

**7 February 2020**

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 Standalone and Consolidated Unaudited Financial Results for the quarter and nine months ended on 31 December 2019**

**Start Time: 10.30 am**

**Conclusion Time: 11.10 am**

This is with reference to our letter dated 27 January 2020 intimating the date of the Board Meeting for consideration of the Standalone and Consolidated Unaudited Financial Results for the quarter and nine months ended on 31 December 2019.

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) Standalone and Consolidated Unaudited Financial Results for the quarter and nine months ended on 31 December 2019.
- 2) Agreement with NOVAPHARMA for Technical Collaboration & Licensing to provide technology and support to set up an animal vaccines manufacturing facility in Egypt.

We attach herewith:

- 1) The approved Standalone and Consolidated Unaudited Financial Results along with Limited Review Report
- 2) Press Release issued in this regard

We would be publishing the extract of 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



**Plant Address**  
Village Merda-Ardraj  
Taluka Kadi  
District Mehsana  
Gujarat 382721, India  
**Phone** +91 79 26445105

CIN L99999GJ1987PLC022333

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS ENDED ON 31 DECEMBER 2019							
							In Million INR
Sr.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales/ Income from Operations	433.92	413.69	415.56	1,279.94	1,223.58	1,711.87
2	Other Income	14.64	6.54	5.57	26.30	16.16	30.97
3	Total Revenue (1+2)	448.56	420.23	421.13	1,306.24	1,239.74	1,742.84
4	Total Expenses	342.44	325.61	256.40	958.96	802.56	1,145.33
	(a) Cost of material consumed	54.62	48.91	44.88	157.30	170.07	227.32
	(b) Purchases of stock-in-trade	44.48	50.74	41.40	125.84	106.01	137.26
	(c) Change in inventories	(37.30)	(43.23)	(19.72)	(105.98)	(103.69)	(72.45)
	(d) Employee benefits expenses	91.74	92.07	69.29	262.18	197.78	267.41
	(e) Finance cost	14.11	6.06	9.40	32.59	21.59	35.43
	(f) Depreciation and amortisation expenses	24.46	23.25	15.19	70.98	46.27	75.66
	(g) Other expenses	150.33	147.81	95.95	416.05	364.52	474.69
5	Profit before tax (3-4)	106.12	94.62	164.73	347.28	437.18	597.51
6	Tax Expense	28.83	7.68	46.15	85.07	122.44	158.99
	Current tax	29.54	20.08	47.66	98.03	126.70	152.39
	Deffered tax	(0.71)	(12.40)	(1.51)	(12.96)	(4.26)	6.60
7	Profit for the period (5-6)	77.29	86.94	118.59	262.21	314.75	438.52
8	Other Comprehensive Income	(1.45)	(2.30)	(0.28)	(4.36)	(1.83)	(2.38)
	A (i) Items that will not be reclassified to Profit or Loss	(1.94)	(3.04)	(0.39)	(5.82)	(2.58)	(3.36)
	(ii) Income Tax realting to items that will not be reclassified to profit or loss	0.49	0.74	0.11	1.47	0.75	0.98
	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)	75.84	84.64	118.31	257.85	312.92	436.14
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	-	-	-	-	-	1,709.30
12	Earnings Per Share (of INR 10 each) (Not Annualised) - Basic & Diluted	9.09	10.22	13.94	30.82	37.00	51.55
REPORT ON SEGMENT REVENUE, RESULTS, ASSETS AND LIABILITIES							
							In Million INR
Sr.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue						
	a. Poultry Healthcare	291.04	268.65	281.48	901.25	904.67	1,306.20
	b. Animal Healthcare	89.88	90.88	76.51	236.37	224.49	354.85
	c. Others	53.00	54.16	57.57	142.31	94.42	50.82
	Total Income from Operations (Net)	433.92	413.69	415.56	1,279.94	1,223.58	1,711.87
2	Segment Results (Profit before Finance Cost and Taxes)						
	a. Poultry Healthcare	75.46	47.65	98.52	249.48	334.96	478.61
	b. Animal Healthcare	5.50	13.84	28.93	35.27	64.97	152.00
	c. Others	39.26	39.19	46.68	95.11	58.84	2.34
	Total Segment Results	120.22	100.68	174.13	379.86	458.77	632.94
	a. Finance Costs	14.11	6.06	9.40	32.59	21.59	35.43
	b. Exceptional Items	-	-	-	-	-	-
	c. Other unallocable expenditure/(income) [Net]	-	-	-	-	-	-
	Profit before Tax	106.12	94.62	164.73	347.28	437.18	597.51
3	Segment Assets						
	a. Poultry Healthcare	-	-	-	-	-	1,

