PAST INSPIRED.
PRESENT FOCUSED.
FUTURE READY.

HESTER

Hester Biosciences Limited
38th Annual Report 2024-25

HESTER

PAST INSPIRED.
PRESENT FOCUSED.
FUTURE READY.

Hester Biosciences Limited
38th Annual Report 2024-25

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. Bhupendra Gandhi	Chairman
Mr. Rajiv Gandhi	CEO & Managing Director
Ms. Priya Gandhi	Executive Director
Mr. Sanjiv Gandhi	Director
Mr. Ravin Gandhi	Director
Ms. Nina Gandhi	Alternate Director
Ms. Sandhya Patel	Independent Director
Mr. Ashok Bhadakal	Independent Director
Mr. Ameet Desai	Independent Director
Mr. Anil Jain	Independent Director
Mr. Jatin Trivedi	Independent Director

AUDIT COMMITTEE

Mr. Ashok Bhadakal	Chairperson
Ms. Sandhya Patel	
Ms. Priya Gandhi	

STAKEHOLDERS' GRIEVANCES AND RELATIONSHIP COMMITTEE

Ms. Sandhya Patel	Chairperson
Mr. Rajiv Gandhi	
Ms. Priya Gandhi	

NOMINATION AND REMUNERATION COMMITTEE

Mr. Ashok Bhadakal	Chairperson
Ms. Sandhya Patel	
Mr. Sanjiv Gandhi	

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Rajiv Gandhi	Chairperson
Mr. Sanjiv Gandhi	
Ms. Sandhya Patel	

RISK MANAGEMENT COMMITTEE

Mr. Rajiv Gandhi	Chairperson
Ms. Priya Gandhi	
Ms. Sandhya Patel	

MANAGEMENT COMMITTEE

Mr. Rajiv Gandhi	Chairperson
Ms. Priya Gandhi	
Mr. Sanjiv Gandhi	

REGISTERED OFFICE AND MANUFACTURING UNIT

Village: Meda Adraj,
Taluka: Kadi, District: Mehsana
Gujarat - 384 441, India

CHIEF FINANCIAL OFFICER

Mr. Divyesh Maru

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Vinod Mali

STATUTORY AUDITOR

Chandulal M Shah & Co.
Chartered Accountants,
Ahmedabad

INTERNAL AUDITOR

Ernst & Young LLP (EY), Ahmedabad

SECRETARIAL AUDITOR

CS Tapan Shah,
Practicing Company Secretary,
Ahmedabad

BANKER

State Bank of India A-FF-1, First Floor,
Iscon Elegance, S G Highway, Prahladnagar
Cross Road, Ahmedabad 380 015

REGISTRARS AND SHARE TRANSFER AGENTS

MUFG Intime India Private Limited
(Unit: Hester Biosciences Limited)
506-508, Amarnath Business Centre- 1 (ABC-1),
Near St. Xavier's College Corner,
Off. C. G. Road, Ellisbridge,
Ahmedabad 380 006

STOCK EXCHANGES

BSE Limited (524669)
National Stock Exchange of India Limited (HESTERBIO)

ISIN INE782E01017

CIN L99999GJ1987PLC022333

FORWARD-LOOKING STATEMENTS

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This year at Hester has been marked by a deep focus on optimising processes from a customer centric perspective, doubling down on our core strength and orienting diversity efforts in directions that yield most value to our stakeholders. This next year is going to be one of building products, and solutions that are rooted in our strategic advantage, focused on present day market dynamics and customer needs, and ready for the rapid evolution of animal health into next generation solutions.

With customers across the globe, and a well oiled distribution network, we are doubling down on our competence of building fresh products and innovative delivery mechanisms across the ambit of animal, poultry, and pet care. Hester is poised to become India's premier animal health company second to none in quality, time-to-market, and reliability.

That's exactly why this year's theme *Past Inspired, Present Focused, Future Ready* reflects our ambition while preserving our integrity, and fostering innovation. Our leadership in the PPR and Goat Pox Vaccine will continue to drive immunisation globally while newer solutions and formulations will deepen and cement our position in existing markets.

The Avian Influenza vaccine, a milestone in disease prevention, will drive significant growth in our poultry division, while a broad range of new, innovative, and effective solutions will add to our Pet Care portfolio, making Hester the brand of choice for Vets and Pet Parents across the country. Parallely, our Animal Health division's efforts will yield strong growth in the coming year, as product discovery, and recall take off in markets across our geographies.

Bound by the glue of passion and innovation, our integrity, discipline, and shared trust, the team at Hester will continue to spread its wings far and wide, delivering our expertise through new products, markets, and missions.

CORPORATE OVERVIEW

STATUTORY REPORTS


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CORPORATE OVERVIEW

KEY HIGHLIGHTS OF FY25

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	STANDALONE	CONSOLIDATED
REVENUE FROM OPERATIONS	INR 2,864.66 M ▲ 1%	INR 3,111.02 M ▲ 2%
PROFIT AFTER TAX (PAT)	INR 318.42 M ▲ 17%	INR 288.26 M ▲ 36%
EBIDTA	INR 557.08 M	INR 690.76 M
NET WORTH	INR 3,390.87 M	INR 3,142.55 M
RETURN ON EQUITY (ROE)	10%	
DIVIDEND EQUITY RATIO	19%	
CSR SPENDINGS	INR 8.93 M	

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HISTORICAL MILESTONES

1983	Commenced operations as a proprietary firm to distribute poultry medicines and feed additives, covering the districts of Thane and Raigadh in Maharashtra
1987	Formed Hester Pharmaceuticals Private Limited, with the objective to acquire the exclusive marketing rights of overseas brands for the Indian market
1990	Signed an exclusive marketing agreement with Ghen Corporation, Japan, for the Company's range of poultry feed additives and with Maine Biological Laboratories (MBL), USA, for its range of poultry vaccines
1994	Got listed on the Bombay Stock Exchange
1997	Commenced the marketing of locally produced poultry vaccines
2007	Expanded the manufacturing capacity fourfold
2012	Launched health products
2013	Received WHO-GMP certification and DSIR registration for the in-house R&D unit
2015	Got listed on the National Stock Exchange of India Limited
2016	Commissioned the vaccine manufacturing plant in Nepal
2017	Completed the world's largest backyard poultry immunisation programme with GALVmed (Global Alliance for ruminant Veterinary Medicines, Edinburgh)
2021	Commissioned the vaccine manufacturing plant in Tanzania
2022	Launched Petcare Division
2023	Obtained regulatory approval for the BSL-3 facility
2024	The Company reached a milestone of INR 3 Billion in consolidated revenues

FROM THE LEADERSHIP DESK

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MESSAGE FROM THE CEO & MD

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RAJIV
GANDHI

MESSAGE FROM THE EXECUTIVE DIRECTOR

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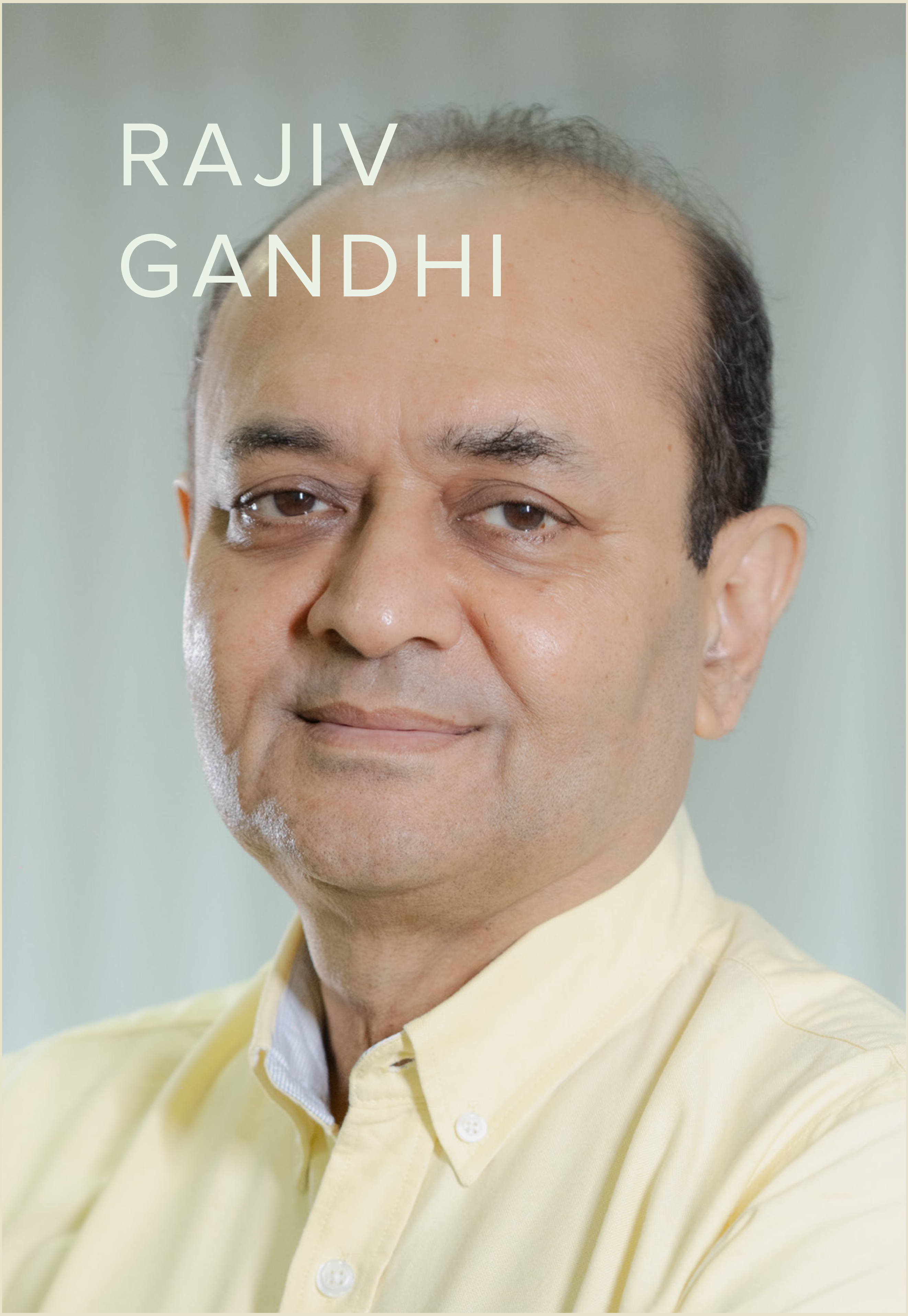
PRIYA
GANDHI


RAJIV
GANDHI

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MESSAGE FROM THE CEO & MD

Dear Esteemed Shareholders,

I am honoured to present to you the performance highlights of your Company for the financial year 2024-25.

READ ON →

THIS YEAR

has been one of transformation and resilience, marked by operational improvements, product innovation, and a steady expansion of our market presence across geographies. Even as some markets presented challenges, we have emerged stronger, setting the stage for sustainable growth and long-term value creation.

FINANCIAL PERFORMANCE

On a standalone basis, Hester India achieved a net revenue from operations of INR 2,864.66 million, maintaining a consistent base compared to FY25 despite a high benchmark set by a one-time pharmaceutical export sale in the prior year. If we exclude this exceptional item, we recorded a solid underlying growth of 12% across our divisions. Standalone net profit grew by 17% for FY25, while Q4 alone saw a remarkable 30% surge, underscoring our focus on profitability and efficient operations.

On a consolidated basis, our revenues stood at INR 3,111.02 million in FY25, reflecting stability over the previous year's milestone, with stronger underlying performance driven by growth across key divisions. Consolidated profitability rose by 36%, driven by improved operational efficiencies across all regions, disciplined cost management, and better performance from our international subsidiaries. This resilience highlights our strength in navigating external headwinds and demonstrates the success of our strategic focus on sustainable growth.

PERFORMANCE OF HESTER INDIA: DIVISION HIGHLIGHTS

Poultry Healthcare Division: Resilient and Poised for Growth
Our Poultry Healthcare division continued its upward trajectory this year, driven by steady demand for our Newcastle Disease and Marek's Disease vaccines. We also launched new feed supplements and disinfectants, which have already started to gain traction in the market. Preparations for the Avian Influenza vaccine launch are progressing on schedule, and we anticipate this vaccine will contribute significantly to our topline growth starting in Q2 FY26. Our technical sales teams continue to support customers on the ground, ensuring product efficacy and trust in our brand.

Animal Healthcare & Petcare: An Integrated Approach to Growth
Recognising the synergies between ruminant and pet health, we integrated our Animal Healthcare and Petcare divisions this year. The combined division recorded 8% growth in Q4 and 6% growth for the full year. Within Animal Healthcare, the National Immunisation Programme, particularly for Goat Pox and PPR vaccines, continues to anchor our market presence. Our therapeutic and biosecurity product lines saw healthy demand, especially in the dairy sector, where our commitment to farmers remains steadfast.

The Petcare division continued its steady growth journey, driven by deeper engagement with veterinarians and increasing prescription-driven sales. We introduced new products in prescription diets and supplements to cater to the evolving needs of pet parents and veterinarians alike. Our focus on building a robust veterinarian network has strengthened brand awareness and set the stage for significant growth in the coming years.

Operational Efficiency: Building a Stronger Foundation
FY25 marked a significant year of improvement in operational efficiency. Our initiatives to enhance production performance, reduce wastage, and improve inventory control, combined with a deliberate focus on higher-margin products have contributed to stable gross profit margins and an 8% increase in EBITDA. These achievements reflect our disciplined approach to cost management and our commitment to sustainable growth.

SUBSIDIARIES: STRENGTHENING OUR GLOBAL FOOTPRINT

Hester Nepal
Hester Nepal maintained a stable net profit of INR 12 million for the year, fulfilling both domestic and export demands for poultry health and PPR immunisation. While tender-based revenues can fluctuate quarter to quarter, the overall outlook remains positive. This approach not only supports our export growth but also improves operational efficiency by reducing reliance on our Indian plant.

Hester Africa
Hester Africa achieved a significant reduction in net loss, decreasing from INR 183 million in the previous year to INR 103 million this year. This improvement was driven by strong sales growth, successful tender wins, and the marketing authorisation of our new live combination vaccine for PPR and sheep and goat pox, an important milestone that strengthens our position in the African market. With increased plant utilisation and a growing order pipeline, we remain confident in achieving breakeven within the next two years, with further profitability gains beyond that. Our team continue to work closely with government agencies and NGOs to build awareness, educate farmers, and expand our distribution network.

Capacity Expansion and CAPEX Outlook
Our Fill-Finish facility is on track to be operational by Q2 FY26, and the BSL-3 facility awaits final administrative approvals. These facilities are crucial to our capacity expansion, especially for high-biosecurity vaccines such as Avian Influenza.

NAVIGATING CHALLENGES WITH AGILITY

While the year presented challenges including delayed monsoons, regulatory changes affecting product lines, and lower milk prices in certain states impacting the dairy sector, we remained resilient through market diversification and a robust product portfolio. We also achieved a consolidated debt reduction of INR 313 million, reinforcing our financial stability and enabling us to invest in growth initiatives.

STRATEGIC PRIORITIES FOR FY26 AND BEYOND

Looking ahead, our strategic focus will be on:

- Expanding our Animal Health and Petcare portfolios, deepening our market reach and meeting the evolving needs of veterinarians and farmers.
- Launching the Avian Influenza vaccine, a key growth driver for our poultry business.
- Investing in R&D to introduce new products and upgrade existing ones to ensure we remain at the forefront of innovation.
- Strengthening our international presence, particularly in Asia and Africa, to leverage emerging market opportunities.
- Enhancing operational efficiency through technology, supply chain management, and waste reduction across all manufacturing sites.
- Supporting government initiatives to tackle antimicrobial resistance by expanding our preventive care, disinfectant, and vaccine offerings.

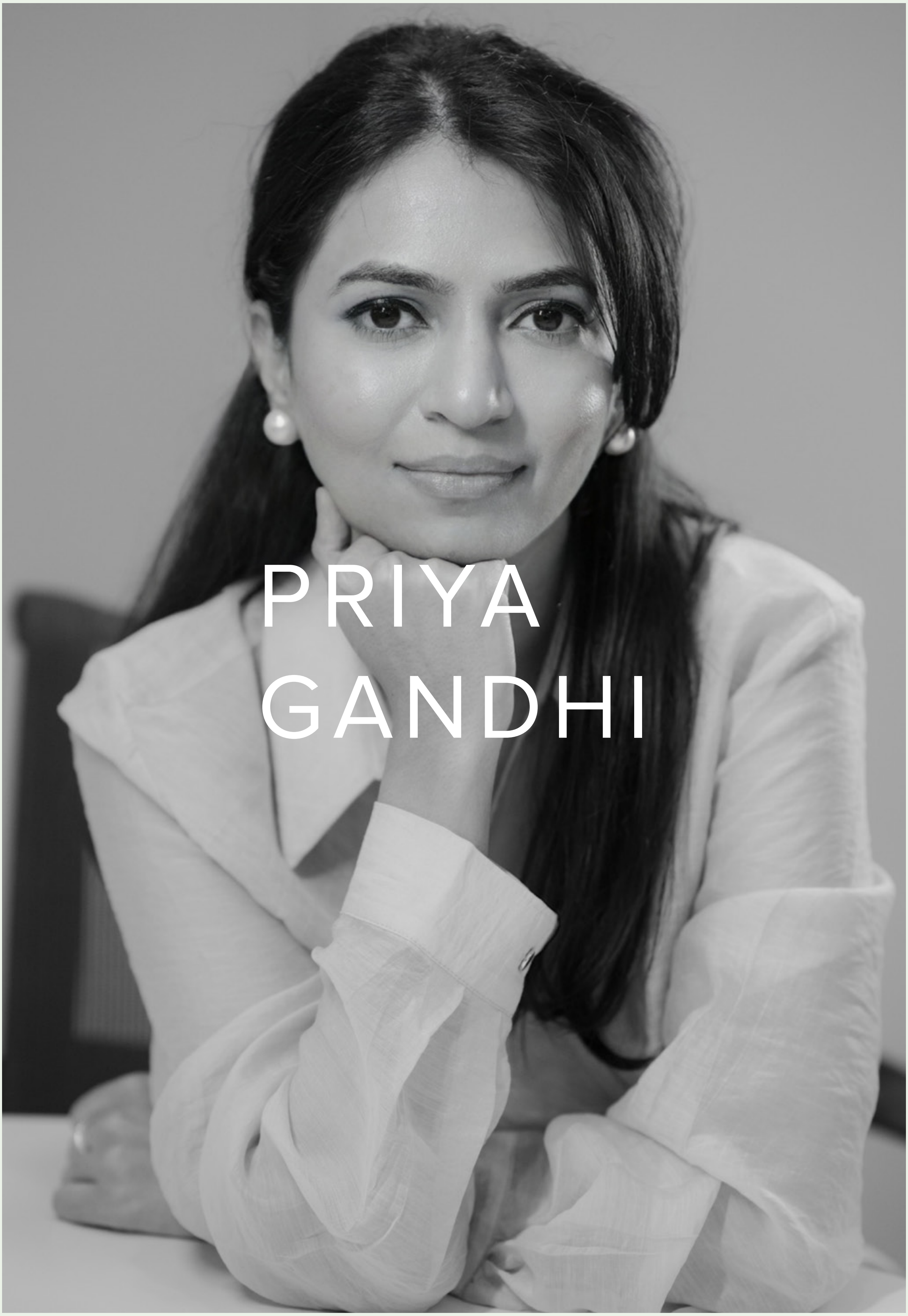
Commitment to Sustainability and Community Engagement
Our India plant continues to operate with a Zero Liquid Discharge (ZLD) system, complemented by a 40 KLD Sewage Treatment Plant to ensure environmental sustainability. We remain committed to collaborating with veterinary associations, non-profits, and government agencies to enhance animal health and empower communities through vaccination drives and education. Our partnerships with organisations like the Gates Foundation and GALVmed enable us to build sustainable markets in Africa while supporting local communities.

A GRATEFUL ACKNOWLEDGMENT

FY25 has been a year of laying the foundation for sustained profitable growth. Our achievements are a testament to the hard work and dedication of our employees, the trust and loyalty of our customers, and the unwavering support of our shareholders. Your confidence in Hester inspires us to continue innovating and delivering value.

Together, let us continue to make strides in veterinary healthcare, ensuring a healthier and more sustainable future for all.

Warm regards,
Rajiv Gandhi
CEO & MD


PRIYA
GANDHI

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MESSAGE FROM THE EXECUTIVE DIRECTOR

Dear Valued Stakeholders,

As we reflect on the year gone by, I am pleased to share the key highlights and the strategic direction that Hester Biosciences is charting for the future.

READ ON →

FY25

has been a significant year of progress and consolidation across our divisions. Our unwavering focus on operational excellence and product innovation has enabled us to navigate market dynamics and emerge stronger. Our journey is anchored on a solid foundation of scientific rigor, market understanding, and a commitment to delivering value to our stakeholders.

In **Poultry Healthcare**, the stabilising industry environment and steady demand for poultry products have presented opportunities for growth and diversification. Our core vaccines, particularly for Newcastle Disease and Marek's Disease, continue to perform well, supported by our robust technical sales services. We have also introduced feed supplements and disinfectants, contributing to improved farm productivity and biosecurity standards. Preparations for the Avian Influenza vaccine launch remain on track, with the expected roll-out in the second quarter of FY26 poised to further strengthen our portfolio.

In **Animal Health and Petcare**, we continue to strengthen our leadership in vaccines, therapeutics, and preventive care solutions. The National Immunisation Program remains a key growth driver, particularly for Goat Pox and PPR vaccines, which continue to support farmers and veterinarians across India. Our efforts in expanding the product portfolio to include health products addressing dairy productivity and disease prevention reflect our dedication to catering to the evolving needs of the market.

Within this integrated division, our Petcare segment continues to build on its growth trajectory. Prescription-based products have gained traction, thanks to our deepening engagement with veterinarians and our commitment to developing targeted, science-backed solutions. Our strategy includes introducing new products in the prescription diet and supplement categories, ensuring that we address the health needs of pets in areas like mobility, obesity, and chronic diseases. This approach not only aligns with our overall healthcare vision but also positions us well to capture the growing pet parent market.

Both Hester Nepal and Hester Africa have contributed positively to our consolidated performance this year.

Hester Nepal continued to deliver a stable performance, driven by consistent domestic and export demand for its vaccine portfolio, even amidst the natural fluctuations of tender-based business.

In Africa, we made encouraging progress by significantly reducing our net losses, moving steadily towards breakeven. This improvement reflects the strengthening of our operational base and market presence in the region. A key milestone this year was securing marketing authorisation for our live combination vaccine targeting both PPR and Sheep & Goat Pox—an important development that enhances our relevance in Africa's livestock ecosystem.

Our registered vaccines across international locations now include CBPP, LSD, and the combined PPR vaccine—each addressing major transboundary animal diseases. These product registrations not only represent scientific advancement but also align with our broader commitment to a One Health approach, which recognises the interconnection between animal health, human well-being, and environmental sustainability.

Africa, with its predominantly agrarian economy and a strong reliance on livestock for both livelihood and nutrition, presents immense potential. With growing demand for meat and widespread livestock rearing, the need for reliable animal healthcare solutions is more urgent than ever. Looking ahead, we are sharpening our focus on addressing Africa's preventive and curative animal health needs through high-quality, locally relevant vaccines and solutions that enhance productivity and disease resistance in farm animals.

Our focus on **operational efficiency** has paid dividends this year. Through disciplined cost management and an emphasis on higher-margin products, we have strengthened our profitability and EBITDA margins. As our Fill-Finish and BSL-3 facilities near readiness, we are poised to scale up production capacities, especially for high-biosecurity vaccines.

Looking ahead, we remain committed to innovation, market expansion, and sustainable growth. Our roadmap includes:

- Strengthening our flagship Poultry Healthcare division through continued vaccine leadership and the Avian Influenza vaccine launch.

- Enhancing our integrated Animal Health and Petcare portfolio to address evolving market needs and deepen our veterinarian engagement.

- Investing in R&D to develop differentiated products, ensuring that we remain at the forefront of scientific advancement.

- Focusing on the dairy sector through targeted health products that improve productivity and support farmers.

- Deepening our presence in Africa and other international markets to enhance revenue streams and global impact.

Your continued support and trust are the pillars of our success. As we move forward, we remain dedicated to exceeding expectations and building on our legacy of excellence and innovation.

Warm regards,
Priya Gandhi
Executive Director

STANDALONE BASIS

KEY PERFORMANCE INDICATORS

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	FY21	FY22	FY23	FY24	FY25	
REVENUE FROM OPERATIONS (INR MILLION)	2,084.77	2,193.51	2,540.00	2,851.55	2,864.66	11.08% CAGR
EBIDTA (INR MILLION)	683.63	652.26	602.09	516.03	557.08	
PROFIT AFTER TAX (PAT) (INR MILLION)	399.01	395.17	323.42	271.59	318.42	
DEBT EQUITY RATIO (IN TIMES)	0.07	0.45	0.56	0.43	0.31	
DIVIDEND PER SHARE (INR)	10	10	8	6	7	
NET WORTH (INR MILLION)	2,375.81	2,684.34	2,923.82	3,127.12	3,390.87	
RETURN ON EQUITY (%)	18.11	15.62	11.53	8.98	9.77	

AT A GLANCE

BUILDING THE FUTURE: VISION, GROWTH, AND IMPACT

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Our mission, vision, and values form both our foundation and our gaurdrails. Anchored in operational excellence, cost effective scale-up, revenue expansion, and supply chain resilience, we have achieved key milestones that reinforce our long-term strategic ambitions.
Along with indicators of our sustained performance, and culture of excellence, this section outlines the core values and strong fundamentals that are a source of our competitive advantage.

