a. Poultry Healthcare	-	-	-	1,925.50	1,664.38	1,641.41
	b. Animal Healthcare	-	-	-	202.82	159.13	187.21
	c. Veterinary Social Business	-	-	-	-	-	-
	Unallocated Assets	-	-	-	216.15	185.28	189.13
	Total	-	-	-	2,344.47	2,008.79	2,017.75
4	Segment Liabilities						
	a. Poultry Healthcare	-	-	-	478.22	466.62	451.52
	b. Animal Healthcare	-	-	-	201.03	101.78	32.21
	c. Veterinary Social Business	-	-	-	-	-	-
	Unallocated Liabilities	-	-	-	91.55	94.22	73.23
	Total	-	-	-	770.80	662.62	556.96

STANDALONE STATEMENT OF ASSETS AND LIABILITIES				In Million INR
Sr.	Particulars	As at 30-09-2018 Unaudited	As at 30-09-2017 Unaudited	As at 31-03-2018 Audited
I	Assets			
A	Non-Current Assets			
	(a) Property, plant and equipment	652.58	584.34	659.53
	(b) Intangible Assets	4.46	6.60	6.49
	(c) Capital Work in progress	353.85	289.15	304.73
	(d) Biological Assets other than bearer plants	1.59	1.75	1.38
	(e) Financial Assets			
	(i) Investment	169.80	144.78	144.78
	(ii) Loans	46.35	61.02	44.35
	(iii) Other Financial Assets	22.81	9.33	14.89
	(f) Other non-current assets	33.24	122.45	37.43
B	Current Assets			
	(a) Inventories	486.66	345.06	387.01
	(b) Financial Assets			
	(i) Trade Receivables	301.10	291.41	319.35
	(ii) Cash & Cash Equivalents	100.86	135.30	108.91
	(iii) Other Bank Balances	4.80	1.72	10.62
	(iv) Others	39.80	26.00	0.69
	(c) Other Current Assets	102.66	71.60	64.71
	Total Assets	2,320.57	2,090.51	2,104.87
II	Equities & Liabilities			
C	Equity			
	(a) Equity Share capital	85.07	85.07	85.07
	(b) Other Equity	1,488.61	1,261.10	1,375.71
	Liabilities			
D	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	121.38	167.69	146.07
	(ii) Other financial liabilities	0.50	94.22	0.50
	(b) Provisions	-	-	-
	(c) Deferred tax liabilities (Net)	70.48	1.50	73.23
	(d) Other non-current liabilities	-	-	-
E	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	312.24	279.37	241.92
	(ii) trade Payables	76.38	62.51	78.52
	(iii) Other financial liabilities	65.69	35.31	61.23
	(b) Provisions	0.01	5.49	0.01
	(c) Other current liabilities	49.10	62.59	32.03
	(d) Current Tax Liabilities (Net)	51.11	35.66	10.58
	Total Equity & Liabilities	2,320.57	2,090.51	2,104.87

Notes:

1. The unaudited standalone financial results for the quarter and half year ended on 30 September 2018 were reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on 29 October 2018. The Statutory Auditor have carried out "Limited Review" of financial results of the Company for the quarter and half year ended on 30 September 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 half year ended 30 September 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 79.04 million and Deferred Tax Expense of INR (2.75) million for the half year ended on 30 September 2018.
7. The Board of Directors have declared 2nd 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 18.17 million in its Wholly-owned Subsidiary Company namely Hester Biosciences Africa Limited.
9. The figures have been re-grouped / rearranged where ever necessary.

For and on behalf of the Board of Directors



Place: Ahmedabad
Date: 29 October 2018

Rajiv Gandhi
CEO & Managing Director

SHAH KARIA & ASSOCIATES

Chartered Accountants

405, SCARLET BUSINESS HUB, OPP. ANKUR SCHOOL,
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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 and six months ended September 30, 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.



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 and six months ended September 30, 2017 was reviewed by the predecessor auditor who expressed an unmodified conclusion on those financial information on November 9, 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: October 29, 2018

Press Release

29 October 2018

H1FY19 Results: Sales up by 20%, Profitability up by 30%

Financial Highlights

(INR in Million)

	Q2			H1		
	FY19	FY18	Growth	FY19	FY18	Growth
Net Sales	425.42	384.79	11%	808.02	675.20	20%
Net Profit	99.32	88.55	12%	196.16	150.44	30%
EPS (In INR)	11.68	10.41	12%	23.06	17.68	30%

Q2 Highlights

- Hester has reported a Net Sales of INR 425.42 Million in Q2FY19 as compared to INR 384.79 Million for the previous corresponding period, thereby registering a growth of 11%.
- Net Profit for Q2FY19 is recorded at INR 99.32 Million as against INR 88.55 Million for the previous corresponding period, thereby registering a growth of 12%.
- Earnings Per Share for the Q2FY19 is at INR 11.68 as against INR 10.41 for Q2FY18.

H1 Highlights

- Hester has reported a Net Sales of INR 808.02 Million in H1FY19 as compared to INR 675.20 Million for the previous corresponding period, thereby registering a growth of 20%.
- Net Profit for H1FY19 is recorded at INR 196.16 Million against INR 150.44 Million for the previous corresponding period, thereby registering a growth of 30%.
- Earnings per Share for H1FY19 is at INR 23.06 as against INR 17.68 for the H1FY18.

Business Overview

Hester India operations

- The sales targets was achieved by 96% and the profitability target by 101% as against the forecast.
- Considering the high profitability in Q2 and being reasonably confident of maintaining this level, the board has declared a second interim dividend of 20 percent (INR 2 per share) for the current financial year.
- Company is exploring various opportunities to increase the product portfolio and turnover.

Hester Nepal

Sales for H1FY19 stand at INR 14.84 Million as against INR 0.11 Million in H1FY18. We now hope to see a growing trend from here on. The Gross Profit for H1FY19 stands at INR 7.77 Million as against INR 0.52 Million in H1FY18. The Net Loss for H1FY19 stands at INR 44.51 Million as against INR 49.43 Million in H1FY18.

Hester Africa

Progress is as per schedule and we expect to roll out the first commercial vaccine by December 2020.

Texas Lifesciences

Revenue for H1FY19 stood at INR 34.14 Million as against INR 10.18 Million in H1FY18, with 88% of the revenues derived out of sales to Hester India. The Net Profit for H1FY19 stands at INR 2.61 Million as against a net loss of INR 0.39 Million in H1FY18. The primary objective for having in-house production to ensure quality and timely deliveries for all our animal health products is well being achieved.



Rajiv Gandhi
Hester Biosciences Limited
CEO & Managing director