**Notes:**

1. The Unaudited Standalone Financial Results for the quarter and nine months ended on 31 December 2019 were reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on 7 February 2020. The Statutory Auditor have carried out "Limited Review" of financial results of the Company for the quarter and Nine months ended on 31 December 2019.
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. Ind AS 116 - Leases, is effective for reporting periods beginning on or after 1 April 2019, replaces Ind AS 17 - Leases. As the Company does not have any lease, the adoption of the standard is not likely to have any impact on its financial statements.
4. Segment wise reporting in accordance with Ind AS 108 is given separately.
5. Provision for taxation includes current tax of INR 98.03 million and deferred tax expense of INR (12.96) million for the nine months ended on 31 December 2019.
6. During the quarter the Company has made equity investment to the extent of INR 35.60 million in its Wholly-owned Subsidiary Company namely Hester Biosciences Africa Limited.
7. The figures for the corresponding previous period have been regrouped/reclassified wherever necessary, to make them comparable.

**For and on behalf of the Board of Directors**



**Place: Ahmedabad**  
**Date: 7 February 2020**

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

# SHAH KARIA & ASSOCIATES

## Chartered Accountants

405, SCARLET BUSINESS HUB, OPP. ANKUR SCHOOL,  
NR. MAHALAXMI FIVE ROADS, FATEHPURA, PALDI,  
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**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results**  
(Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended)

**Review Report to the Board of Directors of Hester Biosciences Limited**

We have reviewed the accompanying statement of Unaudited Standalone Financial Results of **Hester Biosciences Limited** (the 'Company') for the quarter ended December 31, 2019 and Year to Date from April 1, 2019 to December 31, 2019 (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, as amended (the 'Listing Regulations').

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, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, 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 procedures applied to financial data, and thus provide less assurance than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in 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 and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **SHAH KARIA AND ASSOCIATES**