3	MANUFACTURING PLANTS
6.25	BILLION DOSES (INDIA)
1.24	BILLION DOSES (NEPAL)
1.50	BILLION DOSES (TANZANIA)
35+	COUNTRIES
1,000+	DISTRIBUTORS

MISSION

Better health for human beings through healthier animals

VISION

Building the Future on a Foundation of Excellence

VALUES

INTEGRITY

INNOVATION

TRUST

DISCIPLINE

PASSION

TRUSTED HEALTH INNOVATIONS FOR POULTRY, RUMINANTS, AND PETS

At Hester, our Animal Health portfolio is built with purpose. From targeted vaccines to cost-effective feed supplements and pharmaceutical solutions, we are committed to protecting and enhancing the health of poultry, ruminants, and companion animals. Each offering is a step forward in our pursuit of One Health—where animal, human, and environmental well-being are interconnected. With a comprehensive and evolving range, we're equipped to support the needs of farmers, veterinarians, and pet parents alike.

POULTRY HEALTHCARE

India's large poultry population plays a vital role in ensuring food security and supporting the livelihoods of millions of small and medium-scale farmers. With the growing demand for affordable protein, maintaining healthy poultry flocks is essential, not just for meeting nutritional needs, but also for sustaining rural economies and improving farmer incomes.

Hester's Poultry Healthcare division offers a holistic range of solutions encompassing vaccines, health products, and feed supplements, supported and packaged by our diagnostic services. Supported by strong R&D, rigorous quality standards and expert field support, we combine scientific innovation with practical know-how to help farmers protect flock health, enhance productivity, and drive long-term farm sustainability.

VACCINES

Hester's vaccine portfolio is designed to protect poultry from a wide range of infectious diseases, using technologies based on advanced platforms such as Chick Embryo Origin, Continuous Cell Line, Tissue Culture and Fermentation. With over 50 single and combination vaccines, Hester is the second-largest poultry vaccine manufacturer in India, holding a strong market presence. Our vaccines are developed with a strong focus on quality, efficacy and innovation, earning the trust of poultry producers both in India and globally.

HEALTHCARE PRODUCTS

Hester offers a comprehensive suite of healthcare products tailored to enhance poultry health, improve productivity and support profitability. The range includes immune boosters, gut health enhancers, vitamins, minerals and specialty feed supplements, all formulated to address critical needs such as disease prevention, growth and nutritional balance. Driven by continuous R&D and field feedback, our healthcare solutions reflect our deep understanding of poultry farming challenges and our commitment to supporting poultry farmer success.

DIAGNOSTIC SERVICES

Our diagnostic services are imperative in delivering Hester's integrated poultry health approach. With fully equipped laboratories in Kadi (Gujarat), Hyderabad (Telangana) and Kolkata (West Bengal), we offer disease diagnosis, sero-profiling for chicken flocks and biosecurity evaluation through our expert team of veterinarians. Farmers benefit from customised vaccination programs, early disease detection, outbreak prediction and performance tracking. Additionally, we provide hands-on training and free feed/fodder analysis to empower farmers and feeders with actionable insights, promoting long-term flock health and farm sustainability.

VACCINES

- NEWCASTLE DISEASE
- INFECTIOUS BRONCHITIS
- INFECTIOUS BURSAL
- FOWL POX
- MAREK'S DISEASE
- INFECTIOUS CORYZA
- FOWL CHOLERA
- INCLUSION BODY HEPATITIS
- FOWL TYPHOID (SALMONELLA)
- AVIAN ENCEPHALOMYELITIS

HEALTHCARE PRODUCTS

- XESTER BH
- TOXCINIL PLUS
- HESTACOX SS
- EFFIBOOST
- KLORCLEAN
- 2XD3
- ICEFT 4 G
- TMULIN
- DECARNITOX
- KLEANOXONE

ANIMAL HEALTHCARE

LARGE AND SMALL RUMINANTS

Hester's ruminant business is dedicated to improving the health, productivity, and well-being of both small and large ruminants, forming a vital part of our Animal Healthcare segment. Over the past decade, it has played a pivotal role in driving impactful vaccination programmes and health interventions that have strengthened rural livelihoods, advanced animal welfare and contributed significantly to national and global food security.

By leveraging cutting-edge research and forging strategic partnerships with governments and international organisations, we actively support large-scale disease eradication efforts across India and beyond. Our comprehensive offerings for ruminants–including vaccines, therapeutic health products, nutritional supplements and diagnostic services–are designed to safeguard herd health, enhance productivity, and strengthen the global food supply chain.

VACCINES

Hester offers a robust portfolio of ruminant vaccines targeting some of the most critical diseases affecting cattle, buffalo, sheep, and goats. Our vaccines are developed with a strong emphasis on quality, efficacy and innovation. We currently manufacture six vaccines covering diseases such as Peste des Petits Ruminants (PPR), Goat Pox and Lumpy Skin Disease (LSD), Contagious Bovine Pleuropneumonia (CBPP) and Contagious caprine pleuropneumonia (CCPP). Hester is the exclusive provider of the PPR vaccine in multiple Indian states under the National Immunisation Program and serves as a major supplier of Goat Pox vaccine to combat LSD across India. Our proactive approach to vaccination not only protects animals but also supports farmers with reliable, large-scale immunisation solutions that improve herd immunity and agricultural output.

HEALTHCARE PRODUCTS

Hester's health product line is designed to support comprehensive animal wellness, from disease management to preventive care. Developed in collaboration with industry experts, our healthcare product range demonstrates our commitment to innovation, quality and animal welfare. Our offerings include Biosecurity Solutions, Therapeutic Treatments, Herbal Supplements, Homeopathic Remedies and Nutritional Feed Supplements.

Recent additions to our product line highlight our responsiveness to market and regulatory needs:

- ProtinC Keto+ – An advanced solution for ketosis management, expanding our flagship ProtinC brand.
- iSumovet MP Bolus – A compliant replacement for the discontinued iSumovet Bolus post-regulatory changes .
- iSumovet MPL Injection – A reformulated version of Fevenil Injection, ensuring continued therapeutic efficacy post-regulatory changes.

Each product embodies our commitment to quality, innovation, and the ethical care of animals.

DIAGNOSTIC SERVICES

Hester provides advanced diagnostic services that enable early, accurate and cost-effective disease detection in ruminant. Our state-of-the-art laboratories offers a wide range of tests, including serological, molecular (PCR) and microbiological diagnostics. These services play a crucial role in helping veterinarians and farmers make informed decisions, manage disease outbreaks proactively and reduce economic losses. By delivering reliable results with quick turnaround times, we support effective herd management and contribute to more sustainable and resilient farming practices in the agricultural sector.

VACCINES

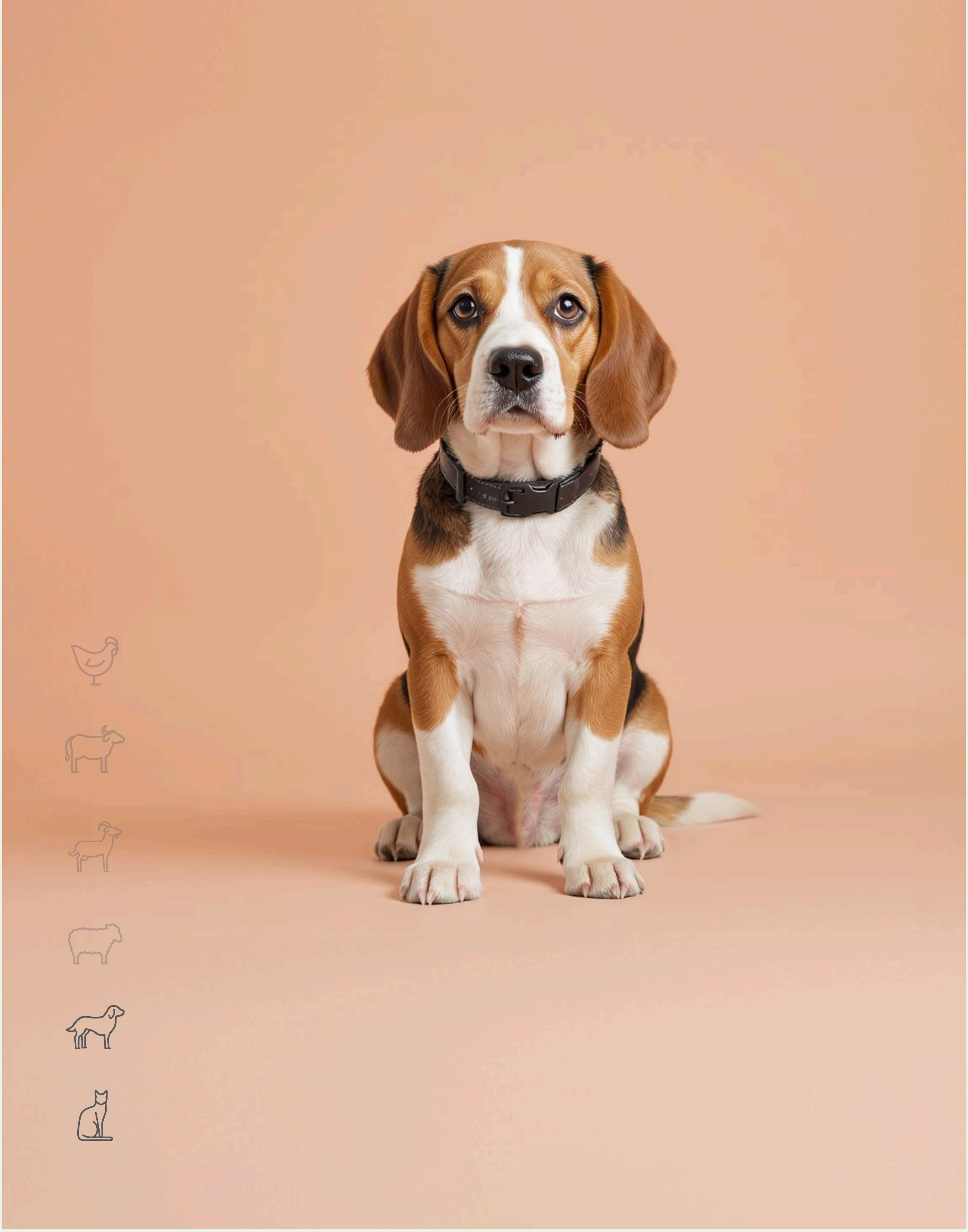
- PPR (PESTE DES PETITS RUMINANTS)
- GOAT POX
- BRUCELLA ABORTUS
- LSD (LUMPY SKIN DISEASE)
- CBPP (CONTAGIOUS BOVINE PLEUROPNEUMONIA)
- CCPP (CONTAGIOUS CAPRINE PLEUROPNEUMONIA)

HEALTHCARE PRODUCTS

- PROTINC
- PROTINC KETO+
- REPROPLUS GOLD
- CURX LA INJ
- HIFCR
- AMASTIC RANGE

ANIMAL HEALTHCARE

DOGS AND CATS



India's pet care sector is undergoing rapid transformation, driven by evolving urban lifestyles and the growing recognition of pets – especially cats and dogs – as integral members of the family. At Hester, we embrace this shift with a sense of purpose – to lead the pet healthcare space with innovation, compassion, and scientific integrity.

Our entry into the pet segment is guided by a long-term vision to build a preventive, evidence-based, and holistic healthcare ecosystem for pets. Through a comprehensive range of wellness products, supplements and pet food, we aim to enhance the quality of life for pets across India – making their lives healthier, happier and more fulfilling.

HEALTHCARE PRODUCTS

Our portfolio addresses key pillars of pet health:

- Advanced gut-health solutions to support balanced digestion and nutrient absorption
- NSAIDs and joint-care formulations designed to enhance mobility and ease discomfort
- Parasiticides and anti-infectives that strengthen immune defence
- Nutrient-rich supplements and grooming aids that promote a vibrant coat and healthy skin

PET FOOD

An milestone in our journey is the launch of our prescription diet range, developed with a focus on addressing nutritional imbalances, managing chronic conditions and promoting long-term health outcomes. This initiative aligns with our broader vision to lead the industry in veterinary-guided, evidence-based solutions that elevate the standard of pet nutrition and healthcare.

Beyond product innovation, Hester is deeply investing in education, scientific partnerships, and robust distribution networks to foster a resilient, informed pet care ecosystem. By advancing preventive care and evidence-based solutions, we aim to create lasting value, improving pets' quality of life and providing peace of mind for the families who care for them.

Looking ahead, Hester remains committed to bringing together veterinary excellence, wellness innovation and compassionate care, raising the standards of India's pet care industry and delivering enduring value to pet parents nationwide.

HEALTHCARE PRODUCTS

- HESTACEF CV
- CEFSHOT TAZO
- SAFELINE SPOT ON
- WORMPERIL
- SYNOTON
- TUMONZYM
- HESTALIV
- VITACOAT
- PETSGLOW
- PAWFRESH
- HESTAFLAM

PET FOOD PRODUCTS

- CAT RENAL/URINARY
- CAT STRUVITE
- CAT CARDIO
- CAT GASTROINTESTINAL/HYPOALLERGENIC
- DOG RENAL/URINARY
- DOG STRUVITE
- DOG CARDIO
- DOG GASTROINTESTINAL/HYPOALLERGENIC
- DOG HEPATIC
- DOG FIBER RESPONSE
- MOBILITY DOG

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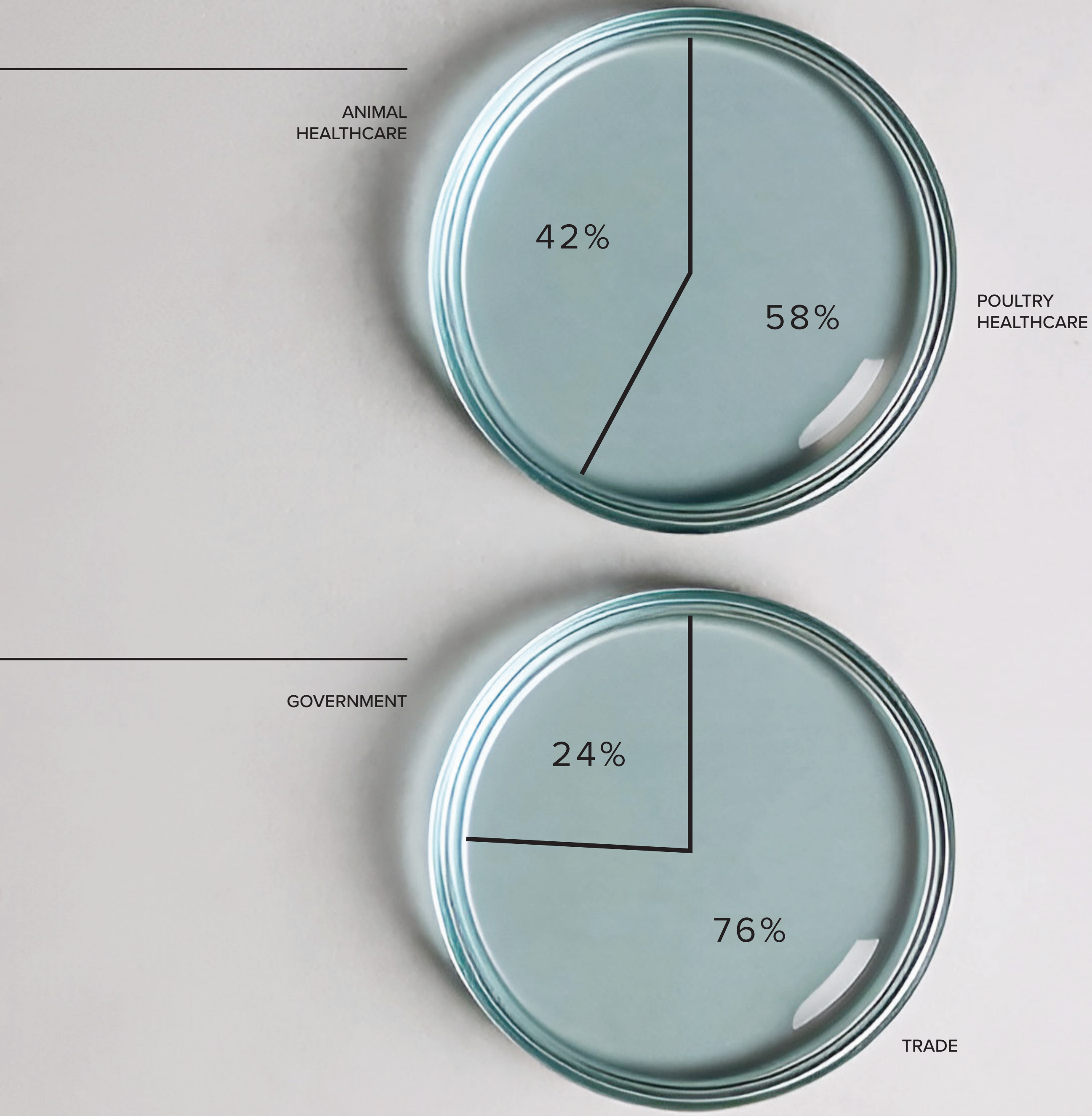
REVENUE BREAK-UP

BY SEGMENT

SEGMENT	REVENUE	%
POULTRY HEALTHCARE	INR 1,665.83 M	58%
ANIMAL HEALTHCARE	INR 1,198.83 M	42%
TOTAL	**INR 2,864.66 M**	**100%**

BY CUSTOMER TYPE

CUSTOMER	REVENUE	%
TRADE	INR 2,181.15 M	76%
GOVERNMENT	INR 683.51 M	24%
TOTAL	**INR 2,864.66 M**	**100%**


ANIMAL HEALTHCARE
42%
58%
POULTRY HEALTHCARE
GOVERNMENT
24%
76%
TRADE

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GEOGRAPHICAL FOOTPRINT

BEYOND BORDERS: CEMENTING HESTER'S GLOBAL REACH

In a continued pursuit to create value in new markets, Hester has expanded its international footprint through subsidiaries in high-potential markets. Hester Biosciences Africa Limited (HBAL) in Tanzania and Hester Biosciences Nepal Private Limited (HBNPL) strengthen our operational base beyond India, enabling access to new customer segments, diversifying revenue streams, and enhancing long-term growth resilience. These expansions are pivotal to building a sustainable, and regionally diversified animal health platform.

DISTRIBUTORS 1,000+

DIAGNOSTIC LABORATORIES 3

SUBSIDIARIES

4

TEXAS LIFESCIENCES PRIVATE LIMITED (TLPL)
HESTER BIOSCIENCES NEPAL PRIVATE LIMITED (HBNPL)
HESTER BIOSCIENCES AFRICA LIMITED (HBAL)
HESTER BIOSCIENCES KENYA LIMITED (HBKL)

JOINT VENTURES

1

THRISHOOL EXIM LIMITED

GEOGRAPHIC REVENUE BREAK-UP

100% TOTAL	91% DOMESTIC	9% EXPORTS
INR 2,864.66 M	INR 2,603.15 M	INR 261.51 M

MANUFACTURING STRENGTHS

Hester ensures seamless delivery of comprehensive animal healthcare solutions across all markets. This excellence in service delivery is thanks to a well-oiled and methodically managed supply chain aimed at enhancing efficiency, reliability, and responsiveness. The primary components of the Company's efficient delivery practices include quality assurance & compliance, and a robust logistics & distribution network.

850+
EMPLOYEES

KADI, MEHSANA, INDIA

40+
EMPLOYEES

NALA UGARCHANDI (NEAR KATHMANDU), NEPAL

60+
EMPLOYEES

KIBAHA (NEAR DAR ES SALAAM), TANZANIA

STRATEGIC INITIATIVES DRIVING FUTURE GROWTH

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Hester is executing a focused set of initiatives designed to unlock operational scale, bridge supply-demand gaps, and capture new growth opportunities across domestic and international markets. By strengthening vaccine supply chains, protecting ruminant health, accelerating new product introductions, and advancing our global expansion agenda, we are enhancing our competitiveness and building a platform for sustainable, long-term value creation. These initiatives form the core of Hester's strategy to become a leading global player in animal healthcare.

HESTER AFRICA'S RISING MOMENTUM

Hester Africa has demonstrated a strong sales momentum over the past year, underpinned by its focused strategy to bridge the longstanding gap between demand and supply for animal vaccines across the African continent. Despite Tanzania being home to one of the world's largest ruminant populations, the region remains underserved in terms of availability of veterinary vaccine manufacturers and therefore presents us with a scalable growth opportunity.

That's exactly why Hester strategically invested in a state-of-the-art manufacturing facility in Tanzania, developed with the support from the Gates Foundation. Now well-established and operating at scale, the facility has an annual production capacity of 1.5 billion doses, enabling Hester to cater to the continent's vast and underserved markets. This initiative not only positions Hester as a key enabler of ruminant health and food security across Africa, but also aligns with the Company's vision of supporting sustainable livelihoods through reliable access to high-quality animal vaccines and healthcare products.

PROTECTING RUMINANTS: LEADING THE GOAT POX VACCINE WAVE IN INDIA

Hester holds over 70% market share in India's Goat Pox vaccine segment. This vaccine is pivotal for immunising cattle against the Lumpy Skin Disease. Hester has maintained consistent sales of the Goat Pox vaccine, thereby supporting a widespread preventive vaccination programme against Lumpy Skin Disease in cattle.

PIONEERING PPR VACCINE SUPPLY FOR NATIONAL AND GLOBAL HEALTH

With a global market share of approximately 75%, Hester is the world's largest manufacturer and supplier of PPR vaccines. The Company continues to supply the PPR (Peste des Petits Ruminants) vaccine for sheep and goats, contributing significantly to the Government of India's National Immunisation Programmes.

NEW HEALTH PRODUCTS LAUNCHES

Hester is set to significantly enhance its portfolio across both animal and poultry healthcare. In the animal healthcare segment, the company will roll out three specialised nutrition formulations for ruminants alongside six new parasite-control and dermatology treatments for pets, strategically designed to anticipate evolving market demands and better serve customer needs. Simultaneously, in poultry healthcare, Hester will introduce three targeted nutritional health products, further enhancing its offering and reinforcing its commitment to innovation-led growth.

BUILDING A THRIVING WORKPLACE THROUGH EMPLOYEE-CENTRIC POLICIES

Committed to cultivating a workplace culture that prioritises the well-being, growth and inclusion of its employees, Hester is taking several steps to enhance employee welfare. These initiatives cover preventive health check-ups, and mental wellness support, along with ergonomic workplace solutions. Our office environment is designed for comfort and efficiency, featuring modern infrastructure, well-ventilated workspaces, hygienic canteen serving nutritious meals, and convenient transport facilities to ease commuting hassles. Everyday Hester strives to build a supportive and healthy work environment essential for sustained organisational success.

EXPANDING HORIZONS: STRENGTHENING GLOBAL PRESENCE IN ANIMAL HEALTHCARE

Hester is significantly broadening its distribution network across Africa to deliver its range of vaccines and health products. These products are manufactured in our state-of-the-art plants located in India, Nepal and Tanzania. We are particularly focusing on the domestic Tanzanian market as well as reaching other east african nations and south asian markets. With over 40 years of expertise in poultry and animal healthcare product development, bolstered by our renowned R&D laboratories recognised by DSIR and strategic collaborations with global institutions, the Company continues to roll out innovative solutions, solidifying its competitive edge.

SUSTAINABLE GROWTH, SHARED PROSPERITY

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At Hester, we believe that true success is built on a foundation of sustainability and inclusivity. Our commitment to sustainable growth goes hand in hand with fostering shared prosperity for all our stakeholders. By prioritizing environmental responsibility, social well-being, and ethical governance, we are driving positive change that benefits both communities and ecosystems, ensuring long-term value creation for generations to come.

LEADING SUSTAINABILITY THROUGH EFFICIENCY

Hester is committed to sustainable manufacturing by optimizing energy and water usage through regular audits, efficient water-recycling systems, and on-site solar power installations. The Company is actively reducing Scope 1 and Scope 2 greenhouse gas emissions by transitioning to renewable energy sources and enhancing process heat recovery mechanisms.

A significant milestone in this journey is the implementation of a Zero Liquid Discharge (ZLD) system at the Kadi plant, Gujarat. A fully operational Effluent Treatment Plant (ETP) with a capacity of 180 KLD (kilolitres per day) has been commissioned. Partially treated water from the ETP's reverse osmosis (RO) system is reused for cooling towers and boiler feed water, thereby conserving freshwater resources.

To ensure the quality and compliance of treated effluents, a dedicated ETP laboratory has been established on-site. The lab is equipped to continuously monitor key parameters such as pH, chemical oxygen demand (COD), biological oxygen demand (BOD), and total dissolved solids (TDS), ensuring treated water meets all regulatory and environmental standards before reuse or discharge.

Additionally, a 40 KLD Sewage Treatment Plant (STP) has been installed, replacing the older septic tank system. Treated water from the STP is used for landscaping and gardening within the plant premises. Solid waste generated from these processes is safely managed and disposed of through certified third-party agencies.

Together, these initiatives enable the safe handling and disposal of hazardous by-products using best-in-class effluent management and waste-to-energy technologies, reflecting Hester's initiative to environmental responsibility and operational excellence.

FOSTERING A CULTURE OF SAFETY AND CARE

As part of its broader ESG and human capital priorities, Hester places a strong emphasis on employee well-being and workplace safety. The Company has instituted a comprehensive health and safety management system that includes stringent protocols, periodic risk assessments, mandatory training programmes, and the provision of appropriate personal protective equipment (PPE). These initiatives not only ensure compliance with all regulatory requirements but also promote a culture of care, accountability, and continuous improvement, safeguarding the health and morale of the workforce across all operational sites.