Chartered Accountants

ICAI Firm Registration No.: 131546W

*Priyank Shah*

Priyank Shah

Partner

Membership No.: 118627



Place: Ahmedabad

Date: February 7, 2020

UDIN: 20118627AAAAAM8008



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CIN L99999GJ1987PLC022333

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS ENDED ON 31 DECEMBER 2019							
In Million INR							
Sr.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales/ Income from Operations	506.92	441.98	457.32	1,396.48	1,283.13	1,780.67
2	Other Income	3.02	6.97	2.66	15.74	14.65	72.10
3	Total Revenue (1+2)	509.94	448.95	459.98	1,412.22	1,297.78	1,852.77
4	Total Expenses	360.44	377.83	293.07	1,061.37	906.34	1,284.21
	(a) Cost of material consumed	80.21	75.15	74.54	231.40	222.90	293.62
	(b) Purchases of stock-in-trade	15.27	20.93	19.04	42.82	56.00	71.28
	(c) Change in inventories	(38.46)	(40.32)	(22.29)	(105.69)	(105.25)	(76.11)
	(d) Employee benefits expenses	102.67	93.56	73.03	282.39	207.90	289.29
	(e) Finance cost	26.30	14.12	10.62	48.29	45.29	66.34
	(f) Depreciation and amortisation expenses	34.20	32.27	27.21	98.74	81.16	117.55
	(g) Other expenses	140.25	182.12	110.93	463.43	398.34	522.24
5	Profit before tax (3-4)	149.51	71.12	166.91	350.85	391.44	568.56
6	Tax Expense	30.02	9.05	42.57	88.43	125.22	161.62
	Current tax	30.73	21.45	43.27	101.39	128.67	154.24
	Deferred tax	(0.71)	(12.40)	(0.71)	(12.96)	(3.46)	7.39
7	Profit for the period (5-6)	119.49	62.07	124.34	262.42	266.22	406.94
8	Other Comprehensive Income	5.41	(6.29)	1.39	(0.50)	(2.38)	(2.51)
	A (i) Items that will not be reclassified to Profit or Loss	(1.94)	(3.04)	(0.71)	(5.82)	(2.58)	(3.36)
	(ii) Income Tax realting to items that will not be reclassified to profit or loss	0.49	0.74	0.11	1.47	0.75	0.98
	B (i) Items that will be reclassified to Profit or Loss	6.86	(3.99)	1.99	3.86	(0.56)	(0.13)
	(ii) Income Tax realting to items that will be reclassified to profit or loss	-	-	-	-	-	-
9	Total Comprehensive Income for the period (7+8)	124.90	55.78	125.73	261.92	263.84	404.42
10	Profit for the period attributable to:						
	(i) Owners of the Company	115.19	65.24	128.01	264.30	284.03	415.67
	(ii) Non Controlling Interest	4.30	(3.16)	(3.67)	(1.88)	(17.82)	(8.74)
11	Other Comprehensive Income for the peiod attributable to:						
	(i) Owners of the Company	5.41	(6.30)	1.39	(0.50)	(2.38)	(2.59)
	(ii) Non Controlling Interest	-	-	-	-	-	0.07
12	Total Comprehensive Income for the peiod attributable to:						
	(i) Owners of the Company	120.60	58.94	129.39	263.81	281.65	413.09
	(ii) Non Controlling Interest	4.30	(3.16)	(3.67)	(1.88)	(17.82)	(8.66)
13	Paid-up equity share capital (face value of INR 10)	85.07	85.07	85.07	85.07	85.07	85.07
14	Reserve as shown in the Audited Balance Sheet of the previous year	-	-	-	-	-	1,689.52
15	Earnings Per Share (of INR 10 each) (Not Annualised) - Basic & Diluted	14.05	7.30	14.62	30.85	31.29	47.84
REPORT ON SEGMENT REVENUE, RESULTS, ASSETS AND LIABILITIES							
In Million INR							
Sr.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue						
	a. Poultry Healthcare	299.09	268.65	281.48	901.25	904.67	1,303.40
	b. Animal Healthcare	165.49	119.16	118.27	363.58	284.04	426.45
	c. Others	42.34	54.17	57.57	131.65	94.42	50.82
	Total Income from Operations (Net)	506.92	441.98	457.32	1,396.48	1,283.13	1,780.67
2	Segment Results (Profit before Finance Cost and Taxes)						
	a. Poultry Healthcare	75.46	47.64	98.52	249.48	334.96	478.99
	b. Animal Healthcare	35.45	23.59	6.88	65.22	42.92	153.58
	c. Others	64.90	14.01	72.12	84.44	58.84	2.34
	Total Segment Results	175.81	85.24	177.53	399.14	436.72	634.90
	a. Finance Costs	26.30	14.12	10.62	48.29	45.29	66.34
	b. Exceptional Items	-	-	-	-	-	-
	c. Other unallocable expenditure/(income) [Net]	-	-	-	-	-	-
	Profit before Tax	149.51	71.12	166.91	350.85	391.44	568.56
3	Segment Assets						
	a. Poultry Healthcare	-	-	-	-	-	1,880.89
	b. Animal Healthcare	-	-	-	-	-	243.20
	Unallocated Assets	-	-	-	-	-	870.42
	Total	-	-	-	-	-	2,994.51
4	Segment Liabilities						
	a. Poultry Healthcare	-	-	-	-	-	441.22
	b. Animal Healthcare	-	-	-	-	-	126.17
	Unallocated Liabilities	-	-	-	-	-	652.54
	Total	-	-	-	-	-	1,219.93