CREATING SHARED VALUE THROUGH SOCIAL RESPONSIBILITY

Hester continues to deliver meaningful social impact through well-structured, inclusive, and scalable CSR interventions. Anchored in the belief that business growth and community progress go hand-in-hand, the Company's CSR efforts in FY 2024–25 focused on three core pillars: healthcare and well-being, education and livelihood enhancement, and equity and inclusion. These initiatives were thoughtfully designed to address the pressing needs of underserved communities, particularly in regions surrounding the Company's operational hubs.

Healthcare outreach was strengthened through targeted support for preventive care, maternal health and local partnerships that promote access to primary healthcare services in rural areas. Women's empowerment was advanced via skill development programmes, self-help group formation and microfinance support, implemented in collaboration with community-based trusts. In the education domain, Hester enhanced rural school infrastructure and extended vocational training opportunities to boost employability among youth. These efforts were complemented by Hester's continued support for inclusive sports and adaptive physical activities, helping to build confidence and resilience among differently-abled athletes.

By aligning its CSR strategy with national development priorities and stakeholder needs, Hester ensures its initiatives are not only compliant with statutory obligations but also purpose-driven and impactful. The Company's structured governance of CSR, overseen by a dedicated Committee, ensures transparency, strategic alignment and long-term value creation. Through these actions, Hester reinforces its role as a responsible corporate citizen, committed to building resilient communities while fostering a sustainable and inclusive future.

REINFORCING GOVERNANCE FOR SUSTAINABLE IMPACT

At Hester, robust governance is central to our ESG strategy and sustainability objectives. Our governance framework is built on a foundation of transparency, accountability, and ethical conduct, which ensures that our business operations are aligned with sustainable value generation for all stakeholders. Our Board of Directors, composed of seasoned leaders with extensive industry experience, plays a critical role in steering the company towards responsible growth while upholding the highest standards of governance.

We prioritise transparency in our communication with stakeholders, ensuring they have access to relevant financial and business information. Regular updates through our annual reports, shareholder meetings, and other channels allow stakeholders to engage with us and make informed decisions. Our strong governance policies, including anti-corruption practices, risk management, and a whistleblower mechanism, reinforce our commitment to integrity and accountability at every level of the organisation.

As part of our ESG commitments, Hester has integrated sustainability into its core governance structures. We have adapted global frameworks like the GRI and TCFD to guide our environmental, social, and governance practices. Our ESG performance is now an integral part of the Board's quarterly agenda, ensuring it is closely monitored and aligned with the company's strategic objectives. By continuously engaging stakeholders and publishing an independent ESG report, we track our progress and remain transparent in our efforts towards a sustainable and inclusive future.


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STATUTORY REPORTS

BOARD'S REPORT

MANAGEMENT DISCUSSION & ANALYSIS

REPORT ON CORPORATE GOVERNANCE

Your Directors are pleased to present the Thirty-Eighth Annual Report and the Audited Financial Statements for the financial year ended 31 March 2025.

FINANCIAL RESULTS

The financial statements of the Company have been prepared in accordance with the Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015.

A summary of the standalone and consolidated financial performance of the Company for the financial year ended 31 March 2025 is as follows:

(Amounts in INR million)

Particulars	Standalone		Consolidated	
	For the year ended 31 March 2025	For the year ended 31 March 2024	For the year ended 31 March 2025	For the year ended 31 March 2024
Revenue from operations	2 ,864.66	2,851.55	3,111.02	3,045.46
Other income	47.64	42.62	39.24	106.38
Total Revenue	**2,912.30**	**2,894.17**	**3,150.26**	**3,151.84**
Profit before interest, depreciation, amortisation expenses and tax (PBIDT)	557.08	516.03	649.76	642.93
Less: Finance Cost	53.67	50.93	127.03	197.75
Less: Depreciation and Amortisation Expenses	85.81	97.78	168.02	171.74
Profit before Share of Profit in Joint Venture entity and Tax	**417.60**	**367.32**	**354.71**	**273.44**
Share of Profit in Joint Venture entity	-	-	41.00	46.09
Profit before tax	**417.60**	**367.32**	**395.71**	**319.53**
Less: Tax Expenses	99.18	95.73	107.45	107.87
Profit for the year (PAT)	**318.42**	**271.59**	**288.26**	**211.66**
Attributable to:				
Owners	318.42	271.59	274.88	188.89
Non-Controlling Interest	-	-	13.38	22.77
Other Comprehensive Income /(Loss)	**(3.63)**	**(0.24)**	**0.59**	**(0.33)**
Attributable to:				
Owners	(3.63)	(0.24)	0.78	(0.22)
Non-Controlling Interest		-	(0.19)	(0.11)
Total Comprehensive Income	**314.79**	**271.35**	**288.85**	**211.33**
Attributable to:				
Owners	314.79	271.35	275.66	188.67
Non-Controlling Interest	-	-	13.19	22.66
Earnings Per Share (Basic & Diluted) (Face Value of Share INR 10 each) (INR)	**37.43**	**31.93**	**33.89**	**24.88**

There have been no significant changes or commitments impacting the financial position of the Company between the end of the financial year and the date of this report.

RESULTS OF OPERATIONS

Sales

During the year under review, the standalone revenue from operations was INR 2,864.66 million, as compared to INR 2,851.55 million in the previous year. The consolidated revenue from operation was INR 3,111.02 million in the financial year ended on 31 March 2025, as compared to INR 3,045.46 million in the previous year.

Profitability

The Company achieved a standalone profit before tax of INR 417.60 million, as compared to INR 367.32 million in the previous year. The consolidated profit before tax was INR 395.71 million in the financial year ended on 31 March 2025, as compared to INR 319.53 million in the previous year.

Earnings per share

The EPS on the standalone financials was INR 37.43 for the year ended on 31 March 2025 as against INR 31.93 as on 31 March 2024. The EPS on consolidated financials was INR 33.89 for the year ended on 31 March 2025 as against INR 24.88 as on 31 March 2024.

Transfer to Reserves

The Board of Directors of the Company has decided not to transfer any amount to the reserves for the year under review.

Share Capital

The paid-up equity share capital as on 31 March 2025 stood at INR 85.07 million.

Net Worth

The Company's net worth on standalone basis as on 31 March 2025 was INR 3,390.87 million as compared to INR 3,127.12 million as on 31 March 2024. The Company's net worth on consolidated basis as on 31 March 2025 was INR 3,142.55 million as compared to INR 2,917.93 million as on 31 March 2024.

DIVIDEND

Your Directors have recommended a dividend of INR 7 per equity share (70%) on 8,506,865 equity shares of INR 10 each, fully paid-up, for the financial year 2024-25, amounting to INR 59.55 million. This dividend is subject to approval by the Members at the ensuing Annual General Meeting ("AGM") and will be disbursed to those shareholders whose names appear in the Register of Members as on the cut-off date.

The Dividend Pay-out Ratio for the year stands at 19% of standalone profits, in line with the Company's Dividend Distribution Policy. Further details of the said policy, formulated in accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), are available on the Company's website at: https://www.hester.in/corporate-governance

BORROWINGS

The Company's outstanding long-term borrowings stood at INR 756.26 million as on 31 March 2025, as compared to INR 1,037.75 million as on 31 March 2024.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated total income from operations is INR 3,111.02 million and total comprehensive income attributable to owners' equity after non-controlling interest is INR 275.66 million for the financial year 2024-25 as compared to the consolidated total income from operations of INR 3,045.46 million and total comprehensive income attributable to owners' equity after non-controlling interest of INR 188.67 million for the previous financial year 2023-24. Consolidated financial statements include the financial statements of the following entities:

1	**Hester Biosciences Nepal Private Limited**	Foreign Subsidiary
2	**Texas Lifesciences Private Limited**	Indian Subsidiary
3	**Hester Biosciences Africa Limited**	Foreign Wholly-owned Subsidiary
4	**Hester Bioscience Kenya Limited**	Foreign Wholly-owned Subsidiary
5	**Hester Biosciences Tanzania Limited**	Foreign Step-down Subsidiary (Wholly-owned Subsidiary of Hester Biosciences Kenya Limited)
6	**Thrishool Exim Limited**	Foreign Joint Venture Entity

In compliance with Indian Accounting Standard (Ind AS) - 110, 'Consolidation of Financial Statements,' and the provisions of the Companies Act, 2013 (referred to as the 'Act'), read with Schedule III and related Rules made thereunder, along with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Report includes the Audited Consolidated Financial Statements. These statements portray the combined financial position, including resources, assets, liabilities, incomes, profits, and other relevant details, of the Company, its subsidiaries (with non-controlling interest eliminated), and joint venture entities as a single entity.

SUBSIDIARY COMPANIES

As of 31 March 2025, your Company has two wholly-owned subsidiary companies: Hester Biosciences Africa Limited and Hester Biosciences Kenya Limited. Additionally, your Company has two subsidiary companies, namely Hester Biosciences Nepal Private Limited and Texas Lifesciences Private Limited. Furthermore, there is one step-down subsidiary company, Hester Biosciences Tanzania Limited, which is wholly-owned by Hester Biosciences Kenya Limited.

The business details of the subsidiary companies are as under:

Texas Lifesciences Private Limited (Texas Lifesciences)
Texas Lifesciences, a subsidiary of Hester Biosciences Limited, holds the majority stake (54.81%). The Company manufactures and supplies pharmaceutical formulations such as tablets, capsules, powders, and oral liquids for both the human and veterinary markets.

Hester Biosciences Nepal Private Limited (HBNPL)
HBNPL is a subsidiary of Hester Biosciences Limited, with a 65% stake in HBNPL. HBNPL is in the business of manufacturing veterinary vaccines in Nepal.

Hester Biosciences Africa Limited (HBAL)
HBAL is a wholly owned subsidiary of Hester Biosciences Limited in Tanzania. HBAL manufactures and markets veterinary vaccines in Tanzania and other African countries.

Hester Biosciences Kenya Limited (HBKL)
HBKL is a wholly owned subsidiary of Hester Biosciences Limited in Kenya. HBKL is in the business of Trading of veterinary vaccines and animal health products in Kenya.

Hester Biosciences Tanzania Limited (HBTL)
HBTL is wholly owned subsidiary of HBKL and step-down subsidiary of Hester Biosciences Limited. HBTL is in the business of trading veterinary vaccines and animal health products in Tanzania and other African countries.

There have been no material changes in the nature of our subsidiaries business operations, as detailed in the financial statements. During the year under review, the Board diligently assessed the performance and operations of these subsidiary companies.

In compliance with Section 136 of the Act, we are not attaching the Balance Sheets, Profit and Loss Statements, and other pertinent documents of subsidiary companies with the Company's Balance Sheet. However, these statements will be readily available to Members on the Company's website. The Consolidated Financial Statements provided by the Company includes financial statements of subsidiaries and joint venture entity. The highlights are given in this Board Report as Annexure - 1, according to the standards indicated in Form AOC-1.

In accordance with Section 129(3) of the Companies Act, 2013, and the accompanying Rules, we have provided a statement outlining the significant aspects of the financial statements of our subsidiaries. This statement adheres to the prescribed format as per the regulatory requirements. The policy regarding material subsidiaries, as approved by the Board, is accessible on the Company's website via the following link: **https://www.hester.in/corporate-governance**

JOINT VENTURE ENTITY

Thrishool Exim Limited (TEL) is a joint venture entity, with Hester Biosciences Limited holding a 50% stake, operating in Tanzania. TEL is a reputable supplier and distributor of a wide range of animal health and nutrition products sourced from various esteemed companies. Its diverse product range includes veterinary feed additives, feed raw materials, nutritional supplements, therapeutics, and equipment sourced from internationally renowned producers. TEL has a large sourcing network, collaborating with prominent partners throughout Europe, Asia, and Southern Africa.

SHIFTING OF REGISTERED OFFICE

During the year under review, the Company shifted its Registered Office from Pushpak, 1st Floor, Panchvati Circle, Motilal Hirabhai Road, Ahmedabad - 380006, Gujarat, India to Village - Meda Adraj, Taluka - Kadi, District - Mehsana, Gujarat - 384441, India. The shift is outside the local limits of the city but remains within the same State of Gujarat and under the jurisdiction of the same Registrar of Companies.

The change was approved by the shareholders through the Postal Ballot process on 13 February 2025 as recommended by the Board of Directors, in accordance with the provisions of Section 12 of the Companies Act, 2013, and the applicable rules made thereunder. Necessary filings in respect of the change have been duly made with the Registrar of Companies. The relocation of the Registered Office is intended to enhance operational efficiency and administrative convenience.

INSURANCE

The Company has taken proactive steps to ensure comprehensive insurance coverage for its plants, properties, equipment, stocks and vehicles, safeguarding against all major risks. Additionally, a Directors' and Officers' Liability Policy has been secured to provide coverage for potential liabilities concerning the Company's directors and officers.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted deposits from shareholders and public falling within the ambit of Section 73 of the Companies Act, 2013 and rules made thereunder.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the Statutory Auditor, Cost Auditor, nor the Secretarial Auditor reported any instances of fraud committed against the Company by its officers or employees, as specified under Section 143(12) of the Companies Act, 2013, which would require disclosure in the Board's Report.

RELATED PARTY TRANSACTIONS

All Related Party Transactions during the financial year were conducted in compliance with the applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and the Company's Policy on Related Party Transactions. These transactions were reviewed and approved by the Audit Committee and the Board of Directors, and where required, by the shareholders.

Details of material contracts and arrangements with related parties, in accordance with the Company's Related Party Transactions Policy and as required under Section 188(1) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, are annexed to this Report as Annexure-2. The disclosures pertaining to Related Party Transactions for the financial year 2024-25 are also provided in the Notes to the Financial Statements.

The Policy on Related Party Transactions, including the policy for determining material transactions, is available on the Company's website and can be accessed at:
https://www.hester.in/corporate-governance

In compliance with Regulation 23(9) of the Listing Regulations, the Company has filed the necessary disclosures of related party transactions with the stock exchanges on the same day as the announcement of its standalone and consolidated financial results.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

COST ACCOUNTS AND RECORDS

The Company has prepared and maintained the cost accounts and records in accordance with the regulations outlined by the Central Government under section 148(1) of the Act and rules made thereunder.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on 31 March 2025, the Company's Board comprised ten Directors (excluding Alternate Director), each bringing significant experience and expertise in their respective fields. All other statutory disclosures pertaining to the Board and its functioning are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

Appointment and Cessation of Directors

There were no changes in the composition of the Board of Directors of the Company during the financial year under review.

Retirement by Rotations

In accordance with Section 152(6) of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and the Articles of Association of the Company, Dr. Bhupendra Gandhi (DIN: 00437907), aged 82 years, Non-Executive Director, is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for reappointment. The Board recommends his reappointment for shareholders' approval.

Declaration of Independence

Pursuant to the provisions of Sections 149(6) and 149(7) of the Companies Act, 2013, and Regulations 16(1)(b) and 25 of the Listing Regulations, the Company has received declarations from all Independent Directors confirming that they meet the criteria of independence and are eligible to continue as Independent Directors of the Company. The Board has taken on record the declarations after duly assessing their veracity and has noted that there has been no change in the circumstances affecting their status as Independent Directors.

Profile of Directors seeking Appointment/ Reappointment

Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Secretarial Standards on General Meetings (SS-2), the brief profile and other relevant details of Directors seeking appointment or re-appointment at the ensuing Thirty-Eighth Annual General Meeting are provided in the Notice convening the said meeting.

Key Managerial Personnel

During the year under review, Mr. Nikhil Jhanwar resigned from the position of Chief Financial Officer of the Company with effect from 6 November 2024. Based on the recommendations of the Nomination and Remuneration Committee and the Audit Committee, Mr. Divyesh Maru was appointed as Chief Financial Officer with effect from 12 November 2024.

The following persons are designated as Key Managerial Personnel (KMP) in accordance with the provisions of the Companies Act, 2013, as of 31 March 2025:

1. Mr. Rajiv Gandhi, CEO & Managing Director
2. Ms. Priya Gandhi, Executive Director
3. Mr. Divyesh Maru, Chief Financial Officer
4. Mr. Vinod Mali, Company Secretary & Compliance Officer

Board Evaluation:

In accordance with the provisions of the Companies Act, 2013, and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board carried out an annual performance evaluation of its own performance, that of its Committees, and individual Directors including the Chairman and Independent Directors. The process was conducted with the aid of structured questionnaires and followed the guidelines prescribed under the Guidance Note on Board Evaluation issued by SEBI.

A separate meeting of the Independent Directors was held to review the performance of Non-Independent Directors, the Board as a whole, and the performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors.

Based on the feedback received and assessments conducted, the overall performance of the Board, its Committees and individual Directors was rated between Very Good to Good on different parameters. Further details on the evaluation process are provided in the Corporate Governance Report forming part of this Annual Report.

Nomination and Remuneration Policy

The Company has in place a Nomination and Remuneration Policy formulated by the Nomination and Remuneration Committee and approved by the Board. The Policy lays down the framework for selection, appointment and remuneration of Directors and Senior Management Personnel. During the year, the Policy was amended to align with recent changes in the Listing Regulations. The detailed Remuneration Policy is available in the Corporate Governance Report, which forms part of this Annual Report.

Pecuniary Relationship

During the year under review, except as disclosed in the audited financial statements, the Non-Executive Directors of the Company did not have any pecuniary relationship or transactions with the Company.

Board of Directors Meetings

During the financial year 2024–25, the Board of Directors met four (4) times. The Company has complied with the statutory requirement of not having an interval exceeding 120 days between two consecutive meetings. The details of the meetings held are provided in the Corporate Governance Report, which forms a part of this Annual Report.

Non-disqualification

None of the Directors of the Company are disqualified from being appointed or continuing as Directors under the provisions of Section 164(1) and 164(2) of the Companies Act, 2013, read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014. Further, none of the Directors have been debarred or disqualified by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), or any other statutory authority.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of section 134(3)(c) read with 134(5) of the Companies Act, 2013 and to the best of their knowledge and belief, and according to the information and explanations provided to them, your Directors hereby make the following statements:

a) That in preparation of Financial Statements for the year ended 31 March 2025, the applicable accounting standards have been followed and no material departures have been made from the same;
b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year;
c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d) The Directors had prepared the Financial Statements for the year ended 31 March 2025 on going concern basis;
e) The Directors had laid down the internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively

COMMITTEES OF BOARD OF DIRECTORS

Your Company has constituted several Committees as part of its commitment to sound corporate governance practices and in compliance with applicable statutory requirements. These Committees play a crucial role in supporting the Board in its oversight responsibilities and ensuring effective decision-making.

The Company has following Committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Grievances and Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee
6. Management Committee

A detailed overview of each Committee, covering their composition, terms of reference, powers and the number of meetings held during the year, is provided in the Corporate Governance Report, which forms part of this Annual Report.

RECOMMENDATION OF COMMITTEES

The Board of Directors confirms that it has accepted all the recommendations made by the Committees during the year under review.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Pursuant to section 135 of the Act read with the relevant rules, the Board has constituted a Corporate Social Responsibility ("CSR") Committee under the Chairmanship of Mr. Rajiv Gandhi. The details of membership of the Committee & the meetings held are detailed in the Corporate Governance Report, forming part of this Report. The contents of the CSR Policy of the Company as approved by the Board on the recommendation of the CSR Committee is available on the website of the Company and can be accessed through the website of the Company: https://www.hester.in/corporate-governance

During the year, the Company has spent INR 8.93 million on CSR activities. The disclosures with respect to CSR activities, as required under the Companies (CSR Policy) Rules, 2014, are annexed to the Board's Report as Annexure-3.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has instituted a robust vigil mechanism to uphold ethical conduct, professionalism, and integrity across all levels.

In compliance with provisions of section 177(9) of the Act and rules made thereunder and regulation 22 of the Listing Regulations, the Company has established vigil mechanism and framed Whistle Blower Policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and SEBI (Prohibition of Insider Trading) Regulations, 2015. The Whistle Blower Policy is uploaded on Company's website and the link of the same is provided in a separate section of Corporate Governance Report. No employee or Director was denied access to the Audit Committee during the year under review.

DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards any form of sexual harassment and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the applicable rules.

The Company always endeavors to create and provide an environment to its employees and external individuals engaged with the Company that is free from discrimination and harassment including sexual harassment. The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. During the financial year 2024–25, the Company received no complaints related to sexual harassment at any of its locations.

INSIDER TRADING REGULATIONS

The Company has adopted the Code for Insider Trading as per the SEBI (Prohibition of Insider Trading) Regulations, 2015. All other details on insider trading regulations are mentioned into the Corporate Governance Report, which forms a part of this Annual Report.

CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance requirements under the Companies Act, 2013 and Regulations 17 to 27 and 46 of the SEBI (LODR) Regulations, 2015 and amendments therein. A separate section on detailed report on Corporate Governance practice followed by the Company under SEBI (LODR) Regulations, 2015 along with a certificate from Practicing Company Secretary, confirming the compliance forms a part of this report. The Board of Directors supports the basic principles of corporate governance and lays strong emphasis on transparency, accountability and integrity.

SECRETARIAL STANDARDS

Secretarial Standards for the Board of Directors Meeting (SS-1) and General Meetings (SS-2) are applicable to the Company. The Company has complied with the provisions of all applicable Secretarial Standards.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT ('BRSR')

Pursuant to Regulation 34 and Schedule V of the Listing Regulations, as well as the frequently asked questions published by the stock exchanges (BSE and NSE), the Business Responsibility and Sustainability Report (BRSR) of the Company for the financial year ended 31 March 2025 has been uploaded on the Company's website and can be accessed at https://www.hester.in/shareholders/reports-certificates This report includes disclosures on various initiatives undertaken by the Company from an environmental, social, and governance perspective.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this Report. The Audit Committee has reviewed the Management Discussion and Analysis of financial conditions and results of operations during the year under review.

AUDITORS

Statutory Auditor and Audit Report

Chandulal M. Shah & Co. (Firm Registration No. 101698W), Chartered Accountants, Ahmedabad, was appointed as the Statutory Auditors of the Company till the conclusion of Forty First Annual General Meeting. Chandulal M. Shah & Co., Chartered Accountants have furnished a declaration confirming their independence as well as their arm's length relationship with the Company and that they have not taken up any prohibited non-audit assignments for the Company.

The Board has duly reviewed the Statutory Auditors' Report of Chandulal M. Shah & Co. for the year ended on 31 March 2025. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

Internal Auditor and Audit Report

Ernst & Young LLP, Ahmedabad, has been the internal auditor of the Company for the FY 2024-25. The Internal Auditor is appointed by the Board of Directors of the Company on a yearly basis, based on the recommendation of the Audit Committee. The Internal Auditor reports its findings on the internal audit of the Company to the Audit Committee on a quarterly basis. The scope of internal audit is approved by the Audit Committee and Management from time to time.

The Board has re-appointed Ernst & Young LLP, Ahmedabad for the FY 2025-26 as an Internal Auditor of the Company, after obtaining its willingness and eligibility letter for appointment as Internal Auditor of the Company.

Cost Auditor

Pursuant to provisions of Section 148 read with Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors had, on recommendation of the Audit Committee, re-appointed Kiran J. Mehta & Co., Cost Accountants, Ahmedabad, as the Cost Auditor of the Company for the financial year 2024-25, on the remuneration terms as approved by the members at the previous Annual General Meeting. The Cost Audit report for the financial year 2023-24 was filed within the due date. The due date for submission of the Cost Audit Report for the year 2024-25 is within 180 days from 31 March 2025.

The Board has re-appointed Kiran J. Mehta & Co., Cost Accountants, Ahmedabad for the FY 2025-26 as a Cost Auditor to audit the cost records of the Company on a remuneration up to INR 0.23 million plus applicable Goods and Services Tax and out of pocket expenses on actuals. As required under the Act and Rules made thereunder, the remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for ratification. Accordingly, a resolution seeking ratification by members for the remuneration payable to Kiran J. Mehta & Co. is included in the Notice convening 38th Annual General Meeting of the Company.

Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has re-appointed Mr. Tapan Shah, a Peer Reviewed Practicing Company Secretary, to conduct the Secretarial Audit for the financial year 2024-25.

The Secretarial Audit Report for the financial year 2024-25 is attached to this Board's Report as Annexure-4. The Board has thoroughly reviewed the Secretarial Auditor's Report for the year ended 31 March 2025 and confirms that the report does not contain any qualifications, reservations, adverse remarks, or disclaimers.

In compliance with Regulation 24A of the Listing Regulations, the Audit Committee and the Board have recommended the appointment of Shah and Shah Associates, a Peer Reviewed Practicing Company Secretary Firm based in Ahmedabad, as the Secretarial Auditors of the Company for a term of five consecutive years, from FY 2025-26 to FY 2029-30. The authority to decide the remuneration payable to them rests with the Audit Committee and the Board. The appointment of Shah and Shah Associates is subject to approval by the members at the forthcoming AGM.

Annual Secretarial Compliance Report

In compliance with regulation 24A (2) of the Listing Regulations, Mr. Tapan Shah, Practicing Company Secretaries issued Annual Secretarial Compliance Report for the Financial Year 2024-25. The Report, presented at the Board meeting held on 9 May 2025, confirmed that the Company has maintained proper records as stipulated under various Rules and Regulations and that, no action has been taken against the Company or its material subsidiaries or promoters / directors by SEBI / BSE / NSE. The Company has submitted the Report to the Stock Exchanges within the prescribed time.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of financial year and the date of Board's Report.