**Notes:**

1. The Unaudited Consolidated Financial Results for the quarter and nine months ended on 31 December 2019 were reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on 7 February 2020.
2. The Unaudited Consolidated 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. Ind AS 116 - Leases, is effective for reporting periods beginning on or after 1 April 2019, replaces Ind AS 17 - Leases. As the Group does not have material leases, the adoption of the standard is not likely to have any impact on its financial statements.
4. Segment wise reporting in accordance with Ind AS 108 is given separately.
5. Consolidated Financial Figures include results of following Subsidiary Companies:
  - a) Texas Lifesciences Private Limited
  - b) Hester Biosciences Nepal Private Limited
  - c) Hester Biosciences Africa Limited
  - d) Hester Biosciences Kenya Limited
6. Provision for taxation includes current tax of INR 101.39 million and deferred tax expense of INR (12.96) million for the nine months ended on 31 December 2019.
7. The figures for the corresponding previous period have been regrouped/reclassified wherever necessary, to make them comparable.

**For and on behalf of the Board of Directors**



**Place: Ahmedabad**  
**Date: 7 February 2020**

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

# SHAH KARIA & ASSOCIATES

## Chartered Accountants

405, SCARLET BUSINESS HUB, OPP. ANKUR SCHOOL,  
NR. MAHALAXMI FIVE ROADS, FATEHPURA, PALDI,  
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### **Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results** (Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended)

#### **Review Report to the Board of Directors of Hester Biosciences Limited**

We have reviewed the accompanying statement of Unaudited Consolidated Financial Results of **Hester Biosciences Limited** (the 'Parent') and its subsidiaries (the Parent and its subsidiaries together referred to as the 'Group') for the quarter ended December 31, 2019 and Year to Date from April 1, 2019 to December 31, 2019 (the 'Statement'), attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations').

This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared 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, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under regulation 33(8) of the SEBI Listing Regulations, to the extent applicable.

The Statement includes the results of the following entities:

- a) Texas Lifesciences Private Limited
- b) Hester Biosciences Nepal Private Limited
- c) Hester Biosciences Africa Limited
- d) Hester Biosciences Kenya Limited

We did not review the interim financial results and other financial information, in respect of all subsidiaries, whose financial results and information reflects total revenue of Rs. 109.19 million and Rs. 217.23 million, total net profit after tax of Rs. 42.19 million and Rs. 0.21 million and total comprehensive income of Rs. 3.00 million and Rs. Nil for the quarter ended December 31, 2019 and for the period from April 1, 2019 to December 31, 2019 respectively. These interim financial results and other financial information have been reviewed by other auditors, whose reports have been furnished to us by the Management. Our conclusion is based solely on the reports of the other auditors. Our conclusion is not modified in respect of the above matter.



# SHAH KARIA & ASSOCIATES

## Chartered Accountants

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All subsidiaries, except (a) are located outside India whose financial results have been prepared in accordance with accounting principles generally accepted in their respective countries ('local GAAP'). The Parent's management has converted the financial results of such subsidiaries from local GAAP to accounting principles generally accepted in India. We have not reviewed these conversion adjustments made by the Parent's management. According to information and explanation given to us by management, these interim financial results are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.