BUSINESS RISK MANAGEMENT

The Company has a comprehensive Risk Management procedure that addresses various risks, including Business, Operational, Financial, Sectorial, Market, Regulatory and Compliance, Sustainability, Human Resources, Information and Cyber Security and Strategic Risks. These risks are systematically assessed, measured, and mitigated through continuous actions within the risk appetite approved by the Board of Directors. The risk management framework is periodically reviewed by both the Board and the Audit Committee. An overview of the key risks and concerns is provided in the Management Discussion and Analysis Report, which is part of this Annual Report.

In accordance with Section 134(3)(n) of the Companies Act, 2013, and Regulation 21 of the Listing Regulations, the Company has established a Risk Management Committee. The details of the Committee, along with its terms of reference, are outlined in the Corporate Governance Report, which is also part of this Annual Report.

INTERNAL FINANCIAL CONTROL SYSTEMS AND ITS ADEQUACY

The Company has established a formal framework for Internal Financial Control ("IFC") in compliance with the requirements of the Companies Act, 2013 and laid down the specific responsibilities related to IFC have been defined for the Board, Audit Committee, Independent Directors and Statutory Auditors. Accordingly, the Company has a well-placed, proper and adequate IFC system, which ensures:

1. The orderly and efficient conduct of its business,
2. Safeguarding of its assets,
3. Prevention and detection of frauds and errors,
4. Accuracy and completeness of accounting records, and
5. Timely preparation of reliable financial information.

The audit committee and Board regularly reviews the effectiveness of the controls documented within the IFC framework and takes corrective and preventive actions as necessary when weaknesses are identified. This review encompasses entity-level controls, process-level controls, fraud risk controls and the Information Technology environment.

Based on this evaluation, no significant events were identified during the year that materially affected, or are reasonably likely to materially affect, the Company's IFC. Management concludes that the IFC and financial reporting were effective and adequate in line with the Company's operations. The Statutory Auditors have audited the adequacy and operating effectiveness of the internal financial controls over financial reporting, and their Audit Report is annexed as Annexure B and Annexure A to the Independent Auditors' Report in the Standalone and Consolidated Financial Statements, respectively.

CREDIT RATINGS

During the year, CARE Ratings Limited has reaffirmed the credit rating of "CARE BBB+/Stable" for the Company's long-term bank facilities and "CARE A2" for its short-term bank facilities. These ratings reflect the Company's good financial position and its ability to meet financial obligations in a timely manner.

CERTIFICATIONS/ RECOGNITION/ ACCREDITATIONS

The Company having following Certifications/ Recognition/ Accreditations:

1. WHO - GMP
2. GLP (Good Laboratory Practices)
3. ISO 9001:2015
4. ISO 14001:2015
5. ISO 45001:2018
6. DSIR approved R&D Centre

TRANSFER OF SHARES AND DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF) ACCOUNT

During the year under review, in compliance with the provisions of sections 124 and 125 of the Act and Rules made thereunder the Company has transferred:

i. 3,955 equity shares of 29 (Twenty Nine) members whose dividend has remained unclaimed / unpaid for a consecutive period of seven years to IEPF.
ii. INR 0.83 million, being the unclaimed dividend, pertaining to the dividend for the financial 2016-17 (Final) and year 2017-18 (Interim) was transferred to IEPF after giving notice to the members to claim their unpaid / unclaimed dividend.

ANNUAL RETURN

Pursuant to Sub-section 3(a) of Section 134 and Sub-section (3) of Section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, a copy of the Annual Return of the Company for the financial year ended 31 March 2025, in Form MGT-7, has been uploaded on the Company's website and can be accessed at **www.hester.in**

PARTICULAR OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures pertaining to remuneration and other details are provided in Annexure-5 to this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, is provided in Annexure-6 and forms part of this report.

GENERAL DISCLOSURES

Your Directors confirm that the Company has made the required disclosures in this report for the items prescribed under Section 134(3) of the Companies Act, 2013, and Rule 8 of the Companies (Accounts) Rules, 2014, to the extent that transactions took place on these items during the year.

Apart from the matters mentioned in this report, there are no material changes or commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

ACKNOWLEDGEMENT

The Directors would like to express their sincere appreciation for the continued cooperation and support extended to the Company by the Bank. They also extend their gratitude to the Medical Professionals, Traders and Consumers for their continued patronage of the Company's products.

The Directors take this opportunity to acknowledge the dedicated efforts and hard work of the employees at all levels, which remain instrumental to the Company's success.

Furthermore, the Directors thank the Company's vendors, investors, business associates, Stock Exchanges, the Government of India, State Governments and various departments and agencies for their ongoing support and collaboration.

Your Directors deeply appreciate and value the dedication, commitment, and contribution of every member of the Hester Biosciences family. Their collective efforts continue to drive the Company's growth and success.

For and on behalf of Board of Directors

Rajiv Gandhi	**Priya Gandhi**	**Date**	9 May 2025
CEO & Managing Director	Executive Director	**Place**	Kadi, Mehsana
DIN: 00438037	DIN: 06998979		

ANNEXURE-1

STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ ASSOCIATES/JOINT VENTURES

(Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014)

PART "A" - SUBSIDIARIES

(Amount in INR million)

Name of Subsidiaries	Hester Biosciences Nepal Private Limited	Texas Lifesciences Private Limited	Hester Biosciences Africa Limited	Hester Biosciences Kenya Limited	Hester Biosciences Tanzania Limited
The date since when subsidiary was acquired	11 March 2016	6 June 2017	6 June 2017	27 June 2018	27 June 2018
Reporting period ended	31 March 2025	31 March 2025	31 March 2025	31 March 2025	31 March 2025
Reporting currency	NPR	INR	TZS	KSH	TZS
Exchange rate as on the last date of financial year	0.625	1	0.032	0.662	0.032
Average exchange rate	0.625	1	0.033	0.644	0.033
Equity Share capital	167.63	49.39	294.00	10.06	40.44
Other Equity	13.59	84.80	(474.03)	56.65	(20.88)
Total Assets	327.63	205.32	1,043.42	66.84	93.33
Total Liabilities	146.41	71.13	1,223.45	0.22	74.58
Investments	-	-	-	25.08	-
Turnover	100.61	285.89	162.01	-	65.63
Profit before Taxation	13.74	27.48	(102.69)	(0.84)	0.87
Provision for Taxation	1.72	7.17	-	-	0.09
Profit after Taxation	12.02	20.31	(102.69)	(0.84)	0.78
% of Shareholding	65%	54.81%	100%	100%	100%*

*Hester Biosciences Tanzania Limited is wholly-owned subsidiary of Hester Biosciences Kenya Limited

PART “B”: JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Joint Venture	**Thrishool Exim Limited**
Latest Audited Balance Sheet Date	31 December 2024*
Shares of Joint Ventures held by the Company on the period ended 31 March 2025	
Number of Shares	1,674
Amount of Investment in Joint Venture	INR 208.15 million
Extend of Holding %	50%
Description of how there is significant influence	The company having 50% stake in equity shares and management joint control of the entity
Reason why the joint venture is not consolidated	Not Applicable
Net Worth attributable to Shareholding as per latest Balance Sheet	INR 186.86 million
Profit for the period ended 31 March 2025	
Considered in Consolidation	INR 41 million
Not Considered in Consolidation	Not Applicable

* The statutory financial year end of Thrishool Exim Limited is 31 December and the above stated figures are based on the audited financial statements for the year ended 31 December 2024 and consolidation carried out as per IND AS 110 considering the material values till 31 March 2025.

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Date 9 May 2025
Place Kadi, Mehsana

ANNEXURE-2

FORM NO. AOC-2
PARTICULARS OF CONTRACTS / ARRANGEMENTS MADE WITH RELATED PARTIES

(Pursuant to Clause (h) of Sub-section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Forms for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:**
   There were no contracts or arrangements or transactions entered into with related parties during the year under review, which were not on an arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

Name of the Related Party and Nature of Relationship	Not Applicable
Nature of contract / arrangement or transaction	
Duration of contract / Arrangement or transaction	
Salient terms of the contract / arrangement or transaction, including value, if any	
Dates of approval by the Board of Directors	
Amount paid as advance, if any	

Note: All related party transactions are benchmarked for arm's length, approved by Audit Committee and reviewed by Statutory Auditors. The above disclosures on material transactions are based on threshold of ten percent of consolidated turnover and considering wholly owned subsidiaries are exempt for the purpose of Section 188(1) of the Act.

For and on behalf of Board of Directors

Rajiv Gandhi CEO & Managing Director DIN: 00438037	**Priya Gandhi** Executive Director DIN: 06998979	**Date** 9 May 2025 **Place** Kadi, Mehsana

ANNEXURE-3

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1	Brief outline on CSR Policy of the Company	The Company has framed a CSR Policy in compliance with the provisions of section 135 of the Act and Rules made thereunder, as amended from time to time and for the time being in force. The policy may be accessed through the web-link: **https://www.hester.in/corporate-governance**
2	Composition of CSR Committee	

Sr.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Rajiv Gandhi	Chairperson/ Executive Director	2	2
2	Mr. Sanjiv Gandhi	Member/ Non-Executive Director	2	2
3	Ms. Sandhya Patel	Member/ Independent Director	2	2

3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company	**www.hester.in**
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable	Not Applicable
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	Nil
6	Average net profit of the company as per section 135(5)	INR 446.25 million
7	a) Two percent of average net profit of the company as per section 135(5)	INR 8.93 million
	b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
	c) Amount required to be set off for the financial year, if any	Nil
	d) Total CSR obligation for the financial year (7a+7b-7c).	INR 8.93 million

8	a)	CSR amount spent for the financial year	Total INR 8.93 million as a CSR amount spent for the Financial Year 2024-25
	b)	b) Details of CSR amount spent against ongoing projects for the financial year	Not Applicable

c) Details of CSR amount spent against other than ongoing projects for the financial year

Sr.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area	Location of the project		Amount spent for the project (in INR million)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Reg. No.
1	Environment Conservation	Environmental Sustainability	Yes	Gujarat	Ahmedabad	1.03	No	Nehru Foundation for Development Centre for Environment Education Society	CSR00001260
2	Promoting Education	Education and allied activities	Yes	Gujarat	Mehsana	0.40	Yes	-	-
3	Promoting Education	Education and allied activities	Yes	Gujarat	Mehsana	0.05	Yes	-	-
4	Promoting Education	Education and allied activities	Yes	Gujarat	Ahmedabad	3.00	No	Sardardham	CSR00003148
5	Promoting Education, Healthcare and	Woman empowerment, Medical and Health care and Education	Yes	Gujarat	Ahmedabad	2.50	No	Raginiben Bipinchandra Seva Karya Trust	CSR00012645
6	Promoting Sports	Promoting paralympic sports and olympics sports	No	Pan India		0.50	No	Foundation for Promotion of Sports and Games	CSR00001100
7	Promoting Education	Education and allied activities	No	Gujarat	Porbandar	0.90	No	Shri Bhartiya Sanskruti Samvardhak Trust	CSR00015538
8	Promoting Healthcare	Promoting health care including preventive health care	No	Gujarat	Vadodara	0.50	No	Shri Kalyanraiji Sarvajanik Charitable Trust	CSR00084786
9	Promoting Healthcare	Promoting health care including preventive health care	Yes	Gujarat	Mehsana	0.05	Yes	-	-
					Total	**8.93**			

	d)	Amount spent in Administrative Overheads	Nil
	e)	Amount spent on Impact Assessment, if applicable	Not Applicable
	f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	INR 8.93 Million
	g)	Excess amount for set off, if any	Nil
9	a)	Details of Unspent CSR amount for the preceding three financial years	Not Applicable
	b)	Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s)	Not Applicable

10	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-wise details):	Not Applicable
	a) Date of creation or acquisition of the capital asset(s)	
	b) Amount of CSR spent for creation or acquisition of capital asset	
	c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	
	d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	
11	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)	Not Applicable

For and on behalf of Board of Directors

Rajiv Gandhi
Chairman - CSR Committee &
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Date 9 May 2025
Place Kadi, Mehsana

ANNEXURE-4

SECRETARIAL AUDIT REPORT OF HESTER BIOSCIENCES LIMITED

for the financial year ended 31 March 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
HESTER BIOSCIENCES LIMITED
CIN: L99999GJ1987PLC022333
Village - Meda Adraj, Taluka - Kadi,
District - Mehsana, Gujarat 384441

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hester Biosciences Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and based on the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit through electronically by way of scan copy or soft copy through mail or otherwise, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2025, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined through electronically by way of scan copy or soft copy through mail or otherwise, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2025 and made available to me, according to the provisions of:

1. The Companies Act, 2013 ('the Act') and the rules made there under as applicable;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, External Commercial borrowings and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
    b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;
    c. SEBI (Depositories and Participant) Regulations,2018, as amended from time to time; and
    d. SEBI (Investor Protection and Education Fund) Regulation, 2009;
6. Secretarial Standards issued by the Institute of Company Secretaries of India (SS - 1 and SS - 2)

I have also examined compliance with the applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time, pursuant to the Listing Agreement of the said Company with stock exchanges.

Further being a Pharmaceutical Company, following are some of the Acts applicable to the Company, for which examination of the relevant documents and records, on test check basis, have been carried out under:
1. Biological Diversity Act, 2002 & its Rules
2. Drug Policy, 2002
3. Drugs (Price Control) Order, 2013

During the period under review, the Company has generally complied with the all material aspects of applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the Period under review, provisions of the following Acts, Rules, Regulations, Guidelines, etc., were not applicable to the Company:

i. Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulations, 2021;
ii. SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2016 and 2021;
iii. Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021;
iv. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & 2018; and
v. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 & 2018;

I further report that, the Compliance by the Company of applicable financial laws, like direct and indirect tax laws and names of related parties under IND AS-24, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

I further report that, based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit and on the basis of Compliance Certificates issued by the CEO & Managing Director and Company Secretary of the Company and taken on record by the Board of Directors at their meetings, in my opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various labour laws, competition law, environmental laws, etc.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors. However, change of KMP (CFO) that took place during the period under review was carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the year, all decisions in the Board Meetings were carried unanimously.

I further report that, during the audit period there were few specific events/ actions in pursuance of the above referred laws, rules, regulations, standards, etc. having a major bearing on the Company's affairs, details of which are as stated below:

i. Change of CFO (KMP) of the Company by resignation of Mr. Nikhil Jhanwar, with effect from 6 November 2024 and appointment of Mr. Divyesh Maru, with effect from 12 November 2024 was done in compliance with the provisions of the Act.
ii. Members of the Company have approved revision in remuneration of Ms. Priya Gandhi (DIN: 06998979), Executive Director (Whole-time) of the Company with effect from 1 September 2024 up to 27 October 2026, through Special Resolution.
iii. The Company has shifted its registered office from Pushpak, 1st Floor, Panchvati Circle, Motilal Hirabhai Road, Ahmedabad 380006, Gujarat to "Village - Meda Adraj, Taluka - Kadi, District - Mehsana, Gujarat 384441", India, and for that resolution passed by the members of the Company through the postal ballot process as on 13 February 2025.

Name of Company Secretary in practice: **Tapan Shah**
FCS No. : **4476**
C P No. : **2839**
PR No. : **6457/2025**
UDIN: **F004476G000265101**

Date 9 May 2025
Place Ahmedabad

Note: This Report is to be read with my letter of above date which is annexed as **Annexure A** and forms an integral part of this report.

ANNEXURE-A

TO THE SECRETARIAL AUDIT REPORT

To,
The Members,
HESTER BIOSCIENCES LIMITED
CIN: L99999GJ1987PLC022333
Village - Meda Adraj, Taluka - Kadi,
District - Mehsana, Gujarat 384441

My report of the above date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done based on the records and documents provided, on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Name of Company Secretary in practice: **Tapan Shah**
FCS No. : **4476**
C P No. : **2839**
PR No. : **6457/2025**
UDIN: **F004476G000265101**

Date 9 May 2025
Place Ahmedabad

ANNEXURE-5

PARTICULARS OF REMUNERATION AS PER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

a) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary for the financial year 2024-25:

Sr.	Name of Director and KMP	Designation/ Category	Ratio of remuneration to median remuneration of Employees	% Increase/ (Decrease) in remuneration in the financial year
A	EXECUTIVE DIRECTORS			
1	Mr. Rajiv Gandhi	CEO & Managing Director	133.77	8%
2	Ms. Priya Gandhi	Executive Director	27.14	51%
B	NON-EXECUTIVE DIRECTORS *			
1	Dr. Bhupendra Gandhi	Chairperson	0.67	NA
2	Mr. Sanjiv Gandhi	Director	0.50	NA
3	Mr. Ravin Gandhi	Director	Nil	NA
4	Ms. Nina Gandhi	Alternate Director	0.67	NA
5	Ms. Sandhya Patel	Independent Director	1.50	NA
6	Mr. Ashok Bhadakal	Independent Director	1.42	NA
7	Mr. Ameet Desai	Independent Director	0.50	NA
8	Mr. Anil Jain	Independent Director	0.67	NA
9	Mr. Jatin Trivedi	Independent Director	0.17	NA
C	KEY MANAGERIAL PERSONNEL			
1	Mr. Nikhil Jhanwar**	Chief Financial Officer	NA	NA
2	Mr. Divyesh Maru#	Chief Financial Officer	NA	NA
3	Mr. Vinod Mali	Company Secretary & Compliance Officer	NA	-

* Sitting Fees
** Ceased with effect from 6 November 2024
\# Appointed with effect from 12 November 2024

b) The percentage decrease in the median remuneration of employees in the financial year was 1.69%.

c) There were 562 permanent employees on the rolls of the Company as on 31 March 2025.

d) The average annual decrease in the salaries of the employees, other than managerial personnel was 9.84%, whereas average increase in the managerial remuneration was 13% for the financial year. The managerial remuneration was on the recommendation of Nomination and Remuneration Committee considering the performance of the managerial personnel and the Company.

e) The Board of Directors of the Company hereby affirmed that remuneration of all the Key Managerial Personnel of the Company are as per the Remuneration Policy of the Company.

f) The statement containing particulars of employees as required under Section 197 of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate annexure forming part of this report. In terms of Section 136 of the Act, the report and accounts are being sent to the Members and others entitled thereto, excluding the said annexure which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary at **cs@hester.in**

For and on behalf of Board of Directors

Rajiv Gandhi	**Priya Gandhi**	**Date**	9 May 2025
CEO & Managing Director	Executive Director	**Place**	Kadi, Mehsana
DIN: 00438037	DIN: 06998979		

ANNEXURE-6

INFORMATION AS REQUIRED UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014:

A. CONSERVATION OF ENERGY

1. **The steps taken or impact on conservation of energy:**

   a. **Particulars of major steps taken and capital investments made:**

Sr.	Steps taken by installing following equipment / fittings	Capital Investment (INR million)
1	Installation of a centralised chilled water distribution network	15.57

   b. **Impact on conservation of energy:**
   To enhance energy efficiency and reduce operational costs, several strategic upgrades were implemented across the facility. CFL lighting was replaced with energy-efficient LED lightings, leading to lower power consumption, extended service life and reduced maintenance requirements. The compressed air system was streamlined by integrating separate headers into a centralised distribution network, thereby improving compressor efficiency and delivering substantial annual cost savings. A centralised chilled water distribution system was also established, contributing further to energy conservation and system optimisation. Additionally, power factor correction measures were introduced to maintain a unity power factor. Collectively, these initiatives have significantly improved the facility's operational efficiency while advancing its sustainability objectives.

2. **The steps taken by the Company for utilising alternate sources of energy:**
   The Company has installed rooftop solar panels on one of the buildings within its factory premises. The solar energy generated is being directly utilised in its operational activities, promoting the use of clean, renewable energy.

B. TECHNOLOGY ABSORPTION

i. **The effort made towards technology absorption;**
The Company has undertaken significant steps to absorb and implement advanced technologies within its operations. Notably, the softener plant in the pre-treatment area was removed, and direct feed to the RO system was introduced through the incorporation of a new antiscalant, enhancing membrane performance and system efficiency. Substantial investments have been made in establishing a modern manufacturing facility equipped with robust quality control systems and state-of-the-art analytical tools. Our R&D team collaborates actively with leading technology institutions to drive innovation and maintain a competitive edge. This proactive approach ensures that our manufacturing processes remain efficient, scalable and aligned with the highest standards of safety and efficacy. By embracing cutting-edge technologies, we continue to improve the precision, reliability, and overall performance of our products, contributing meaningfully to animal health and well-being.

ii. **The benefit derived like product improvement, cost reduction, product development or import substitution;**
Ongoing process improvement is a core focus of the Company and has consistently led to enhanced operational efficiency and financial performance. The adoption of new technologies and optimisation measures has contributed to cost reductions, improved product quality and increased productivity. These efforts support our long-term goal of strengthening operating margins and reducing dependence on imported materials through in-house development and process innovations.

iii. **Imported technology (imported during the last three years reckoned from the beginning of the financial year);**
The Company has not acquired or implemented any technology from international sources during the year.

iv. **Expenditure incurred on Research and Development:**
The Company has incurred expenditure of INR 59.52 million under the head Research and Development.

C. FOREIGN EXCHANGE EARNINGS AND OUT GO

During the year, the foreign exchange earned in terms of actual inflows was INR 220.26 million, whereas the foreign exchange in terms of actual outflows was INR 27.11 million from the operations of the Company.

For and on behalf of Board of Directors

Rajiv Gandhi	**Priya Gandhi**	**Date**	9 May 2025
CEO & Managing Director	Executive Director	**Place**	Kadi, Mehsana
DIN: 00438037	DIN: 06998979		

BOARD'S REPORT

MANAGEMENT DISCUSSION & ANALYSIS

REPORT ON CORPORATE GOVERNANCE

ECONOMY OVERVIEW

GLOBAL ECONOMY

The global economy is projected to stabilise at a modest growth rate of 2.7% during 2025–2026.[1] While inflation is gradually approaching target levels, and monetary policies are easing in both advanced and emerging market economies, the pace of recovery remains subdued. The lingering effects of recent global shocks, such as the pandemic, geopolitical conflicts, and inflationary pressures, continue to constrain long-term growth. Moreover, the recent tariff wars have been adding friction to trade, undermining efficiency and constraining global economic growth, especially in a fragile post-pandemic world. Although there are signs of a broad-based recovery in trade and investment, these trends are unlikely to fully undo the damage inflicted over the past several years, particularly in the most vulnerable economies.

Emerging market and developing economies (EMDEs), which have driven around 60% of global economic expansion since 2000, now face a critical crossroads. Growth convergence towards advanced economy income levels has significantly slowed down with structural weaknesses, rising debt, and demographic challenges hindering progress. Without targeted policy interventions, many low-income countries may fall short of achieving middle-income status by mid-century. The income gap between developed and developing economies risks widening further, posing a challenge to global efforts for equitable and inclusive development.

The global outlook is also clouded by considerable downside risks that include escalating geopolitical tensions, policy uncertainties, protectionist trade measures, climate-related natural disasters, and persistent inflationary pressures. On the flip side, stronger-than-expected disinflation and a rebound in demand in key economies could drive global activity beyond current projections. However, to foster sustainable development and mitigate vulnerabilities, urgent action is needed at both national and international levels. This includes reforms to improve macroeconomic stability, climate resilience, and structural productivity, along with coordinated global efforts to preserve open trade and financial systems.

Regionally, growth trajectories across EMDEs vary widely. While East Asia, the Pacific, and Europe are expected to face slower growth due to domestic and external challenges, regions like Latin America, South Asia, the Middle East, and Sub-Saharan Africa are poised for moderate recovery, buoyed by strong domestic demand and demographic advantages. For low-income countries, reigniting growth will require increased investments in human and physical capital, strengthening governance and institutional frameworks and leveraging natural resources for a green transition. International cooperation and tailored country-specific strategies will be essential to unlock long-term growth and achieve developmental milestones.

INDIAN ECONOMY

India continues to stand out as one of the fastest-growing major economies globally, maintaining a strong growth trajectory despite prevailing global headwinds. For FY24-25, the Indian economy is projected to grow at a real GDP rate of 6.5%[2], reflecting its resilience amid rising geopolitical tensions and slowing global trade. Growth has been primarily driven by robust private consumption and a recovering agricultural sector. While the manufacturing sector saw a dip due to weaker industrial activity in Q2 (July–September 2024), signs of sequential recovery have since emerged. The services sector remains a major growth contributor, bolstered by strength in trade, hospitality, and financial services, with continued support from public administration and defense-related activities.

The Reserve Bank of India (RBI) has played a key role in supporting economic momentum through calibrated monetary policy. In early 2025, the Monetary Policy Committee implemented two consecutive rate cuts, 25 basis points each in February and April, bringing the repo rate down to 6.00%. These were the first such reductions in nearly five years, aimed at energizing domestic demand amid uncertainties around global trade and stringent U.S. tariff policies. Alongside stable banking liquidity and a positive inflation outlook, projected at 4% for FY26, these measures are expected to support further growth. The RBI has also underscored the need for enhanced financial safeguards, particularly to address the rising threat of digital fraud.

The International Monetary Fund (IMF) echoes this optimism, projecting India's GDP growth at 6.5% for both FY25 and FY26.[3] These forecasts reflect confidence in India's macroeconomic stability, strengthened corporate balance sheets, and rapid

[1] https://openknowledge.worldbank.org/bitstreams/90955f0c-c8dd-4a00-81b4-f3e3d28ce8ae/download
[2] https://pib.gov.in/PressReleasePage.aspx?PRID=2120509
[3] https://www.imf.org/en/News/Articles/2025/02/26/pr25045-india-imf-executive-board-concludes-2024-article-iv-consultation-with-india

progress in digital public infrastructure. The IMF highlights private consumption as a key driver, supported by steady income growth and favorable financial conditions. However, it also notes potential downside risks such as increasing geo-economic fragmentation, volatile oil prices, and regional conflicts, which could strain India's fiscal health and external trade dynamics.

Looking ahead, the RBI has slightly revised its FY26 GDP growth forecast downward by 20 basis points to 6.5%, while maintaining a positive outlook with a projected 6.7% growth for FY27. This suggests continued optimism about India's medium-term trajectory, underpinned by strong structural fundamentals. The country's demographic advantage, expanding middle class, and ongoing investment in digital and physical infrastructure are expected to act as long-term growth enablers.

Nonetheless, challenges remain. The pace of recovery in private consumption and investments could falter if real income growth remains subdued. External factors such as shifting trade policies and energy price shocks pose additional risks. Furthermore, the slowdown in manufacturing highlights the need for targeted policy interventions to sustain industrial momentum. Despite these headwinds, India's focus on infrastructure development, digitalisation, and financial stability lays a solid foundation for maintaining its position as the fastest-growing major economy in the years to come.

INDUSTRY OVERVIEW

GLOBAL VETERINARY HEALTHCARE INDUSTRY

The global veterinary healthcare industry is witnessing a sustained and robust growth, driven by rising pet ownership, increased awareness of animal welfare, and rapid advancements in medical technologies. According to market research, the global veterinary healthcare market was valued at USD 46.4 billion in 2024 and is expected to grow to USD 83.2 billion by 2033, registering a healthy strong compound annual growth rate (CAGR) of 6.7% between 2025 and 2033.[4] This growth is underpinned by factors such as increasing per capita expenditure on animal healthcare, the growing trend of pet humanisation, and improving economic conditions in developing regions, which collectively contribute to the rising demand for comprehensive veterinary services.

Technological innovation, especially in the field of artificial intelligence (AI), is transforming the landscape of animal health. The AI in Animal Health market, valued at USD 1.12 billion in 2024, is projected to reach USD 2.11 billion by 2030, growing at an impressive CAGR of 11.1%.[5] AI-driven tools are revolutionizing disease diagnostics, management, and personalised treatment plans, with significant applications in areas such as diagnostic imaging, predictive analytics, and telemedicine. These advancements are enabling more accurate, timely and cost-effective veterinary care, further supporting the industry's expansion.

The future outlook for the global veterinary healthcare industry remains highly optimistic. Key growth drivers include the increasing prevalence of zoonotic and chronic animal diseases, growing consumer awareness regarding preventive care, and continuous innovation in diagnostic and treatment technologies. While North America continues to dominate the market in terms of revenue, the Asia-Pacific region is emerging as the fastest-growing market, fueled by increasing pet ownership, rising disposable income levels, and expanding veterinary infrastructure.

In summary, the veterinary healthcare industry is entering a dynamic phase of growth and transformation. With strong market fundamentals, rising global demand for animal health services, and increasing integration of cutting-edge technologies such as AI, the sector is well-positioned to sustain its upward trajectory in the years to come.

The convergence of economic, technological, and demographic trends is creating a promising environment for continued innovation and investment across all segments of animal healthcare.

INDIAN VETERINARY HEALTHCARE INDUSTRY

The Indian veterinary healthcare industry is poised for sustained expansion, with the market estimated to reach USD 1.36 billion (approximately INR 116 billion) in 2025, rising from USD 1.24 billion in 2024. Driven by a strong CAGR of 8.63%, the sector is projected to attain USD 2.05 billion (approximately INR 174.7 billion) by 2030.[6] This growth is underpinned by increasing demand for animal healthcare services, enhanced disease surveillance, robust government-led initiatives, including mass vaccination drives under the National Animal Disease Control Programme (NADCP), and strategic biosecurity interventions to mitigate outbreaks such as avian influenza.

India's large livestock population and the growing companion animal segment are key demand drivers. Rising awareness around zoonotic disease prevention, food safety and animal welfare continues to fuel the need for preventive and therapeutic veterinary solutions. As the world's largest milk producer, India demonstrates significant domestic demand for veterinary care. Under the NADCP, the Government of India has administered over 110 crore doses for Foot-and-Mouth Disease, alongside extensive immunisation efforts targeting brucellosis, Peste des Petits Ruminants (PPR), and classical swine fever, reinforcing its commitment to livestock health and productivity.

In parallel, emerging trends are transforming the industry landscape. The adoption of telemedicine and digital veterinary platforms is accelerating, especially in rural and underserved areas, in alignment with global developments in veterinary telehealth. Technological advancements, including monoclonal antibody therapies and the scale-up of veterinary API (active pharmaceutical ingredient) manufacturing, are opening new avenues for Indian producers to integrate biotechnological solutions and expand their footprint in global markets.

Urbanisation, rising disposable incomes, and growing pet ownership have led to increased demand for pet healthcare, preventive diagnostics, and specialty

[4] https://www.imarcgroup.com/veterinary-healthcare-market
[5] https://www.globenewswire.com/news-release/2025/04/17/3063263/0/en/Artificial-Intelligence-AI-In-Animal-Health-Market-Global-Industry-Size-Share-Trends-Opportunity-and-Forecast-2020-2030F.html?utm_source=chatgpt.com
[6] https://www.mordorintelligence.com/industry-reports/india-veterinary-healthcare-market-industry

products such as nutraceuticals and grooming solutions. India's pet care sector is evolving rapidly, with greater emphasis on wellness, veterinary clinics, and digital health services tailored for dogs, cats, and other pets.

Looking ahead, the Indian veterinary healthcare sector is expected to evolve through increased R&D investments, adoption of precision livestock management technologies, and predictive disease surveillance systems. These developments will be instrumental in enhancing productivity, strengthening national biosecurity frameworks, and ensuring the overall health and resilience of India's livestock and companion animal populations.

INDIAN POULTRY HEALTHCARE INDUSTRY

The Indian poultry industry, a vital segment of the country's agrarian economy, has seen consistent growth over the past decade. Valued at over INR 2,300 billion in 2024, the sector is projected to grow at a CAGR of 12.6%, reaching approximately INR 8,430 billion by 2033.[7] India ranks 3rd globally in egg production and 5th in poultry meat production, generating around 129.6 billion eggs and 4.5 million tonnes of poultry meat annually. This robust growth has created an increasing demand for healthcare solutions including vaccines, diagnostics, and biosecurity products to ensure the health and productivity of poultry stock.

A major boost to the industry came with the announcement of the Animal Pandemic Preparedness Initiative (APPI) 2024, launched under the "One Health" framework by the Department of Animal Husbandry and Dairying. This initiative includes the National Institute of Animal Pandemic Research and a multi-sectoral approach to improve disease forecasting, diagnostics and surveillance across India. It also aims to strengthen veterinary infrastructure and human resource capabilities through the NADRES 2.0 digital platform, contributing to more resilient and responsive poultry healthcare systems.

To combat the ongoing threat of Avian Influenza (Bird Flu), the Department of Animal Husbandry & Dairying (DAHD) has adopted a three-pronged approach comprising stricter biosecurity protocols, intensified surveillance, and a mandatory registration of poultry farms. At a high-level meeting chaired by the DAHD Secretary, the government highlighted the need for scientific monitoring and proactive industry participation to safeguard food security and rural livelihoods. The H9N2 vaccine developed by ICAR-NIHSAD has been approved for commercial use, while feasibility studies for a Highly Pathogenic Avian Influenza (HPAI) vaccine are underway. With 34 epicenters across 8 states and rising cross-species transmission, the government is implementing a "detect and cull" strategy supported by predictive modeling tools and in coordination with scientific and state agencies.[8]

Several growth drivers continue to propel the poultry healthcare sector. These include rising urbanisation, increasing income levels, a shift toward protein-rich diets, and greater awareness of food safety and nutrition. The expansion of fast-food chains, processed poultry products and organised retail has further increased the demand for high-quality, disease-free poultry. Additionally, consumer preferences are shifting toward healthier animal protein sources, making poultry an attractive option due to its affordability and low-fat content.

Government support plays a key role in sustaining this momentum. Initiatives such as the Animal Husbandry Infrastructure Development Fund (AHIDF), with a budget of INR 29,610 crore, and the National Livestock Mission (NLM) provide financial incentives and low-interest credit for poultry units, feed mills, and healthcare services. The recently released Poultry Disease Action Plan 2024 enhances disease surveillance, promotes biosecurity, and empowers farmers and veterinarians with training and resources. These combined efforts are expected to transform the Indian poultry healthcare landscape and support the sector's long-term growth.

INDIAN ANIMAL HEALTHCARE INDUSTRY

The Indian animal healthcare industry plays a vital role in sustaining the country's vast livestock population and supporting its agricultural economy. With approximately 535.78 million livestock, including 302.79 million bovines (as per the 20th Livestock Census) India is the world's largest milk producer and a leading contributor to global meat and egg production. Animal healthcare services are essential for ensuring livestock productivity, disease prevention, food safety, and rural livelihood security. As the 21st Livestock Census is underway, new data will further illuminate the sector's evolving needs.

India's livestock sector contributes 5.50% to the national Gross Value Added (GVA) and 30.23% to the agriculture and allied sectors' GVA (2022–23).[9] It also provides livelihoods to over 70% of rural households, especially small and marginal farmers as well as landless laborers. This highlights the importance of a robust animal healthcare system in supporting income generation, food security, and sustainable agricultural practices.

[7] https://www.imarcgroup.com/indian-poultry-market
[8] https://pib.gov.in/PressReleasePage.aspx?PRID=2119198
[9] https://pib.gov.in/PressReleasePage.aspx?PRID=2086052

The Indian animal healthcare market is projected to grow at a CAGR of 11.5% from 2024 to 2034, reaching over USD 2.0 billion by 2034.[10] This growth is driven by increasing demand for animal protein, rising pet ownership, greater awareness of livestock health among farmers, and the growing prevalence of zoonotic diseases. Government initiatives, investments in R&D, and technological innovation are further accelerating the sector's transformation.

Key Growth Drivers:
a) Rising livestock population and productivity needs
b) Increasing pet ownership and companion animal care
c) Growing awareness of animal health and welfare among farmers
d) Spread of zoonotic diseases prompting preventive care
e) Demand for safe, high-quality animal protein
f) Advancements in vaccines, diagnostics, and telemedicine

Despite positive trends, the animal healthcare industry faces several persistent challenges, including:
a) High economic losses due to disease outbreaks
b) Inadequate veterinary infrastructure in rural and remote areas
c) Antimicrobial resistance and limited vaccine coverage
d) Low penetration of livestock insurance

To address these challenges, the government and stakeholders are undertaking several measures such as strengthening disease surveillance via the National Animal Disease Reporting System (NADRS), expanding mobile veterinary units to serve remote regions, enhancing training and capacity-building for veterinary professionals, developing area-specific animal health policies tailored to regional needs and promoting livestock insurance schemes and financial protection for farmers

Major initiatives such as the National Animal Disease Control Program (NADCP), Rashtriya Gokul Mission, and Sustainable Livestock Health and Production Scheme aim to improve disease management, genetic enhancement, and productivity. Additionally, innovations like telemedicine are bridging the gap in veterinary service delivery in underserved areas.

The Animal Health System Support for One Health (AHSSOH) project is further enhancing infrastructure by upgrading district laboratories, veterinary hospitals, and deploying mobile units in high-risk areas. The Department of Animal Husbandry and Dairying (DAHD) has also partnered with the United Nations Development Programme (UNDP) to implement a digital, AI-enabled vaccine monitoring system to track stocks, flow, and storage temperatures. This initiative is expected to improve immunisation coverage and stakeholder capabilities in animal health management.

INDIAN PET CARE INDUSTRY

The Indian Pet Care Industry is undergoing a significant transformation, driven by rising pet ownership, rapid urbanisation, and increasing disposable incomes, particularly among millennials and Gen-Z consumers. As pets, especially dogs and cats, become integral members of urban households, the demand for high-quality pet care products and services is witnessing unprecedented growth, with a strong focus on health, nutrition and overall well-being.

The Indian pet care products market was valued at USD 628.15 million in 2024 and is projected to grow at a compound annual growth rate (CAGR) of 23.70%, reaching USD 5,269.39 million by 2034.[11] This robust expansion is evident across all major segments, including pet food, healthcare, grooming, and allied services.

Key Growth Drivers

a) Rising Pet Ownership
India's pet population has grown considerably over the past five years. Dog population increased by 73% to 33.6 million in 2023 from 19.4 million in 2018 and is expected to reach 51.5 million by 2028. Similarly, cat population rose by 117% to 3.7 million from 1.7 million in the same period.

b) Urbanisation and Higher Disposable Incomes
Urban lifestyle changes and greater earning capacity are leading to increased expenditure on pet care products, with consumers willing to invest in premium and specialised items for their pets.

[10] Transparency Market Research
[11] https://www.expertmarketresearch.com/reports/india-pet-care-products-market

c) **Pet Humanisation Trend**
Pets are increasingly being treated as family members, which is fueling the demand for premium, human-grade and health-focused products, including fortified and organic pet foods.

d) **Focus on Health and Fortified Nutrition**
Health and nutrition are becoming central to consumer preferences within the pet care market. The trend of pet humanisation has accelerated the demand for organic, natural and nutrient-rich pet foods. There is a notable shift towards products that are hypoallergenic, holistic and human-grade, aiming to enhance the health, immunity and longevity of pets.

Fortified diets enriched with essential vitamins, minerals, and supplements are gaining traction, especially those designed to prevent obesity, allergies, and other lifestyle-related health issues. Additionally, the growing segment of feed additives is contributing to improved animal nutrition and supports the broader growth of the pet food market.

There is also an increasing preference for sustainable packaging and environmentally friendly sourcing, aligning with global trends in responsible consumerism. These developments have opened avenues for niche brands and new entrants offering specialised, wellness-oriented pet products.

While the outlook remains positive, the Indian Pet Care Industry faces a few key challenges. Premium pet foods and healthcare products remain unaffordable for a segment of the population. Moreover, a shortage of trained veterinary professionals limits access to quality healthcare, and traditional mindsets in certain regions may slow the adoption of modern pet care practices.

Nevertheless, these challenges also present opportunities. The rise of e-commerce-projected to account for 49% of pet product sales by 2026, is improving product accessibility and enabling direct-to-consumer distribution models. Furthermore, increased collaboration between the government, private sector, and non-governmental organisations (NGOs) can address regulatory gaps and infrastructure constraints, contributing to the evolution of a more robust and inclusive pet care ecosystem.

ABOUT HESTER BIOSCIENCES

COMPANY OVERVIEW

Hester Biosciences, founded by Mr. Rajiv Gandhi in 1987 and headquartered in Kadi, Gujarat, is one of India's leading animal healthcare companies. The Company operates state-of-the-art vaccine manufacturing facilities in India, Nepal, and Tanzania. It is publicly listed on both the National Stock Exchange (NSE) and BSE Limited, and holds certifications including WHO-GMP, ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, and GLP, reflecting its commitment to international standards of quality, safety and operational excellence.

Hester has established a strong global footprint, exporting products to Asia, Africa, Europe, and South America, with a strategic focus on India, Nepal, and Africa. The Company maintains an active presence in over 35 countries and has engaged in key collaborations with renowned organisations such as the Gates Foundation, GALVmed and the Golchha Organisation to support animal health initiatives and vaccine outreach programs.

The Company is the second-largest poultry vaccine manufacturer in India, commanding approximately 35% of the domestic market share. It is also the world's largest supplier of Peste des Petits Ruminants (PPR) vaccines, holding a dominant 75% share of the global market. In India, Hester leads the goat pox vaccine segment with a market share of over 70%.

Operating across two divisions - Poultry Healthcare and Animal Healthcare (which includes ruminants and pets) - Hester offers a comprehensive product portfolio comprising over 50 vaccines and 70 health products. In addition, the Company provides specialised services such as sero-profiling kits, poultry diagnostic labs, and mastitis control programs for cattle. Hester is recognised as India's first commercial manufacturer of the goat pox vaccine, and additionally produces PPR vaccines using both Nigerian and Sungri strains.

With a manufacturing capacity of 6.25 billion doses in India, 1.24 billion doses in Nepal, and 1.50 billion doses in Tanzania, the Company is well-positioned to meet both domestic and international demand. It also operates diagnostic laboratories in Kadi (Gujarat), Hyderabad (Telangana), and Kolkata (West Bengal), offering free diagnostic services and technical support to customers across regions.

Driven by deep market insights, advanced R&D capabilities, and a commitment to innovation, Hester is well-poised to capitalise on emerging opportunities in the global poultry, animal health, and pet care segments. Its ongoing focus on disease prevention, veterinary innovation, and capacity expansion continues to strengthen Hester's role as a key contributor to global animal health and food security.

STRATEGIC FOCUS AND INITIATIVES

Diversification and Innovation in Product Portfolio

Hester is actively expanding across both core business verticals by introducing innovative, high-demand products such as prescription-based pet foods, disinfectants, pain relief alternatives and vaccines. These efforts align with emerging market needs and support the company's long-term growth strategy. Product diversification also plays a key role in risk mitigation, reinforcing Hester's position as a comprehensive provider in the animal healthcare ecosystem.

Enhancing Operational Efficiencies

The company is driving profitability through the strategic rationalisation of underperforming initiatives and improved utilisation of manufacturing capacity. These measures are helping stabilise margins, particularly during periods of market volatility. Greater cost absorption and operational streamlining continue to enhance overall efficiency and financial resilience.

Vaccine Leadership and Government Program Engagement

Hester maintains a leadership position in poultry and livestock vaccines, with strong contributions to national immunisation programs through the supply of PPR and Goat Pox vaccines. The upcoming launch of the Avian Influenza vaccine further strengthens its portfolio. Internationally, Hester Africa secured a new tender for vaccine supply from the Tanzanian government, reinforcing its regional presence.

Global Expansion and Subsidiary Optimisation

The company continues to consolidate its global footprint through improved performance at African operations and sustained growth in Nepal. Ongoing participation in international tenders and the pursuit of strategic partnerships are expected to boost export revenues and expand market access.

Focused R&D and Capacity Leverage for Long-Term Growth

Investments in research and development remain central to Hester's long-term vision, with a focus on developing next-generation poultry and livestock vaccines. Additional manufacturing capacity is being strategically allocated to support these innovations, underscoring the company's agile, innovation-driven approach.

Advancing the One Health Initiative

Hester is committed to the "One Health" framework, recognizing the interconnectedness of animal, human and environmental health. By addressing zoonotic threats at their animal source, a strategy endorsed by the World Organisation for Animal Health (WOAH), the company contributes to global health security. With approximately 60% of human infectious diseases being zoonotic and 75% of emerging diseases originating in animals, Hester is well-positioned to support preventive efforts at the intersection of veterinary and public health.

BUSINESS STRENGTHS

Diverse Portfolio of Products

Hester offers an extensive range of vaccines, diagnostic services, and healthcare products for poultry, livestock and companion animals. With a portfolio comprising over 50 vaccines and 70 healthcare products, the company caters to diverse market segments and generates revenue through multiple product streams, strengthening its market resilience.

Dominant positions that Hester holds in the Animal Healthcare market:

1. Second-largest poultry vaccine manufacturer in India with a 35% market share
2. World's largest producer of PPR vaccines with 75% global market share
3. Over 70% of India's Goat Pox vaccine market
4. Serves as a supplier to the PPR OIE vaccine bank
5. Provides LSD vaccines to African countries and Central Asia

Robust Distribution Network

Hester has established a strong distribution network that spans both domestic and international markets. This widespread network ensures timely and efficient access to its products, enabling the company to serve a broad and diverse customer base across multiple geographies.

High-Quality Products

Hester upholds stringent quality and safety standards across all its operations. Its products are known for their efficacy in preventing and treating a wide array of animal diseases. The company's facilities are accredited with GMP and GLP certifications, along with ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018, reinforcing its reputation for excellence and compliance with global standards.

Strong Focus on Research and Development

Innovation is central to Hester's growth strategy. Supported by a dedicated R&D team, the company consistently develops advanced solutions tailored to the evolving needs of the animal healthcare sector. Its DSIR-recognised R&D laboratory in Kadi, Gujarat, underscores its commitment to scientific excellence. In addition, its GMP-certified facilities in India, Nepal, and Africa reflect over four decades of expertise in developing high-quality veterinary vaccines.

Advanced Manufacturing Facilities

Hester's flagship manufacturing facility in Kadi (Gujarat) boasts a production capacity of 6.25 billion doses, making it the largest animal biological manufacturing unit in Asia. This is complemented by strategically located facilities in Africa and Nepal, collectively enhancing the company's manufacturing strength and responsiveness to regional market demands.

Expanding Presence in African continent

Africa represents a significant growth market for animal health solutions. Hester has established a notable presence through its operations in Tanzania, focusing on vaccines for diseases such as PPR (Nigerian strain), LSD, CBPP for ruminants, and Newcastle disease for poultry. With one of the world's largest livestock populations, the continent's growing demand for veterinary solutions positions Africa as a key driver of Hester's future growth.

Growing Global Footprint

Hester is steadily expanding its international presence, with a particular emphasis on the African continent. Leveraging its manufacturing capabilities in India, Nepal, and Tanzania, the company is entering new markets while strengthening its foothold in existing ones. Through its joint venture, Thrishool Exim Limited in Tanzania, Hester is enhancing its distribution capabilities and forging strategic collaborations to extend its global reach.

BUSINESS OUTLOOK

Hester is strategically positioned for sustained growth, leveraging its expertise in animal healthcare and its evolving product portfolio. From its early focus on poultry vaccines, the Company has diversified into an extensive range of veterinary vaccines and health products for multiple species, thereby reinforcing its leadership position in the sector. This diversification aligns with increasing global demand for comprehensive animal health solutions, particularly in livestock management and disease prevention.

A key development in the Company's strategic roadmap is the re-purposing of its Bio-Safety Level-III (BSL-3) facility which is under approval. Originally conceived for human vaccine development, the facility is now being transitioned toward the development and production of high-quality veterinary vaccines. This move not only optimises the Company's infrastructure but also enhances its capability to address emerging zoonotic threats and complex animal diseases, boosting its competitiveness both domestically and globally.

In line with international efforts to reduce antibiotic dependency in animal farming, Hester is expanding its natural and herbal product offerings. The recent launch of herbal supplements for poultry and ruminants reflects its commitment to sustainable and holistic animal healthcare. These products aim to improve immunity and overall animal well-being, addressing growing consumer and regulatory demand for safer food and animal welfare practices.
The Company's role in government initiatives, especially under the Atmanirbhar Bharat mission, continues to be a significant growth driver. Through large-scale contracts for Peste des Petits Ruminants (PPR) vaccines, Hester is not only contributing to India's goal of self-reliance in vaccine production but also playing a vital role in minimizing economic losses in the livestock sector.

On the international front, Hester Africa marks a major milestone with the receipt of Good Manufacturing Practices (GMP) certification from the Tanzanian drug authorities. With regulatory approvals secured for manufacturing vaccines such as PPR, Contagious Bovine Pleuropneumonia (CBPP), and Lumpy Skin Disease (LSD) for ruminants and Newcastle Disease (ND) and Infectious Bursal Disease (IBD) for poultry, the African operations are poised to expand their market footprint and contribute meaningfully to consolidated revenues.

Overall, Hester is advancing with a clear vision to innovate, expand, and adapt to the evolving landscape of animal healthcare while reinforcing its position as a reliable partner in both the Indian and international markets.

FINANCIAL OVERVIEW

Hester delivered a steady financial performance in FY24-25, marked by modest revenue growth and solid improvement in profitability. The results reflect the company's ongoing focus on operational efficiency, disciplined cost management and strategic initiatives across key business segments.

In FY25, the Company reported standalone revenue from operations of INR 2,864.66 million, a marginal increase from INR 2,851.55 million in FY24. Notably, divisional product sales rose by 12% to INR 2,863.22 million, up from INR 2,566.70 million, reflecting strong momentum in the Poultry Healthcare and Animal Healthcare businesses.

Poultry Healthcare divison posted revenue of INR 1,664.39 million, representing a 16% year-on-year growth over INR 1,431.34 million in FY24. This segment contributed 58% of total revenue, up from 51% the previous year. Growth was driven primarily by robust vaccine demand, supported by heightened disease awareness and increased immunisation activity. The launch of new feed supplements and disinfectants in last two quarters also gained early traction and is expected to contribute meaningfully going forward. The division further strengthened its market position by deepening customer engagement, enhancing technical support and forging new distribution partnerships.

The Animal Healthcare segment, now includes both Ruminant and Petcare divisions, recorded revenue of INR 1,198.83 million in FY25, marking a 6% growth from INR 1,135.36 million in FY24 and contributing 42% of the Company's total revenue, up from 40% in FY24. Growth in the Ruminant division was driven by sustained demand for core vaccines and therapeutic products, successful rollout of alternative solutions to address regulatory challenges encountered earlier in the year and continued participation in government-led immunisation programs for PPR and Lumpy Skin Disease through the Goat Pox Vaccine. Meanwhile, the Petcare division saw consistent uptake of its supplement and therapeutic range, supported by initiatives to enhance brand visibility and broaden its portfolio across nutritional and treatment categories, establishing a strong platform for future expansion.

Gross Profit Margin improved to 67% in FY25, up from 65% the previous year, driven by a favourable shift in product mix.

EBITDA increased by 8% to INR 557.08 million, compared to INR 516.03 million in FY24. This improvement reflects better absorption of fixed costs and enhanced operational efficiencies across functions.

Net Profit rose 17% to INR 318.42 million, from INR 271.59 million in the previous FY24, underscoring the positive impact of cost optimisation initiatives and margin improvement efforts.

In line with our dividend policy of distributing, the Board has recommended a dividend of INR 7 per share (70% of the face value of INR 10 per share) for FY24-25, which is 19% of net profit of the Company. Demonstrating confidence in the Company's consistent cash generation and financial stability.