Based on our review conducted and procedures performed as stated 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 Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **SHAH KARIA AND ASSOCIATES**

**Chartered Accountants**

ICAI Firm Registration No.: 131546W

*Priyank Shah*

**Priyank Shah**

**Partner**

Membership No.: 118627



**Place:** Ahmedabad

**Date:** February 7, 2020

UDIN: 20118627AAAAAN9963



## Press Release

7 February 2020

**Hester India Q3FY20 Sales up by 4%, 9MFY20 Sales up by 5%**

**Hester Nepal Q3FY20 Sales up by 154%, 9MFY20 up by 157%**

### Financial Highlights Hester India

(INR in Million)

	Q3			9 Months		
	FY20	FY19	Growth	FY20	FY19	Growth
<b>Net Sales</b>	433.93	415.56	4%	<b>1,279.94</b>	<b>1,223.58</b>	5%
<b>Net Profit</b>	77.29	118.58	(35%)	<b>262.21</b>	<b>314.76</b>	(17%)
<b>EPS (In INR)</b>	9.09	13.94	(35%)	<b>30.82</b>	<b>37.00</b>	(17%)

### Division-wise Revenue Contribution in Q3FY20 INR Million

Division	Q3FY20		Q3FY19	
	Sales	Contribution	Sales	Contribution
Poultry Healthcare	299.09	69%	281.48	68%
Animal Healthcare	89.88	21%	76.50	18%
Other	44.96	10%	57.58	14%
<b>TOTAL</b>	<b>433.93</b>	<b>100%</b>	<b>415.56</b>	<b>100%</b>

### Division-wise Revenue Contribution in 9MFY20 INR Million

Division	9MFY20		9MFY19	
	Sales	Contribution	Sales	Contribution
Poultry Healthcare	901.25	70%	904.67	74%
Animal Healthcare	236.37	19%	224.49	18%
Other	142.31	11%	94.42	8%
<b>TOTAL</b>	<b>1,279.94</b>	<b>100%</b>	<b>1,223.58</b>	<b>100%</b>

### Profitability Analysis

Particular	Q3FY20	Q3FY19	Up/(Down)	9MFY20	9MFY19	Up/(Down)
GP Margin	66.74%	72.50%	<b>(5.76%)</b>	67.37%	69.27%	<b>(1.90%)</b>
EBIDTA Margin	29.93%	44.22%	<b>(14.29%)</b>	33.16%	39.96%	<b>(6.80%)</b>
NP Margin	17.78%	28.54%	<b>(10.76%)</b>	20.48%	25.72%	<b>(5.24%)</b>
EPS in INR Non-Annualised	9.06	13.94	<b>(4.88)</b>	21.74	37.00	<b>(6.20)</b>

### Balance Sheet Analysis

Particular	Q3FY20	Q3FY19	Up/(Down)	9MFY20	9MFY19	Up/(Down)
ROE	15.60%	28.38%	<b>(12.78%)</b>	17.60%	25.04%	<b>(7.44%)</b>
ROCE	17.82%	31.13%	<b>(13.31%)</b>	19.84%	27.24%	<b>(7.40%)</b>
ROI	11.11%	19.28%	<b>(8.17%)</b>	12.53%	17.06%	<b>(4.53%)</b>

### **Business Overview of Hester India**

9MFY20 has been below expectations in terms of achieving our financial objectives.

1. Though the Indian poultry industry has come out of the crisis due to earlier high prices of maize, the recovery has been slow, thereby continuing to push the sales down of our poultry healthcare division. We hope to see a major boost in sales in the Poultry Healthcare Division.
2. In the Animal healthcare division, while the trade business grew by 29% in 9M and 43% in Q3, purchases by various state governments have got delayed. We are confident of having good sales through tenders supplies in the Animal Healthcare Division in Q4.
3. Even with lower sales, we continued to strengthen our marketing team, thereby adding further to our personnel costs. The results of which will be seen in the coming quarters. In the next financial year, we hope to see an upward spiral growth in sales with this bigger team.
4. To address the market conditions, we temporarily changed the product mix. Sales were derived from fast moving products rather than high margin products. This impacted our gross margin. We have already started rolling back to a more profitable product mix with our original forecasts. This would be evident in the coming quarters.
5. Due to the current market conditions, we have extended our credit cycle which has temporarily impacted our finance cost. We hope to restore the credit cycles by the financial year end.

### **Brucella vaccine**

Hester is expected to play a major role in the Brucella immunisation program of the Government of India. Hester is one of the two contenders for the supply of Brucella vaccine.

### **Technical Collaboration with NOVAPHARMA in EGYPT**

Hester India would be entering into a technical collaboration agreement with Novapharma, Egypt. The broad terms are:

1. Hester would offer technology to Novapharma to manufacture animal vaccines in Egypt
2. Hester would have exclusive international marketing rights for the vaccines manufactured at Novapharma. Through this arrangement, Hester would have access to the Avian Influenza Vaccine which is currently not manufactured by Hester at any of its locations. This arrangement does not undermine the capacity utilisation of Hester India or of Hester Nepal or of Hester Africa.

### **Business Overview of Hester Nepal**

1. Revenue for Q3FY20 was recorded at INR 34.57 Mn as against INR 13.63 Mn in Q3FY19.
2. Revenue for 9MFY20 was recorded at INR 73.66 Mn as against INR 28.96 Mn in 9MFY19.
3. In Q3, revenue grew by 157% while in 9M, revenue grew by 154%.
4. In 9M, exports grew by 37.34% and domestic sales grew by 7 times.
5. In Q3FY20, for the first time since commercialization of plant, Hester Nepal has registered a positive bottom line of INR 6.18 Million, though still having a loss of INR 1.84 Million for 9MFY20.
6. Considering the current trend of business, Hester Nepal is expected to achieve, at the least breakeven, or may be a profitable year end.

### **Financials in INR Million**

Particular	Q3FY20	Q3FY19	Growth	9MFY20	9MFY19	Growth
Net Sales	34.57	13.63	<b>153.74%</b>	73.66	28.96	<b>156.76%</b>
Net Profit / (Loss)	6.18	(11.93)		(18.36)	(57.38)	

### **Business Overview of Texas Lifesciences**

1. Texas has registered a sales growth of 23% in Q3FY20 and 52% in 9MFY20.
2. Texas continues to supply the health products to Hester India, thereby supplementing Hester India with its growth plans.

### **Financials in INR Million**

Particular	Q3FY20	Q3FY19	Growth	9MFY20	9MFY19	Growth
Net Sales	33.36	27.18	<b>22.73%</b>	93.09	61.32	<b>51.79%</b>
Net Profit / (Loss)	4.71	1.09	<b>333.10%</b>	9.99	4.81	<b>107.58%</b>

### **Business Overview of Hester Tanzania**

1. Revenue for Q3FY20 has been registered at INR 8.96 Mn as against INR 4.15 Mn in Q3FY19.
2. Revenue for 9MFY20 was INR 20.86 Mn as against INR 5.15 Mn in 9MFY19.
3. In Q3, revenue grew 2 folds while in 9M, revenue grew 4 folds.
4. Significant growth in the revenue is the result of our endeavour towards creation of a strong distribution network in Tanzania.


### **Financials in INR Million**

Particular	Q3FY20	Q3FY19	9MFY20	9MFY19
Net Sales	8.96	4.15	20.86	5.15
Net Profit / (Loss)	6.60	2.02	10.68	1.91

### **Business Overview of Hester Africa**

1. At present, there are no noticeable delays in the project. The progress of the manufacturing facility is going on as per schedule.
2. Construction of the plant is at finishing stage with the installation phase about the commence.
3. In 9MFY20, Hester India injected INR 35.60 Million (USD 0.5 Million) as an equity contribution in Hester Biosciences Africa Limited.
4. As on date, Hester India has further injected the balance INR 89.27 Million (USD 1.25 Million) as its equity contribution, thereby completing its equity contribution in Hester Africa of USD 4 million.

Our endeavour continues to enhance quantitative and qualitative values.

  
**Rajiv Gandhi**  
**Hester Biosciences Limited**  
**CEO & Managing Director**