Significant financial ratios

Sr.	Ratio	Current Period (2024-25)	Previous Period (2023-24)	% Variance	Reason for variance
1	Current Ratio	1.92	2.09	(8%)	
2	Debt-Equity Ratio	0.31	0.43	(28%)	Reduction in borrowings has resulted in improvement of ratio.
3	Debt Service Coverage Ratio	1.48	1.55	(4%)	
4	Return on Net Worth (%)	9.77%	8.98%	9%	
5	Net Profit Margin (%)	11.12%	9.52%	17%	

KEY RISKS AND MITIGATION STRATEGIES

Hester operates in a dynamic and highly regulated global veterinary healthcare market, which presents a spectrum of strategic, operational, regulatory, financial and technological risks. To proactively address these challenges, our Risk Management Committee, in collaboration with cross-functional teams, conducts periodic reviews in line with an approved risk appetite framework. This structured approach ensures business continuity, operational resilience and the sustained creation of stakeholder value. The principal risks and our corresponding mitigation strategies are outlined below:

Key Risks	Particulars	Mitigation Strategy
Economic Risks	Global inflation, fluctuating raw material prices and shifts in consumer spending, particularly in emerging economies, can affect the affordability of animal protein and influence demand for veterinary products.	We monitor global and local macroeconomic indicators to fine-tune pricing, procurement and inventory strategies. Hester is expanding into recession-resilient geographies, emphasizing operational efficiency and offering cost-effective, high-quality vaccines and health products. Long-term supply contracts and PPP models also provide stability to revenue streams.
Regulatory Risks	Increasing global scrutiny on environmental impact, antimicrobial resistance, and animal welfare standards is intensifying compliance requirements across veterinary pharma.	The Company has established a robust regulatory affairs team and implemented well-structured compliance tracking systems. We proactively engage with industry forums and regulators to stay ahead of policy changes. Periodic internal audits, employee training and a strong compliance culture help mitigate regulatory risks and reinforce our reputation as a responsible industry leader.
Peer Risks	Industry consolidation, rapid innovation cycles and pricing pressures from multinational corporations pose challenges to market share and profitability.	We invest strategically in R&D, enter into licensing and co-development partnerships and continuously upgrade our product pipeline. Competitive benchmarking, agile go-to-market strategies and a focus on customer-centric solutions, including strong after-sales support, help us maintain differentiation and customer loyalty in an evolving market landscape.
Product Development Risks	Emerging disease trends, evolving regulatory landscapes and the high cost of vaccine development can impact time-to-market and product success.	Hester follows a structured and agile product development framework supported by innovation hubs and advanced laboratories. Investments in talent, digital R&D tools and infrastructure accelerate time-to-market. Regular portfolio reviews and feedback loops with veterinary professionals ensure that new products meet real-world needs efficiently and effectively.
Foreign Exchange Risks	Volatility in currency markets, driven by geopolitical shifts, global interest rate movements, and trade policies, can impact profitability, especially for export operations.	We employ a prudent forex risk management strategy combining natural hedging, forward contracts and currency diversification. Our finance team works closely with operations to dynamically manage exposure. Export contracts in stable currencies and selective localisation of manufacturing further reduce the impact of forex fluctuations on margins.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

The Company's Corporate Social Responsibility (CSR) initiatives are driven by its commitment to sustainable and inclusive growth. The primary focus areas include education and infrastructure support, healthcare and sanitation, poverty alleviation, and nutrition. The Company also undertakes several activities aligned with the prescribed CSR provisions under the Companies Act, 2013.

In addition to these, the Company is dedicated to promoting gender equality and empowering women through the establishment of homes, hostels, old age homes, orphanages, and daycare centres. It actively supports the differently-abled, provides vocational training and employment opportunities, and contributes to improving livelihoods. The Company also supports senior citizens by facilitating access to basic amenities and care.

Environmental sustainability is another core area of focus. The Company undertakes efforts to preserve ecological balance through activities related to conservation of flora and fauna, animal welfare, agroforestry, and the protection of natural resources. Furthermore, rural and slum development projects are implemented to uplift communities and create long-term, positive social impact.

The CSR Policy is formulated and recommended by the CSR Committee in line with the Companies Act, 2013 and the rules notified by the Ministry of Corporate Affairs. The Committee is responsible for monitoring the implementation of CSR activities and recommending the annual CSR budget. Through consistent outreach, the Company aims to address challenges faced by developing communities, particularly in areas such as animal husbandry and poultry farming.

In FY 2024–25, the Company undertook several impactful projects and programmes under its CSR framework:

1. **Environmental Sustainability:**
   INR 1.03 million was allocated to the Nehru Foundation for Development - Centre for Environment Education Society under the Amdavadam Project to enhance green coverage in Ahmedabad through sustainable practices.

2. **Education and Infrastructure Support:**
   INR 0.40 million was spent towards the construction of essential infrastructure, including prayer grounds, toilets, and paved pathways at Karshanpura Prathmik Shala, located in Karshanpura Village, Taluka Kadi, District Mehsana.

3. **Educational and vocational training Support:**
   INR 3.00 million was contributed to Sardardham in Ahmedabad, and INR 0.90 million was allocated to Shri Bhartiya Sanskruti Samvardhak Trust in Porbandar District of Gujarat, to support education and related initiatives.

4. **Healthcare and Women Empowerment:**
   INR 2.50 million was provided to the Raginiben Bipinchandra Seva Karya Trust in Ahmedabad District, and INR 0.50 million to Shri Kalyanraiji Sarvajanik Charitable Trust in Vadodara District, to support preventive healthcare, medical assistance, and empowerment of women.

5. **Community Healthcare:**
   INR 0.10 million was directly spent by the Company to support education and healthcare in villages near its Meda Adraj manufacturing facility. These efforts were carried out with active participation from local residents and by leveraging government primary healthcare facilities.

6. **Promotion of Sports:**
   INR 0.50 million was allocated to the Foundation for Promotion of Sports and Games to support Paralympic and Olympic sports across India.

All these initiatives were carried out with the active participation of the Company's workforce, demonstrating a sincere commitment to giving back to society. The Company's steadfast dedication to fostering education, health, sustainability, and cultural enrichment reflects its core values. Through its diverse CSR efforts, the Company continues to create a meaningful and lasting impact on the communities it serves.

HUMAN RESOURCES POLICY

At Hester, our people are central to our success. The Human Resources (HR) function has implemented a well-structured approach to attract, develop, retain and reward talent. We are committed to fostering a professional, inclusive and performance-driven workplace that encourages collaboration and empowers individuals to thrive.

In alignment with our focus on inclusive leadership, women have been appointed to key positions, including Executive Directors and Plant Heads across India, Nepal and Tanzania.

Hester places strong emphasis on continuous learning and development. Employees are encouraged to participate in structured training programs that bridge skill gaps and unlock their full potential. We uphold a culture of meritocracy and recognise individual and team achievements through comprehensive reward and recognition frameworks.

Our performance management system, digitally enabled and structured, ensures transparent and periodic evaluations based on clearly defined objectives and behaviors. Compensation is closely linked to both individual and organisational performance, reflecting our belief in accountability and fairness.

As part of our Talent Management Philosophy, we are building a systematic development framework that emphasises differentiated performance, accountability, transparency and long-term career progression. We also focus on structured compliance management, learning and development and cadre building for succession planning.

Overall, Hester remains committed to cultivating a high-performance culture anchored in employee engagement, productivity and holistic talent development.

850+ Total Employees (As of 31 March 2025)

INTERNAL CONTROLS

Hester has established a robust internal control framework designed to safeguard its assets and uphold operational excellence. This system ensures that every transaction is meticulously documented and compliant with all applicable regulations. The internal auditors periodically monitor the effectiveness of these controls, providing the Audit Committee and the Board of Directors with independent and reasonable assurance regarding the Company's risk management, governance, and internal control processes.

The internal control framework is proportionate to the nature, size, scope and complexity of the Company's operations. It ensures that all financial transactions are properly authorised, accurately recorded, and appropriately reported. Regular audits and inspections are conducted to confirm that responsibilities are fulfilled effectively. The Audit Committee oversees the implementation and maintenance of these financial controls, ensuring the Company's operations are conducted in an orderly and efficient manner.

The Audit Committee also periodically reviews key issues and material weaknesses identified by both internal and statutory auditors. Timely and appropriate corrective actions are undertaken to mitigate risks and enhance control measures.

CAUTIONARY STATEMENT

The statements included in the Management Discussion and Analysis section of this report, relates to the Company's objectives, projections, estimates, expectations or predictions. These are considered "forward-looking statements" under applicable securities laws and regulations. Such statements are based on certain assumptions and expectations regarding future events. However, actual results may differ materially from those expressed or implied, due to various factors. These may include global and domestic economic developments, changes in government policies, tax and regulatory laws, and unforeseen events beyond the Company's control.

BOARD'S REPORT

MANAGEMENT DISCUSSION & ANALYSIS

REPORT ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) has prescribed Corporate Governance standards for listed companies under Regulations 17 to 27 and Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Corporate governance embodies principles of corporate discipline, transparency, integrity and accountability towards all stakeholders. It aims to foster long-term value creation while upholding ethical conduct, fulfilling social responsibilities and ensuring regulatory compliance, ultimately enhancing stakeholder value.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is firmly committed to upholding the principles of sound corporate governance. The Company continuously strives to enhance performance across all levels by adhering to best governance practices, including transparency, diligence, responsibility and accountability. In line with this commitment, we have designed our systems and action plans to drive sustainable performance and create long-term stakeholder value.

To foster a culture of good governance, the Company has adopted a comprehensive framework that includes performance accountability, effective internal controls, well-structured Board committees, and the fair representation of professionally qualified, non-executive, and independent directors on the Board. We ensure timely and adequate compliance with statutory requirements, and we maintain transparency through regular disclosures regarding performance, ownership, and corporate governance practices. This Corporate Governance Report reflects compliance with all mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

The Company continues to pursue excellence in governance, with integrity at its core. We believe that good governance entails truthfulness, transparency, accountability, and responsibility in all interactions, with employees, shareholders, customers and the broader community. Beyond statutory compliance with the Companies Act and SEBI regulations, our disclosures are guided by the aspiration to achieve the highest standards of governance and foster stakeholder trust.

GOVERNANCE STRUCTURE

The governance framework of the Company comprises the Board of Directors and its various committees at the strategic level, supported by an internal governance structure at the operational level. The Board is entrusted with the responsibility of setting the Company's overarching corporate objectives and providing strategic direction, while empowering the management to achieve these goals within a well-defined framework.

This structure enables an environment conducive to sustainable and profitable growth, guided by the principles of accountability, integrity and performance. The governance philosophy ensures that executive powers are exercised responsibly, with appropriate checks and balances.

The primary role of the Board is to safeguard stakeholder interests and enhance their value. It undertakes strategic supervision and oversight by establishing policies, defining reporting structures, and instituting transparent decision-making processes. The executive director holds overall operational responsibility, offering strategic guidance, implementing Board and committee decisions, and ensuring compliance with laid-down policies.

Our governance model fosters entrepreneurship, risk taking and a growth-oriented mindset, while ensuring accountability through clearly defined empowerment mechanisms.

BOARD OF DIRECTORS

The Executive Directors are responsible for overseeing the day-to-day operations of the Company. The Board of Directors reviews the overall business performance at least once every quarter, based on updates provided by the Executive Directors. In addition to offering strategic direction, the Board provides independent insights and guidance to the senior management while fulfilling its fiduciary duties. It ensures that the Company is governed in a manner that aligns with stakeholder expectations and broader societal responsibilities, thereby promoting sustainable and responsible growth.

A) Composition of the Board

The composition of the Board of Directors, with respect to the number of Executive and Non-Executive Directors, is in compliance with the requirements of the Code of Corporate Governance and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

As of 31 March 2025, the Board is chaired by Dr. Bhupendra Gandhi, Non-Executive Chairman, who is also part of the promoter and promoter group of the Company. In accordance with Regulation 17A of the Listing Regulations, the Company has obtained the approval of its members through a special resolution for continuation of his directorship beyond the age of 75 years.

As of the same date, the Company's Board comprises ten Directors (excluding Alternate Director), which includes two Executive Directors and eight Non-Executive Directors. Among the Non-Executive Directors, five are Independent Directors with significant expertise and experience in various domains such as business strategy and planning, finance, taxation, legal, industry and information technology. The composition of the Board complies with the provisions of Regulation 17 of the SEBI Listing Regulations and Section 149 of the Companies Act, 2013. The Board reflects a balanced mix of professionals with diverse competencies, enabling it to provide effective leadership and strategic guidance in steering the business forward.

The Independent Directors of the Company are Non-Executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Companies Act, 2013, along with the applicable rules framed thereunder. Their tenure is in full compliance with the limits prescribed by the Companies Act, 2013. In terms of Listing Regulations, Independent Directors have submitted a declaration confirming that they are not aware of any circumstance or situation that could affect or compromise their ability to act independently. Based on these declarations, the Board has confirmed that all Independent Directors meet the independence criteria under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management of the Company.

None of the Directors on the Company's Board serves as a member in more than ten committees or as a Chairperson in more than five committees across all public companies in which they hold directorships. (For this purpose, only the Audit Committee and Stakeholders' Relationship Committee are considered.) All Directors have made the necessary disclosures regarding their committee memberships in other companies and do not hold directorships in more than ten public companies as of 31 March 2025.

The composition of the Board of Directors and the number of Directorships and Committee positions held by each director as on 31 March 2025 are as under:

Name of the Director	Category of Directorship	Directorship in Other Public Companies[1]	Other Board Committee[2]		Name of the other listed companies in which the Director of the Company is a Director	Remarks Category of Directorship in the listed companies
			Chairperson	Member		
Dr. Bhupendra Gandhi	Promoter & Non-Executive Director (Chairman)	-	-	-	-	-
Mr. Rajiv Gandhi	Promoter & Executive Director (CEO & Managing Director)	4	-	1	Steelcast Limited	Independent Director
Mr. Sanjiv Gandhi	Promoter & Non-Executive Director	1	-	-	-	-
Mr. Ravin Gandhi	Promoter & Non-Executive Director	-	-	-	-	-
Ms. Nina Gandhi	Promoter & Alternate Director to Non-Executive Director	1	-	-	-	-
Ms. Priya Gandhi	Promoter Group & Executive Director	-	-	2	-	-
Ms. Sandhya Patel	Independent & Non - Executive Director	-	1	1	-	-
Mr. Ashok Bhadakal	Independent & Non - Executive Director	-	1	-	-	-
Mr. Ameet Desai	Independent & Non - Executive Director	7	-	2	1. Ambuja Cements Limited 2. Ganesh Housing Corporation Limited	Independent Director
Mr. Anil Jain	Independent & Non - Executive Director	2	1	1	Asahi Saigon Chemicals Limited	Independent Director
Mr. Jatin Trivedi	Independent & Non - Executive Director	-	-	-	-	-

Notes:

1. Directorship in Public Companies (listed and unlisted) excluding directorship in Hester Biosciences Limited.
2. Other Board committee means Membership / Chairmanship of two Committees vis. Audit Committee and Stakeholder's Grievances and Relationship Committee as per Regulation 26 of the SEBI Listing Regulations.
3. As on 31 March 2025, none of the Directors of the Company were related to each other except;
   a) Dr. Bhupendra Gandhi, Chairman & Non-Executive Director being uncle of Mr. Rajiv Gandhi, CEO & Managing Director;
   b) Mr. Sanjiv Gandhi, Non-Executive Director being brother of Mr. Rajiv Gandhi, CEO & Managing Director;
   c) Mr. Ravin Gandhi, Non-Executive Director being cousin brother of Mr. Rajiv Gandhi, CEO & Managing Director;
   d) Ms. Priya Gandhi, Executive Director being daughter of Mr. Rajiv Gandhi, CEO & Managing Director.
   e) Ms. Nina Gandhi, Alternate Director being wife of Mr. Rajiv Gandhi, CEO & Managing Director.

In order to effectively discharge its duties, it is necessary that collectively the Board holds the appropriate balance of skills and experience. The Board seeks a diversity of skills and experience across its members. The table below summarises the key qualifications, skills and attributes which are taken into consideration while nominating a person to serve on the Board. However, the absence of a mark against a director's name does not necessarily mean the member does not possess the corresponding skills/expertise/competencies:

Name of the Director	Managerial	Marketing & Distribution	Finance & Audit	Environment Sustainability	Compliance & Governance	Business Strategy & Planning	Merger & Acquisition	Technology & Innovation
Dr. Bhupendra Gandhi	√	-	-	√	√	-	-	√
Mr. Rajiv Gandhi	√	√	√	√	√	√	√	√
Mr. Sanjiv Gandhi	√	√	√	√	√	√	√	√
Mr. Ravin Gandhi	√	-	√	-	-	√	√	-
Ms. Nina Gandhi	√	√	√	√	√	√	-	-
Ms. Priya Gandhi	√	√	√	√	√	√	√	√
Ms. Sandhya Patel	√	√	√	√	√	√	-	√
Mr. Ashok Bhadakal	√	√	√	√	√	√	√	√
Mr. Ameet Desai	√	√	√	√	√	√	√	√
Mr. Anil Jain	√	√	√	√	√	√	-	√
Mr. Jatin Trivedi	√	-	√	√	√	√	-	√

Each Director may possess varied combinations of skills/ expertise within the described set of parameters and it is not necessary that all Directors possess all skills/ expertise listed therein.

A certificate has been received from Mr. Tapan Shah, Practicing Company Secretary, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority and said certificate enclosed herewith as annexure to this report.

The Board of Directors have an opinion that all the Independent Directors fulfills the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended time to time. All the independent directors are independent of the management and affairs of the Company.

B) Board Meetings

Board meetings are governed by a structured agenda, with all major agenda items supported by comprehensive background information to enable the Board to make informed decisions. The Company Secretary, in consultation with executive directors and senior management, prepares the detailed agenda for Board meetings.

Agenda papers, including notes on the agenda, are circulated to the Directors in advance, following a defined format. All material information is included to facilitate meaningful and focused discussions during the meeting. In exceptional circumstances, additional or supplementary items may be included on the agenda. In order to transact some urgent business that arises after the agenda papers are circulated, items are presented to the Board via a “table agenda” or “Chairman’s agenda.”

At Board and Committee meetings, detailed presentations are made covering key areas such as finance, major business segments, company operations, global business trends and business strategies. These presentations also include discussions on risk management practices, particularly during reviews of the company’s quarterly, half-yearly and annual financial results. In accordance with Part A of Schedule II of the SEBI Listing Regulations, the necessary information is made available to the Board for discussion at each meeting. Additionally, the Board regularly reviews compliance reports as required under Regulation 17(3) of the SEBI Listing Regulations.

Important decisions made at the Board or Committee meetings are promptly communicated to the relevant departments and functions. An action report outlining the decisions taken is presented at the next Board and Committee meeting for review and acknowledgment.

A minimum of four pre-scheduled Board meetings are held each year. Additional meetings may be convened as needed to address specific business requirements, with appropriate notice given. In cases of business exigencies or urgent matters, resolutions may also be passed by circulation.

In accordance to the Regulation 17 of the Listing Regulations and the Companies Act, 2013, the Board meets at least once each quarter, ensuring that the gap between any two meetings does not exceed 120 days. During the year under review, the Board held four meetings on 10 May 2024, 2 August 2024, 28 October 2024 and 30 January 2025.

In accordance with the Companies Act, 2013, and relevant rules, Directors are permitted to participate in Board and Committee meetings via video conferencing or other audio-visual means. This option is available except for meetings or agenda items that are not permitted to be transacted through such modes.

The details of attendance by Directors at the Board Meetings and the last Annual General Meeting (AGM) for the year ended 31 March 2025 are as follows:

Name of the Director	Number of Board meetings held during tenure	Number of Board meetings attended	Whether attended last AGM	Number of equity Shares held
Dr. Bhupendra Gandhi	4	4	Yes	399,100
Mr. Rajiv Gandhi	4	4	Yes	890,397
Mr. Sanjiv Gandhi	4	3	Yes	697,820
Ms. Priya Gandhi	4	4	Yes	-
Mr. Ravin Gandhi	4	-	-	403,320
Ms. Nina Gandhi*	4	4	Yes	696,340
Ms. Sandhya Patel	4	3	Yes	-
Mr. Ashok Bhadakal	4	4	Yes	-
Mr. Ameet Desai	4	3	No	-
Mr. Anil Jain	4	4	Yes	-
Mr. Jatin Trivedi	4	1	Yes	-

* Alternate Director to Mr. Ravin Gandhi, Non-executive Director.

During the year, the Board of Directors accepted all recommendations from the Committees, particularly those that were statutory in nature, requiring Committee recommendation and Board approval. As a result, the Company has complied with the condition outlined in clause 10(j) of Schedule V of the SEBI Listing Regulations.

During the year under review, the Board of Directors reviewed various policies to ensure compliance with the recent amendments in the Companies Act, 2013, SEBI Regulations and other statutory requirements. All updated policies are available on the Company's website at **https://www.hester.in/corporate-governance**

C) Disclosure regarding appointment/re-appointment of Directors

The information required by Regulations 26 and 36(3) of the SEBI (LODR) Regulations, 2015, regarding the appointment/re-appointment of Directors of the Company is provided in the Notice for the ensuing Annual General Meeting.

D) Confirmation as regards independence of Independent Directors

In the opinion of the Board, all existing Independent Directors meet the criteria specified in the SEBI Listing Regulations and the Companies Act, 2013. They are independent of the management of the Company.

E) Directors Familiarisation Programme

At the time of appointment, an Independent Director is provided with a formal letter of appointment, which outlines the role, functions, duties and responsibilities expected of them as a Director of the Company. All Directors are kept informed and updated, as necessary, about their roles, responsibilities, liabilities and obligations under the Companies Act, 2013, the Rules made thereunder, and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (amended time to time).

New Independent Directors undergo a comprehensive induction and familiarisation programme when they join the Board. This programme is exhaustive, covering the history, culture, background and growth of the Company, key milestones since the Company's incorporation, the current organisational structure and an overview of the businesses and functions. Details of the familiarisation programme are posted on the Company's website, and any member may access it by visiting: **https://www.hester.in/corporate-governance**

F) Evaluation of Board of Directors

During the year, the performance of the Board was evaluated by the Independent Directors. The evaluation was based on various criteria, including the structure and diversity of the Board, the experience of Directors, strategy and performance evaluation, secretarial support, risk evaluation, performance of management and feedback, as well as the independence of the Board from the management.

The Nomination and Remuneration Committee also reviewed the performance of individual Directors based on criteria such as knowledge and competency, fulfillment of functions, availability and attendance, initiative, integrity, contribution and commitment, independence and the ability to provide independent views and judgment.

Additionally, the Board evaluated the performance of the Independent Directors (IDs), including their fulfillment of independence criteria as outlined in the Listing Regulations and their independence from the management. Directors who were subject to evaluation did not participate in the evaluation proceedings.

G) Code of Conduct

The Board has laid down a Code of Conduct for Board Members and Senior Management Personnel of the Company. The Code is available on the Company's website. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director to this effect is included in this report. Additionally, the Board has adopted a separate Code of Conduct with respect to the duties of Independent Directors, as per the relevant provisions of the Companies Act, 2013.

COMMITTEES OF THE BOARD

The Committees of the Board play a crucial role in ensuring effective corporate governance practices. These Committees are formed to handle specific tasks and facilitate the timely resolution of various matters. Established with formal approval from the Board, the Committees carry out clearly defined responsibilities that are typically entrusted to Board members as part of good governance practices. The Board supervises the execution of the Committees' responsibilities and is ultimately accountable for their actions. Minutes of all Committee meetings are reviewed by the Board.

As of now, the Board has established the following Committees:
1) Audit Committee
2) Nomination and Remuneration Committee
3) Stakeholder's Grievances and Relationship Committee
4) Corporate Social Responsibility (CSR) Committee
5) Risk Management Committee
6) Management Committee

The terms of reference for each Board Committee are periodically determined by the Board. The Board is responsible for constituting, assigning and co-opting members to the Committees. Meetings of each Committee are convened by the respective Committee Chairperson.

1) AUDIT COMMITTEE

The Board has constituted an Audit Committee with the primary objective of monitoring and providing effective supervision of the Management's financial reporting process. This ensures accurate, timely, and proper disclosures, promoting transparency, integrity and the quality of financial reporting.

Composition, meetings held and attendance at the meetings during the year

As of March 2025, the Audit Committee consists of three members, Mr. Ashok Bhadakal as Chairperson and Ms. Sandhya Patel and Ms. Priya Gandhi as Members of the Committee. The composition of the Audit Committee meets the requirements set forth in Regulation 18 of the SEBI (LODR) Regulations, 2015, and Section 177 of the Companies Act, 2013.

During the year under review, the Audit Committee meetings were held four times on 9 May 2024, 1 August 2024, 28 October 2024 and 29 January 2025. The time gap between any two meetings was less than 120 days.

During the year under review, the Audit Committee has reviewed unaudited and audited financial results for the quarter, half yearly and annually; approved the accounts of the company; reviewed and approved related party transactions; and re-appointed internal auditors, secretarial auditors and cost auditors.

Details of attendance at the Audit Committee meetings during the year are as follows:

Name of the Member	Category	Number of meetings held during tenure	Number of meetings attended
Mr. Ashok Bhadakal (Chairman)	Non-Executive/Independent	4	4
Ms. Sandhya Patel	Non-Executive/Independent	4	4
Ms. Priya Gandhi	Executive/ Non-Independent	4	4

All members of the Audit Committee possess the requisite qualifications for appointment on the committee and have sound knowledge of accounting practices, financial controls and internal control.

The Chairman of the Audit Committee has attended the 37th Annual General Meeting held on 29 August 2024.

Invitees at the Audit Committee Meetings

Representatives from the Statutory Auditor and Internal Auditors were regularly invited and attended all Audit Committee meetings held during the year. The Chief Financial Officer (CFO) was also invited to attend and participate in these meetings. Mr. Vinod Mali, the Company Secretary and Compliance Officer, serves as the Secretary to the Committee.

The Company continues to benefit from the deliberations of the Audit Committee, as the members possess extensive experience in areas such as finance, accounts, taxation, corporate laws and the industry. Their contributions ensure that the company maintains transparency, integrity, and high-quality financial control and reporting.

Terms of Reference

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
    a) Matters requiring inclusion in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of Sub-section 3 of Section 134 of the Companies Act, 2013.
    b) Changes, if any, in accounting policies and practices and reasons for the same.
    c) Major accounting entries involving estimates based on the exercise of judgment by management.
    d) Significant adjustments made in the financial statements arising out of audit findings.
    e) Compliance with listing and other legal requirements relating to financial statements.
    f) Disclosure of any related party transactions.
    g) Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditors' independence and performance, and effectiveness of the audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors about any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
21. Management discussion and analysis of financial condition and results of operations;
22. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
23. Transactions done with promoter or promoter group holding 20% or more of Equity or Preference share capital will require prior approval of audit committee.
24. Review the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/ investments made.
25. Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which holds 10% or more shareholding in the listed entity.
26. Management letters / letters of internal control weaknesses issued by the statutory auditors;
27. Internal audit reports relating to internal control weaknesses; and
28. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

29. Statement of deviations:
    a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    b) Annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

The Audit Committee ensures that it reviews all areas specified in its terms of reference. Each quarter, the Committee is provided with a summary of audit observations and the follow-up actions taken.

The Audit Committee periodically reviewed and noted all related party transactions. The majority of these transactions were between the Company and its subsidiaries/associates. All related party transactions were conducted in the ordinary course of business, on an arm's length basis, and in accordance with the Company's policy on related party transactions. The Committee ratified all related party transactions entered into by the Company during the financial year ending 31 March 2025. Additionally, the Audit Committee granted omnibus approval for related party transactions that the Company proposed to enter into during the financial year ending 31 March 2025.

The Audit Committee periodically reviewed and noted all related party transactions. Majority of the related party transactions were between the Company and its subsidiaries/ associates. The Audit Committee ratified all the related party transactions entered into by the Company during the financial year ended on 31 March 2025. The Audit Committee also granted omnibus approval for the related party transactions proposed to be entered into by the Company during the Financial Year 2025-26.

In accordance with the Listing Regulations, only the Independent Directors participated in and approved the related party transactions.

2) NOMINATION AND REMUNERATION COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015, the Board has constituted a Nomination and Remuneration Committee (NRC).

The primary role of the Nomination and Remuneration Committee is to determine and recommend to the Board the Company's policies on remuneration packages for Executive and Non-Executive Directors. The Committee also recommends policies related to the nomination and appointment of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel.

Composition, meetings held and attendance at the meetings during the year

As of March 2025, the Nomination and Remuneration Committee comprises three members. Mr. Ashok Bhadakal as Chairperson and Ms. Sandhya Patel and Mr. Sanjiv Gandhi as Members of the Committee. All members of the Committee are Non-Executive Directors. The composition of the Committee complies with the requirements of Regulation 19 of the SEBI (LODR) Regulations, 2015, and Section 178 of the Companies Act, 2013.

During the year under review, the Nomination and Remuneration Committee held one meeting on 9 May 2024. Details of attendance at the Nomination and Remuneration Committee meetings are as follows:

Name of the Member	Category	Number of meetings held during tenure	Number of meetings attended
Mr. Ashok Bhadakal (Chairman)	Non-Executive/Independent	1	1
Ms. Sandhya Patel	Non-Executive/Independent	1	1
Mr. Sanjiv Gandhi	Non-Executive/Non-Independent	1	1

The Board of Directors reviews the minutes of the Nomination and Remuneration Committee meetings at subsequent Board meetings. The Company Secretary serves as the Secretary to the Committee.

The Chairman of the Nomination and Remuneration Committee attended the 37th Annual General Meeting (AGM) held on 29 August 2024.

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee (NRC) are specified in Clause A of Part D of Schedule II of the Listing Regulations, as outlined below:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director The person recommended to the Board for appointment as an ID shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    a. use the services of an external agencies, if required;
    b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
    c. consider the time commitments of the candidates
3. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. Devising a policy on diversity of board of directors;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. To recommend/ review remuneration of the Managing Director(s) and Whole-time Director(s)/ Executive Director(s) based on their performance and defined assessment criteria.
8. To recommend to the board, all remuneration, in whatever form, payable to senior management.

Remuneration Policy and details of remuneration paid/payable to the Directors for the year ended 31 March 2025:

The Board of Directors approved the Nomination and Remuneration Policy based on the recommendations of the Nomination and Remuneration Committee. The terms of reference of the Committee are aligned with the requirements of the Companies Act, 2013, and Regulation 19, along with Part D of Schedule II of the Listing Regulations. The key aspects of the Policy are outlined below:

i) Objectives:

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel;
2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board; and
3. To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management Personnel.

ii) Remuneration to Non-Executive Directors:

Non-Executive Directors are paid a sitting fee of INR 0.05 million for attending meetings of the Board of Directors and the Audit Committee. For attending meetings of the Stakeholder’s Grievances and Relationship Committee and Nomination and Remuneration Committee, they are paid INR 0.025 million. Reimbursement of expenses incurred for attending each meeting of the Board and its Committees is being paid actual basis. Typically, the sitting fees are paid immediately after the respective Board or Committee meetings to those who attended the meetings.

Details of the sitting fees paid to the Non-Executive Directors for the year 2024-25 are as follows:

(Amount in INR million)

Name of the Non-Executive Directors	Board Meetings	Audit Committee Meetings	NRC and SRC Committee Meetings	Total Amount
Dr. Bhupendra Gandhi	0.20	-	-	0.20
Mr. Sanjiv Gandhi	0.15	-	-	0.15
Ms. Nina Gandhi	0.20	-	-	0.20
Ms. Sandhya Patel	0.15	0.20	0.10	0.45
Mr. Ashok Bhadakal	0.20	0.20	0.03	0.43
Mr. Ameet Desai	0.15	-	-	0.15
Mr. Anil Jain	0.20	-	-	0.20
Mr. Jatin Trivedi	0.05	-	-	0.05
Total	**1.30**	**0.40**	**0.13**	**1.83**

Apart from the above, there are no materially significant related party transactions, pecuniary transactions, or relationships between the Company and its Directors, other than those disclosed in the financial statements for the financial year ended 31 March 2025.

iii) Remuneration to Executive Director:

Mr. Rajiv Gandhi serves as the CEO & Managing Director, and Ms. Priya Gandhi serves as the Executive Director of the Company. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors determines and approves the remuneration payable to Mr. Rajiv Gandhi and Ms. Priya Gandhi, which has been approved by the shareholders of the Company through special resolutions.

The details of the remuneration paid to the Executive Directors during the financial year 2024-25 are as follows:

(Amount in INR million)

Sr.	Name of Director	Gross Salary	Commission	Total
1	Mr. Rajiv Gandhi	19.07	21.00	40.07
2	Ms. Priya Gandhi	8.13	-	8.13

The Company has entered into agreements with the Executive Directors for their respective employment term. Either party to the agreement is entitled to terminate it by providing written notice to the other party.

The Board and the NRC have reviewed the performance of individual directors based on the criteria established by the Board/NRC.

iv) Remuneration to Senior Management Employees:

The CEO & Managing Director and the Executive Director, with the help of the Human Resources Department, conduct individual performance reviews based on a standard appraisal matrix. This review considers factors such as the appraisal scorecard, Key Performance Areas (KPAs) versus initiatives, the balance between fixed and variable pay, fixed components, perquisites, retirement benefits, the criticality of roles and responsibilities, as well as industry benchmarks and current compensation trends. Additionally, any promotions within senior-level management are approved by the Management, following a predetermined process and after evaluating the candidate's ability to take on higher responsibilities.

v) Stock Option:

The Company does not have a stock option scheme for its Directors or employees. Additionally, there are no separate provisions for the payment of severance fees to the Directors.

3) STAKEHOLDER'S GRIEVANCES AND RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, the Board has formed a "Stakeholder's Grievances and Relationship Committee." This Committee has been constituted to specifically address various aspects of interest for shareholders, including requests or complaints related to the transfer of shares, dematerialisation of shares, non-receipt of annual accounts, non-receipt of dividends, revalidation of expired dividend warrants, address changes and nominations.

Composition, meetings held and attendance at the meetings during the year

As of 31 March 2025, the Stakeholder's Grievances and Relationship Committee comprises three members: Ms. Sandhya Patel as Chairperson, Ms. Priya Gandhi and Mr. Rajiv Gandhi as Members. The composition of the Committee meets all the requirements of Regulation 20 of SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013.

During the year under review, Stakeholder's Grievances & Relationship Committee met four times on 9 May 2024, 1 August 2024, 28 October 2024 and 29 January 2025. The attendance of the Committee members at these meetings is as follows:

Name of the Member	Category	Number of meetings held during tenure	Number of meetings attended
Ms. Sandhya Patel (Chairperson)	Non-Executive/ Independent	2	2
Mr. Rajiv Gandhi	Executive/Non-Independent	4	3
Ms. Priya Gandhi	Executive/Non-Independent	2	2

The Company Secretary serves as the Secretary to the Committee and is designated as the Compliance Officer pursuant to Regulation 6 of the Listing Regulations. The Committee ensures that shareholder's and investor's grievances are addressed and resolved promptly.

The Chairman of the Stakeholder's Grievances and Relationship Committee has attended the 37th Annual General Meeting held on 29 August 2024.

Number of complaints

During the year under review, the Company received four complaints and had no unresolved complaints at the end of the year. The Company regularly reviews requests received from shareholders and the Registrar and Transfer Agent (RTA) and takes necessary steps to ensure that these requests are processed smoothly within the timelines laid down by SEBI.

Terms of Reference

The role of the Stakeholder's Grievances and Relationship Committee has been specified in Part D of the Schedule II of the Listing Regulations:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the company.
5. Resolving grievances of debenture holders related to creation of charge, payment of interest/ principal, maintenance of security cover and any other covenants.

4) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee is entrusted with formulating and periodically reviewing the CSR Policy to ensure it comprehensively outlines the Company's CSR initiatives, as specified in Schedule VII of the Companies Act, 2013 and relevant Rules. The Committee also provides guidance and oversight on CSR activities undertaken by the Company and monitors their progress.

As of 31 March 2025, CSR Committee comprises three members. Mr. Rajiv Gandhi is the Chairman of the Committee, and Mr. Sanjiv Gandhi and Mr. Sandhya Patel as Members of the Committee. The composition of the Committee is in full compliance with Section 135 of the Companies Act, 2013, and the applicable rules.

The Committee met twice during the year, on 10 May 2024 and 27 March 2025. Details of meetings attended by the members are as under:

Name of the Member	Category	Number of meetings held during tenure	Number of meetings attended
Mr. Rajiv Gandhi (Chairman)	Executive/Non-Independent	2	2
Mr. Sanjiv Gandhi	Non-Executive/ Non-Independent	2	2
Ms. Sandhya Patel	Non-Executive/ Independent	2	2

The CSR Policy, as recommended by the Committee, has been approved by the Board and is available on the Company's website. Further details regarding CSR composition, policy and projects are disclosed in the Board's Report.

5) RISK MANAGEMENT COMMITTEE

In accordance with Regulation 21 of the SEBI (LODR) Regulations, 2015, the Company has constituted a Risk Management Committee at the Board level. The Company has in place a robust risk management framework to identify, assess, monitor, and mitigate various risks, while also recognizing business opportunities. Risk assessment and management is an ongoing process embedded into the Company's operations.

Composition, meetings held and attendance at the meetings during the year

The Risk Management Committee comprises of three members. Mr. Rajiv Gandhi as Chairperson and Ms. Priya Gandhi and Ms. Sandhya Patel as Members of the Committee. The Company Secretary acts as the Secretary to the committee.

The Risk Management Committee met twice during the financial year, on 10 September 2024 and 23 November 2024. The details of attendance by the Committee members at these meetings are as follows:

Name of the Member	Category	Number of meetings held during tenure	Number of meetings attended
Mr. Rajiv Gandhi (Chairman)	Executive/Non-Independent	2	2
Ms. Priya Gandhi	Executive/Non-Independent	2	2
Ms. Sandhya Patel	Non-Executive/ Independent	2	2

Terms of Reference

1. To formulate a detailed risk management policy which shall include:
    a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
    b) Measures for risk mitigation including systems and processes for internal control identified risks.
    c) Business Continuity plan
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee

6) MANAGEMENT COMMITTEE

As of 31 March 2025, the Management Committee comprises of three members. Mr. Rajiv Gandhi is the Chairman of the Committee, and Mr. Sanjiv Gandhi and Ms. Priya Gandhi as Members of the Committee.

The Management Committee oversees routine operational matters and business transactions of the Company. It exercises powers delegated by the Board and ensures all decisions/recommendations are placed before the Board for information and/or approval. The Company Secretary acts as Secretary to the Committee.

The Management Committee met four times during the financial year on 11 May 2024, 3 August 2024, 8 August 2024 and 27 February 2025. All the members of the Committee were present at each of these meetings.

INDEPENDENT DIRECTOR'S MEETING

Pursuant to and in compliance with Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors (IDs), without the presence of Non-Independent Directors or members of management, was held on 7 March 2025 under the chairmanship of Mr. Ashok Bhadakal. During the meeting, the Independent Directors inter alia discussed the following:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
2. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
3. Evaluation of the quality, content and timeliness of the flow of information between the Management and the Board that is necessary for effective and reasonable discharge of its duties.

All the Independent Directors were present at the meeting, except Mr. Anil Jain. The performance of the non-independent directors, the Board as a whole, and the chairman of the Company was evaluated by the Independent Directors, taking into account the views of executive directors and non-executive directors.

SUBSIDIARY COMPANIES:

As on 31 March 2025, the Company has the following four subsidiary companies:

1) Hester Biosciences Nepal Private Limited
2) Texas Lifesciences Private Limited
3) Hester Biosciences Africa Limited
4) Hester Biosciences Kenya Limited

In addition, the Company has one step-down subsidiary, namely, Hester Biosciences Tanzania Limited, which is a subsidiary of Hester Biosciences Kenya Limited.

The Audit Committee of the Company reviews the financial statements and the investments made by all unlisted subsidiary companies. The minutes of the meetings of these subsidiary companies are periodically placed before the Board of Directors of the Company for their review and noting.

The Company has also formulated a Policy for Determining 'Material' Subsidiaries, in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This policy is available on the Company's website at: **https://www.hester.in/corporate-governance**

WHISTLE BLOWER POLICY / VIGIL MECHANISM

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Whistle Blower Policy (Vigil Mechanism). This policy is designed to enable employees to report any instance of fraud, mismanagement or leakage of unpublished price-sensitive information, as well as violations of applicable laws, rules and regulations or concerns regarding unethical conduct to the Audit Committee. No employee has been denied access to the Audit Committee during the year under review. The policy ensures that strict confidentiality is maintained while dealing with concerns and that no discrimination is made against any person for a genuinely raised concern.

The Whistle Blower Policy is available on the Company's website at:
https://www.hester.in/corporate-governance

During the year under review, no complaints or concerns were received under the Whistle Blower Policy.

DIVIDEND DISTRIBUTION POLICY

In compliance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated and implemented a Dividend Distribution Policy. This policy outlines the parameters and circumstances that the Board of Directors will consider when determining the distribution of dividends to shareholders, as well as the decision to retain profits earned by the Company.

The Dividend Distribution Policy is available on the Company's website at:
https://www.hester.in/corporate-governance

RELATED PARTY TRANSACTIONS

All Related Party Transactions (RPTs) entered into by the Company are in strict compliance with the applicable provisions of law, the Company's Policy on Materiality of and Dealing with Related Party Transactions (the Related Party Policy) and are approved by the Audit Committee, the Board of Directors and Shareholders, wherever applicable.

The details of material contracts and arrangements entered into with related parties, in accordance with the provisions of Section 188(1) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, are annexed as Annexure-2. Furthermore, the Related Party Transactions for the financial year 2024-25 have been disclosed in the Notes to the Financial Statements of the Company.

In accordance with Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company discloses its related party transactions to the stock exchanges in the prescribed format. These disclosures are also available on the Company's website.

The Company has an established Related Party Transaction Policy, which is uploaded on the website at: **https://www.hester.in/corporate-governance**

TRANSFER OF UNCLAIMED / UNPAID DIVIDEND AMOUNT AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF"):

In compliance with the provisions of Sections 124 and 125 of the Companies Act, 2013 ("the Act") read with the Rules made thereunder, dividends that remain unclaimed for a period of seven consecutive years from the date of transfer to the Unpaid Dividend Account of the Company are liable to be transferred to the Investor Education and Protection Fund (IEPF).

Additionally, the shares on which dividends remain unclaimed for seven consecutive years or more, from the date of transfer to the Unpaid Dividend Account, are also subject to transfer to the IEPF. This requirement does not apply to shares with a specific order from a court, tribunal, or statutory authority restraining the transfer.

To protect the interests of our members, the Company issued reminders to shareholders urging them to claim their dividends and/or shares before the due date for transfer to IEPF. A notice was also published in the newspapers, and the details of unclaimed dividends and shares subject to transfer to IEPF have been uploaded on the Company's website.

During the year under review, in compliance with the provisions of the Act and Rules made thereunder, the Company has transferred:

1. 3,955 equity shares belonging to 29 (Twenty Nine) members whose dividends have remained unclaimed for seven consecutive years were transferred to IEPF.
2. A total of INR 0.83 million, unclaimed dividends pertaining to the final dividend for FY 2016-17 and interim dividend for FY 2017-18 was transferred to IEPF after giving notice to the members to claim their unpaid / unclaimed dividend.

As of 31 March 2025, 83,902 (Eighty Three Thousand Nine Hundred Two only) equity shares were lying with IEPF.

For all unclaimed dividends up to the Financial Year 2017-18 (Interim), shareholders can claim the amounts by submitting Form No. IEPF-5 online and sending the form to the Nodal Officer of the Company at its Registered Office along with the necessary documents. The IEPF Authority will process the claims based on the e-verification and supporting documents.

We urge all members to claim dividends lying in the respective unclaimed dividend accounts for the financial years 2017-18 (Final) to 2023-24 by applying to the Company or our Registrar and Transfer Agent, along with KYC documents.

The details of dividend declaration dates and the due dates for transfer to IEPF are included in the Notice convening the Thirty-Eight AGM.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT ('BRSR')

Pursuant to Regulation 34 and Schedule V of the Listing Regulations, the Business Responsibility and Sustainability Report (BRSR) for the financial year ended 31 March 2025 has been published and uploaded on the Company's website. The report can be accessed at the following link:
www.hester.in/shareholders/reports-certificates

The BRSR provides detailed disclosures on various initiatives undertaken by the Company with respect to Environmental, Social and Governance (ESG) aspects, reflecting our commitment to sustainability and responsible business practices.

OTHER DISCLOSURES

1. In the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Indian Accounting Standards.

2. The Company has complied with all the mandatory requirements of the Listing Regulations with the Stock Exchanges, regulations and guidelines of the SEBI. Further, during last three years, no penalties or strictures are imposed on the Company by any Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets.

3. The Chief Executive Officer and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on 31 March 2025 in compliance with Regulation 17(8) read with Part B of Schedule II of the Listing Regulations was placed before the Board of the Company and the certificate is part of this report.

4. As per the disclosures received from senior management, no material financial and commercial transactions that may have a potential conflict with the interest of the Company at large were reported to the Company during the year under report.

5. The Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel in Compliance with Part-D under Schedule V of Listing Regulations. The Code of Conduct is available on the website of the Company: All Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended on 31 March 2025 under review. The declaration of CEO & Managing Director is given below:

To the Shareholders of Hester Biosciences Limited

Subject: Compliance with Code of Conduct
I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors.

Rajiv Gandhi	**Date**	9 May 2025
CEO & Managing Director	**Place**	Kadi, Mehsana
DIN: 00438037		

6. The Company complies with all applicable secretarial standards.

7. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has received a certificate affirming compliance from the practising company secretary, CS Tapan Shah, and the same is attached to this report.

8. In Compliance with the SEBI Regulations on Prevention of Insider Trading, the Company has framed a Code of Conduct to avoid any insider trading and it is applicable to all the Directors, Officers and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The Code lays down guidelines, which advises them on procedure to be followed and disclosures to be made, while dealing in the shares of the Company. The Company uses a software to monitor the trading in the equity shares of the Company mainly during the trading window closure and the reversal of the transactions, by the designated persons. The Company also maintains the structured digital database as mandated by the PIT Regulations.

9. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, the Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment. During the year under review, there were no complaints pertaining to sexual harassment.

10. As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Directors seeking appointment / re-appointment at the forthcoming AGM are provided as an annexure to the notice convening the 38th Annual General Meeting.

11. Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this Report as required under Regulation 34(2)(e) of SEBI (LODR) Regulations, 2015.

12. During the year, CARE Ratings Limited has reaffirmed the credit rating of “CARE BBB+/Stable” for long-term bank facilities and “CARE A2” for short-term bank facilities to the Company.

13. The Company has not raised any funds through preferential allotment or qualified institutional placement as specified in the Listing Regulations.

14. During the FY 2024-25 under review, M/s. Chandulal M. Shah & Co., the statutory auditor of the Company and Subsidiary company, was paid fees for audit and providing other services as follows:

(INR million)

Name of the Company	Fees Paid for		Total
	Statutory Audit	Other Services	
Hester Biosciences Limited	1.60	0.68	2.28
Texas Lifesciences Private Limited	0.25	0.06	0.31

15. The Company has obtained a certificate from Mr. Tapan Shah, Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. The said certificate is enclosed to this Corporate Governance Report.

16. As of 31 March 2025, there is a balance of 1,750 shares in the unclaimed suspense account. The Company is taking all necessary steps to communicate with shareholders to claim these shares by following the procedures laid out by SEBI.

17. Pursuant to Regulation 24A of the Listing Regulations, the Company have carried out the secretarial audit and report is annexed to the Board’s Report. Additionally, the Company will submit the Secretarial Compliance Report to the stock exchanges within the prescribed time frame of 60 (sixty) days from the end of the financial year, as mandated by the regulations.

18. The Company is exposed to risks arising from fluctuations in foreign exchange, particularly in relation to imports, foreign currency loans, project imports and other foreign currency transactions. To manage such risks, the Company has developed a comprehensive framework under the Risk Management Policy, as approved by the Board of Directors. This policy aims to manage both short-term and long-term foreign exchange risks in a manner that aligns with the Company’s objectives. The policy’s primary goal is to mitigate the currency risk associated with foreign currency payables and receivables. By doing so, the Company aims to safeguard its operating margin and ensure greater predictability in earnings. Risk management activities are carried out under the direction and control of management, ensuring that the policy’s objectives are effectively implemented.

MEANS OF COMMUNICATION

1. The Company has 12,140 shareholders as on 31 March 2025. The main channel of communication to shareholders is through quarterly press releases, investor calls and Annual Report, which includes inter-alia, the Board's Report, Management Discussion and Analysis, Report on Corporate Governance and Audited Financial Statements.

2. The Annual General Meeting is a platform for face-to-face communication with the shareholders, where the Chairman makes presentation on the performance, operating and financial results of the Company. The Chairman and other Key Managerial Personnel also respond to the specific queries of the shareholders.

3. The Company intimates to the Stock Exchanges all price sensitive matters which in its opinion are material and of relevance to the members and subsequently issues a Press Release on such matters, wherever necessary.

4. The quarterly, half yearly and annual financial results are sent to Stock Exchanges and published in "Financial Express", in English and Gujarati Editions. Simultaneously, they are also put on the Company's website and can be accessed at: **www.hester.in** and the same are sent individually to the members.

5. The company's results and official news releases and media releases are sent to stock exchanges and are put on the Companys' website **(www.hester.in)**. Detailed presentations are made to institutional investors and financial analysts on the Company's quarterly, half yearly and annual financial results. These presentations and schedule of analyst or institutional investors meet or call are also put on the Company's website and the transcripts of the call can be accessed at www.hester.in as well as sent to the Stock Exchanges. No unpublished price sensitive information is discussed in meeting / presentation with institutional investors and financial analysts.

6. The Company's website **(www.hester.in)** contains a separate dedicated section 'Investor Relations' where information are available.

7. The Annual Report containing, inter alia, Audited Financial Statements, Audited Consolidated Financial Statements, Board's Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report. The Company's Annual Report is also available on the Company's website and can be accessed at **www.hester.in**

8. The Company disseminates the requisite corporate announcements including the SEBI Listing Regulation compliances through NSE Electronic Application Processing System (NEAPS) / BSE Corporate Compliance & Listing Centre. The NEAPS/ BSE's Listing Centre is a web-based application and periodical fillings like shareholding pattern, corporate governance report, financial results, material / price sensitive information, etc. are filed electronically on such designated platforms.

9. The investor complaints received through SEBI Complaints Redress System (SCORES) and SEBI Smart ODR platform these are the centralised web-based complaints redressal system. The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

10. The Company has designated the following email-id exclusively for investor servicing: **cs@hester.in**, for queries on share transfer, transmission, bonus shares, dividend, KYC, Demat etc.

GENERAL MEETINGS

1. Details of last three Annual General Meetings held are provided hereunder:

Financial Year	Meeting Date and Time	Venue
2021-22	35th AGM on 23 August 2022 at 11:00 a.m. (IST)	Through Video Conferencing (VC) /Other Audio Visual Modes (OVAM)
2022-23	36th AGM on 20 September 2023 at 10:30 a.m. (IST)	
2023-24	37th AGM on 29 August 2024 at 10:30 a.m. (IST)	

2. Special Resolutions passed in the previous three Annual General Meeting:

The shareholders of the Company have passed the following special resolutions in the previous three Annual General Meetings:

Sr.	Nature of Special Resolutions passed	Relevant provisions of the Companies Act	AGM details
1	Appointment of Mr. Anil Jain (DIN: 00805735) as an Independent Director	Sections 149, 152 and other applicable Sections of Companies Act, 2013	36th AGM held on 20 September 2023
2	Appointment of Mr. Jatin Trivedi (DIN: 01618245) as an Independent Director		
3	Revision in remuneration of Ms. Priya Gandhi (DIN: 06998979) Executive Director (Whole-time) of the Company	Sections 196, 197, 198, 203 and other applicable Sections of Companies Act, 2013	37th AGM on 29 August 2024

The special resolutions indicated above were passed with requisite majority.

3. Approval of Members through Postal Ballot

During the year, members of the Company have approved the special resolution of Shifting of Registered Office of the Company from Pushpak, 1st Floor, Panchvati Circle, Motilal Hirabhai Road, Ahmedabad 380006 to Village - Meda Adraj, Taluka - Kadi, District - Mehsana, Gujarat 384441, India, with effect from 13 February 2025, as stated in the below table by requisite majority, by means of Postal Ballot through Electronics Voting (e-voting). The Postal Ballot Notice dated 8 January 2025 was sent in electronic form to all members on their email addresses were registered with the Company/ respective Depository Participants.

The Company had published a notice in the newspaper on 14 January 2025 in Financial Express (English and Gujarati Editions) in compliance with the provisions of the Companies Act, 2013 and Secretarial Standard - 2. The remote e-voting period commenced from Wednesday, 15 January 2025 at 9:00 a.m. (IST) and ended on Thursday, 13 February 2025 at 5:00 p.m. (IST) (both days inclusive). The voting rights of members were reckoned on the paid-up value of shares registered in the name of member/ beneficial owner (in case of electronic shareholding) as on Friday, 10 January 2025.

The Board of Directors had appointed Mr. Tapan Shah, a Practicing Company Secretary, as a Scrutiniser to ensure that the Postal Ballot process is conducted in a fair and transparent manner and had engaged the services of Central Depository Services (India) Limited (CDSL) as an agency for the purpose of providing e-voting facility. Mr. Tapan Shah, Scrutiniser, had submitted his report on the Postal Ballot to the CEO & Managing Director and the resolutions were approved Thursday, 13 February 2025.

The details of the e-voting pattern are given below:

Special Resolution passed through Postal Ballot	Votes in favour of the resolution (%)	Votes against the resolution (%)
Shifting of Registered Office of the Company	100.00	-

GENERAL SHAREHOLDER'S INFORMATION

1. **Company Registration details**
   The Company is registered in the State of Gujarat, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L99999GJ1987PLC022333.

2. **Registered Office of the Company**
   Village - Meda Adraj, Taluka - Kadi, District - Mehsana, Gujarat 384 441, India

3. **38th Annual General Meeting**
   Day, Date and Time: Wednesday, 13 August 2025 at 10:30 AM (IST)
   Mode of AGM/ Venue: Through Video Conferencing Mode / Other Audio Visuals Means

4. **Tentative Financial Calendar**

First quarter financial results	On or before 14 August 2025
Half yearly financial results	On or before 14 November 2025
Third quarter financial results	On or before 14 February 2026
Audited financial results for the year 2025-26	On or before 30 May 2026

   The trading window closure for the financial results shall be from the first day from the closure of quarter till the completion of 48 (forty eight) hours after the financial results becomes generally available.

5. **Listing of Equity Shares on Stock Exchanges**
   The Company's shares are listed and traded on the BSE Limited (BSE) at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 and The National Stock Exchange of India Limited (NSE) at Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. Annual listing fee for the financial year 2024-25 has been paid by the Company to BSE and NSE.

6. **Payment of Depositories Fee**
   Annual Custody/ Issuer fee for the financial year 2025-26 has been paid by the Company to Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL).

7. **a) Details of Shares:**

Types of Shares	:	Equity Shares
No. of Paid Up Shares	:	8,506,865
Security Code (ISIN)	:	INE782E01017

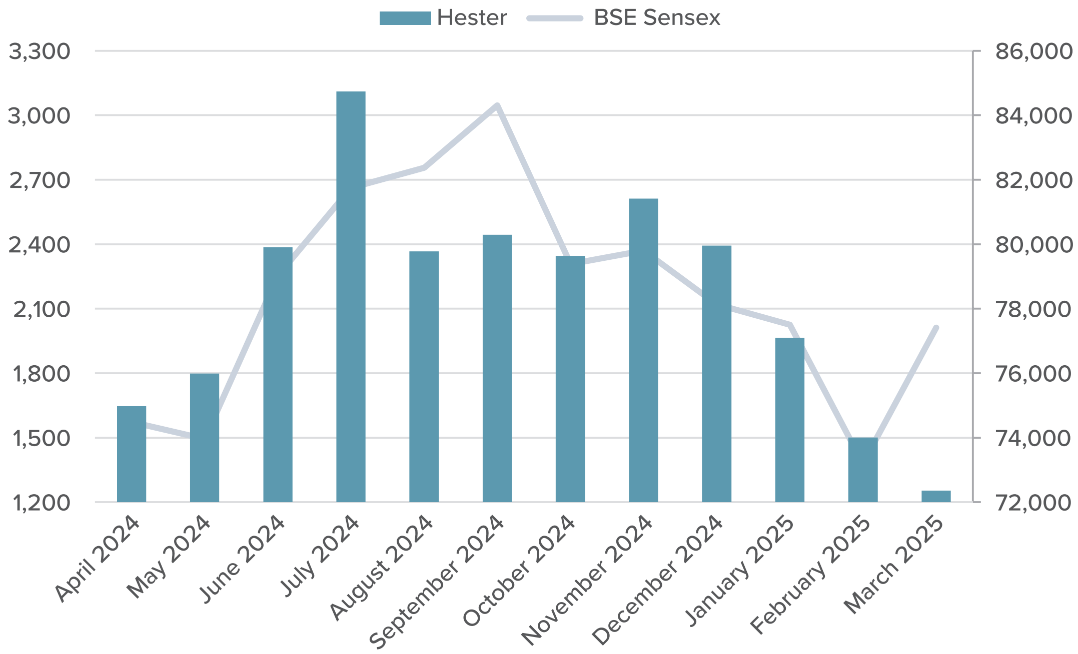
   b) Stock Code, Closing Price, Market Capitalisation and Rank based on Market Capitalisation:

Name of the Stock Exchanges	Stock Code	Closing Price as on 31 March 2025 (INR)	Market Capitalisation as on 31 March 2025 (INR in million)	Rank based on Market Capitalisation as on 31 December 2024
BSE Limited	524669	1,253.90	10,666.76	1,096
National Stock Exchange of India Limited	HESTERBIO	1,254.50	10,671.86	1,073

8. Stock Price Data

Month (FY 2024-25)	BSE Sensex	BSE Limited			National Stock Exchange of India Limited		
		High (INR)	Low (INR)	Volume (No. of Shares)	High (INR)	Low (INR)	Volume (No. of Shares)
April	74,482.78	1,702.45	1,364.15	15,376	1,710.00	1,374.45	1,85,086
May	73,961.31	1,865.00	1,616.00	15,200	1,863.95	1,670.05	1,84,584
June	79,032.73	2,725.00	1,556.85	57,726	2,727.00	1,627.00	5,85,348
July	81,741.34	3,375.45	2,401.00	47,294	3,379.00	2,389.60	5,83,453
August	82,365.77	3,250.00	2,360.00	25,235	3,257.35	2,350.00	2,77,205
September	84,299.78	2,660.00	2,278.05	13,114	2,676.25	2,312.05	1,68,776
October	79,389.06	2,644.00	2,201.20	8,022	2,645.00	2,201.00	95,325
November	79,802.79	2,780.00	2,358.10	15,305	2,786.10	2,333.00	1,63,637
December	78,139.01	2,669.00	2,364.00	5,762	2,684.45	2,365.00	49,920
January	77,500.57	2,489.65	1,960.00	12,241	2,496.50	1,919.70	1,08,957
February	73,198.10	2,024.00	1,464.25	45,697	2,027.00	1,450.05	81,557
March	77,414.92	1,512.90	1,246.75	33,254	1,513.95	1,242.95	4,64,081

9. Performance of the share price of the Company in comparison to BSE Sensex



10. Dematerialisation of Shares and liquidity

The Company's shares are compulsorily traded in dematerialised form. Equity shares of the Company representing 99.22% of the Company's share capital are dematerialised as on 31 March 2025.

The Company's shares are regularly traded on the 'BSE Limited' and 'National Stock Exchange of India Limited'. International Securities Identification Number (ISIN) for dematerialisation of the equity shares the Company is INE782E01017.

11. Distribution of Shareholding as on 31 March 2025

a) On the basis of shares held (Folio-wise details):

Number of Equity Shares Held (Range)	Number of Shareholders	Percentage of Total Shareholders	Number of Shares held	Percentage to Total Shares Held
1 to 500	11,533	95.00	649,299	7.63
501 to 1000	276	2.27	202,627	2.38
1001 to 2000	121	1.00	174,307	2.05
2001 to 3000	49	0.40	119,766	1.41
3001 to 4000	30	0.25	105,994	1.25
4001 to 5000	19	0.16	87,964	1.03
5001 to 10000	34	0.28	233,754	2.75
Above 10001	78	0.64	6,933,154	81.50
Total	**12,140**	**100.00**	**8,506,865**	**100.00**

b) On the basis of category:

Sr.	Description	Number of Shares	Percentage
1	Promoters and Promoters' Group	4,570,944	53.73
2	Resident Individual	2,776,875	32.64
3	Hindu Undivided Family	219,320	2.58
4	Non-Resident Individual	470,298	5.53
5	Investors Education and Protection Fund (IEPF)	83,902	0.99
6	Foreign Portfolio Investor	74,143	0.87
7	Domestic Companies and LLPs	258,372	3.04
8	Unclaimed Shares	1,750	0.02
9	Clearing Members and others	51,261	0.60
	Total	**8,506,865**	**100.00**

12. Reconciliation of Share Capital Audit

Pursuant to SEBI (Depositories and Participants) Regulations, 1996, a certificate have also been obtained from a Practicing Company Secretary for timely dematerialisation of the shares of the Company and for conducting Audit on a quarterly basis for reconciliation of the share capital of the Company under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018. The Company files copy of these certificates with the stock exchange, as required. Accordingly, to avail benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form.

13. Nomination Facility

Nomination is in the interest of the shareholders to appoint a nominee for their investments in the Company. Those members who are holding shares in the physical mode and have not appointed a nominee or want to change the nomination are requested to send us the nomination form duly filled in and signed by all the joint holders.

14. Change in shareholder's details

The holding of shareholders in dematerialised form (e.g. in electronic mode), communication regarding change in address, bank account details, change in nomination, dematerialisation of your share certificates or other inquiries should be addressed to your DP where you have opened your dematerialised account, quoting your client ID number. In case of physical holding of shares, any communication for change of any details should be addressed to our registrar and transfer agent of the Company, MUFG Intime India Private Limited, as per the address mentioned below.

15. **Locations of the Company's Manufacturing Plant**
The details of the locations of the plants of the Company is mentioned on the corporate information page of the Annual Report.

16. **Registrar and Share Transfer Agent**
MUFG Intime India Private Limited (MUFG) is acting as Registrar & Share Transfer Agent of the Company. For lodgement of transfer deeds and other documents or any grievances/complaints, investors may contact the Companys' Registrar and Share Transfer Agent at the following address:

MUFG Intime India Private Limited
(Formerly known as LINK Intime India Private Limited)
Unit: Hester Biosciences Limited
506-508, Amarnath Business Centre-1(ABC-1),
Besides Gala Business Centre, Near St. Xavier's College Corner,|
Off C G Road, Elliesbridge, Ahmedabad 380006
Phone: +91 79 26465179/86/87
E-mail: **ahmedabad@in.mpms.mufg.com**

17. **Address for Correspondence**
Shareholders' correspondence should be addressed to the Company's Registrar and Share Transfer Agent at the address mentioned above.

Shareholders may also contact the Company Secretary, at the Registered Office of the Company for any assistance:

Mr. Vinod Mali
Company Secretary & Compliance Officer
Phone: +91 7926445107
E-mail ID: **cs@hester.in**

Shareholders holding shares in the electronic mode should address all their correspondence to their respective depository participants.

18. **Details of non-compliance**
There was no non-compliance during the financial year ended 31 March 2025 and no penalties were imposed or strictures passed on the Company by any Stock Exchange, SEBI or any other Statutory Authority.

A practicing company secretary has certified the compliance of the conditions of Corporate Governance and annexed the certificate with the Board's Report and sent the same to all the members of the Company. The certificate shall also be sent to stock exchanges along with the annual report to be filed by the Company.

19. **Outstanding GDRs/ ADRs/Warrants, its conversion date and likely impact on equity**
The Company has not issued any GDRs/ADRs/warrants or any convertible instruments.

20. **Non-Mandatory Requirements of regulation 27 (1) & Part E of Schedule II of the SEBI (LODR) Regulations, 2015**
a) Dr. Bhupendra Gandhi is acting as the Chairman of the Company and Mr. Rajiv Gandhi acting as CEO & Managing Director of the Company.
b) The Company has a Non-Executive Chairman and is entitled to maintain its office at the Company's expense.
c) Quarterly/half-yearly/ annual financial results are being sent to shareholders, whose emails are registered with the Company. However, financial results are published in the leading newspapers and are also available on the Company's website: www.hester.in
d) The Company's financial statements for the financial year ended on 31 March 2025 do not contain any audit qualification. The auditors' report on financial statements of the Company are with unmodified opinion.
e) The internal auditors report to the Audit Committee and they make quarterly presentations on their reports.

CERTIFICATE OF CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

To,
Board of Directors
Hester Biosciences Limited

As required under the Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) read with Schedule II part B of the Listing Regulations, we hereby certify that;

1. We have reviewed the Balance Sheet and Profit and Loss account, its schedule and notes to the accounts and cash flow statements for the year ended 31 March 2025 and that to the best of our knowledge and belief:
    a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
    b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. We also certify that based on our knowledge and information provided to us, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

4. We have indicated to the Auditors and the Audit Committee:
    a. there are no significant changes in internal controls over financial reporting during the year;
    b. there are no significant changes in accounting policies during the year; and
    c. there are no instances of significant fraud of which we have become aware.

Rajiv Gandhi
CEO & Managing Director

Divyesh Maru
Chief Financial Officer

Date 9 May 2025
Place Kadi, Mehsana

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Registration No.: L99999GJ1987PLC022333 Nominal Capital: INR 112,000,000

To,
The Members of
HESTER BIOSCIENCES LIMITED
CIN: L99999GJ1987PLC022333

I have examined the compliance of conditions of corporate governance by **HESTER BIOSCIENCES LIMITED**, for the year ended on 31 March 2025 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub- regulation (2) of Regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time, pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has generally complied with the mandatory conditions as stipulated in above mentioned Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the Listing Agreement of the said Company with stock exchanges.

I further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

Name of Company Secretary in practice: **Tapan Shah**
Membership No. : **FCS4476**
C P No. : **2839**
PR No. : **6457/2025**
UDIN: **F004476G000265154**

Date 9 May 2025
Place Ahmedabad

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
HESTER BIOSCIENCES LIMITED
Village - Meda Adraj, Taluka - Kadi,
District - Mehsana, Gujarat 384441

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Hester Biosciences Limited, having CIN: L99999GJ1987PLC022333 and having registered office at Village - Meda Adraj, Taluka - Kadi, District - Mehsana, Gujarat 384441 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31 March 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr.	Name of Director	DIN	Date of appointment in Company*
1	Dr. Bhupendra Vithaldas Gandhi	00437907	21 April 2005
2	Rajiv Dinesh Gandhi	00438037	29 April 1987
3	Sanjiv Dinesh Gandhi	00024548	29 April 1987
4	Ravin Kanti Gandhi	00438361	22 April 1999
5	Nina Rajiv Gandhi#	00024657	7 May 2016
6	Priya Rajiv Gandhi	06998979	28 October 2021
7	Sandhya Maulik Patel	02215022	1 April 2020
8	Ashok Bhimrao Bhadakal	00981201	1 April 2020
9	Ameetkumar Hiranyakumar Desai	00007116	28 October 2021
10	Anil Jain	00805735	26 June 2023
11	Jatin Yagneshbhai Trivedi	01618245	26 June 2023

* Date of appointment is as per the MCA portal
# Appointed as an Alternate Director for Mr. Ravin Gandhi

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Name of Company Secretary in practice: **Tapan Shah**
Membership No. : **FCS4476**
C P No. : **2839**
PR No. : **6457/2025**
UDIN: **F004476G000265143**

Date 9 May 2025
Place Ahmedabad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FINANCIAL STATEMENTS

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
Hester Biosciences Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Hester Biosciences Limited (the 'Company') which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, its profit, total comprehensive income, the changes in equity and its cash flows for the year then ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Sr. No.	Key Audit Matters	Auditor's Response
1	**Capital Work-in-progress**	
	The Company has a Capital work-in-progress carrying value INR 1,766.72 million which constitutes about 32% of the total assets of the company. We have considered the Capital Work in progress as a key audit matter given the relative size of the amount in the financial statements.	Our audit procedures included the following: • Obtained an understanding of the process and controls over capitalisation, monitoring, and review of CWIP balances. • Reviewed the CWIP ageing schedule and obtained management explanations for projects that were aged beyond months or exhibiting delays. • Assessed the technical and commercial viability of major projects by reviewing project reports, management budgets, status reports, and board minutes. • Evaluated the appropriateness of capitalisation of expenses to CWIP by performing sample-based tests of underlying supporting documents. • Assessed management's impairment assessment, if any, on CWIP, including review of cost-to-completion estimates and future business plans. • Verified the adequacy of disclosures related to CWIP, including ageing schedules and capital commitments, in accordance with the applicable accounting standards.
2	**Valuation of Inventories**	
	The Company has an Inventory having a carrying value INR 585.10 million, which is around 20% of its' revenue from operations, including Raw Materials, Packing Material, Work in Progress, Finished Goods and Traded Goods. We have considered the valuation of inventories as a key audit matter given the relative size of the balance in the financial statements and significant judgement involved in the consideration of factors in determination of inventory value. The inventory valuation of the company involves complex procedures estimating the costs incurred, overheads applied and identification for slow moving, expired and obsolete inventory and ascertainment of net realisable value.	Our audit procedures included following: • We understood and tested the design and operating effectiveness of controls as established by the management in determination of valuation of inventory. • Assessing the appropriateness of the Company's accounting policy for valuation of inventories and its compliance with the requirements of the prevailing accounting standards. • Various factors considered including the estimation of costs, overheads incurred, actual selling prices prevailing around and after the year-end. • Compared the cost of the finished goods with the estimated net realisable value and checked if the finished goods were recorded at net realisable value where the cost was higher than the net realisable value. • Considered the process of periodical physical verification of inventory carried out by the management. • Evaluated the design and operating effectiveness of controls as established by the management in determination of slow moving, products banned by government, expired and obsolete inventory. • Assessed the completeness and accuracy of the disclosures made in accordance with IND AS 2 ("Inventories"). • Attended the physical inventory counts at selected locations, observing count procedures, performing test counts, evaluating management's inventory instructions, and obtaining confirmations from third parties where applicable.

Sr. No.	Key Audit Matters	Auditor's Response
3	**Carrying Value of Trade Receivables**	
	The Company has Trade Receivables of carrying value INR 805.95 million and the ascertainment of allowance for expected credit loss of trade receivables requires significant management judgement.	Our audit procedures included following: • We have understood and tested the design and operating effectiveness of controls established by the management in determining recoverability of trade receivables. • We performed audit procedures on the assessment of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. • Assessing the impact of impairment on trade receivables requires judgment and we evaluated management's assumptions in determining the provision for Impairment of trade receivables, by analysing the ageing of receivables, assessing significant overdue trade receivables. • We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the trade with the customers, invoices raised, etc., as a part of our audit procedures. Furthermore, we assessed the adequacy and appropriateness of the disclosures in the financial statements. • We also discussed with the management any disputes between the parties involved, attempts by management to recover the outstanding amounts and the credit status of significant counterparties available. • In assessing the appropriateness of the overall provision for expected credit losses, we considered management's policy for recognizing provisions and compared the Company's provisioning against Simplified Approach of ECL. • Considered the completeness and accuracy of the disclosures

Information other than the Standalone Financial Statements & Auditor's Report thereon

The Company's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the Board's Report including Annexures to Board's Report and Management Discussion & Analysis but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively or ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2.
   A) As required by Section 143(3) of the Act, we report that:

      a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

      b) In our opinion, proper books of account as required by law have been kept by the Company, in electronic mode on servers physically located in India so far as it appears from our examination of those books, SOC Type I & II report and other records and details provided to us.

c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company for the financial year 2024-25, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and according to the information and explanation given to us by the management, the remuneration paid/ provided during the Current Year by the Company to its directors is in accordance with the provisions of Section 197 read with Schedule V of the Act.

B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

a) The Company has no pending litigations having any material impact on its financial position in its financial statements;

b) The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses.

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d)

(i) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (d) (i) and (ii) above, contain any material misstatement.

e)

(i) The final dividend proposed in the previous year, declared, and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(ii) The Board of Directors of the Company has proposed a final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

f) Based on our examination which included test checks and in accordance with requirements of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, we report that –
The company has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and based on the SOC Type I & II report for such software provided to us, it can be derived that the audit trail has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

For, Chandulal M. Shah & Co.
Chartered Accountants
FRN 101698W

Irshad I. Mansuri
Partner
M. No. 135475
UDIN: 25135475BMKQBJ7336

Date 9 May 2025
Place Ahmedabad

ANNEXURE A

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HESTER BIOSCIENCES LIMITED

Referred to in paragraph 1 on 'Report on Other Legal & Regulatory Requirements' of our report of even date to the standalone financial statements of the Company for the year ended 31 March 2025:

i.

a)

A. The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.

B. The Company has maintained proper records showing full particulars of intangible assets.

b) The Property, Plant and Equipment were physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c) The title deeds of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) as disclosed in the financial statements are held in the name of the Company.

d) The Company has not revalued its Property, Plant and Equipment and its intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the Company as on 31 March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii.

a) Inventory has been physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of goods-in-transit, these have been confirmed from corresponding receipt and dispatch inventory records.

b) The Company has been sanctioned working capital limits in excess of INR 50 million, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements filed by the Company with such banks are materially in agreement with the reviewed/audited books of accounts of the Company of the respective quarters and no material discrepancies have been observed.

iii.

a) According to the information explanation provided to us, the Company has made investments, provided loans, or provided advances in the nature of loans, or given guarantee, or provided security to any other entity.

The details of such loans or advances and guarantees or security to subsidiaries, Joint Ventures & Others are as follows:

(Amount in INR Million)

Particulars	Guarantees	Loans
Aggregate amount granted/provided during the year		
Subsidiaries	-	-
Others	-	55.00
Balance Outstanding as at balance sheet date		
Subsidiaries	1,196.65	-
Others	-	55.00

b) In our opinion, the terms and conditions of the grant of all the loans given and investments made and guarantees given, during the year are prima facie, not prejudicial to the interest of the Company.

c) In case of loans, a schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the payment of the principal and interest thereon.

d) There are no amounts overdue for more than ninety days in respect of the loans granted to the other parties.

e) According to the information and explanations provided to us, the loan or advance in the nature of loan granted has not fallen due during the year. Hence, the requirements under paragraph 3(iii) (e) of the Order are not applicable to the Company

f) According to the information and explanations provided to us, the Company has not any granted loans and / or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment. Hence, the requirements under paragraph 3(iii)(f) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed there under.

vi. The Central Government has prescribed maintenance of Cost Records under Section 148(1) of the Companies Act, 2013 in respect of manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

vii. In respect of statutory dues:

a) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods & Service Tax, Duty of Customs, Cess, and any other material statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above statutory dues were in arrears as at 31 March 2025, for a period of more than six months from the date on when they become payable.

b) According to the information and explanations given to us, there are no material dues of Income Tax, Goods & Service Tax and Customs Duty which have not been deposited with the appropriate authorities on account of any dispute, except as follows:

Name of the Statute	Nature of Dues	Amount (INR in Million)	Years to Which matter pertains	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1.77	A.Y. 2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.10	A.Y. 2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.11	A.Y. 2018-19	Commissioner of Income Tax (Appeals)

viii. According to the information and explanations given to us, there are no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.

ix.

a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company did not have any loans or borrowings from financial institutions, Government, and debenture holders.

b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c) In our opinion and according to the information and explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

e) According to the information and explanations given to us and on an overall examination of the standalone financial statement of the company, we report that the Company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries and joint ventures.

f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held of its subsidiaries and joint ventures.

x.

a) According to the information and explanations given to us and procedures performed by us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause x(a) of the Order is not applicable.

b) According to the information and explanations given to us and procedures performed by us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly or optionally convertible) during the year under review and hence reporting under clause x(b) of the Order is not applicable.

xi.

a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company nor on the Company.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv.

a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered the internal audit reports for the year under audit issued to the Company during the year and till date.

xv. In our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with its directors during the year. Hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi.

a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the reporting under clause 3 (xvi)(a) of the Order is not applicable to the Company.

b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company.

c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.

d) The Company does not have any CIC as a part of its group. Hence, the provisions stated in paragraph clause 3 (xvi)(d) of the Order are not applicable to the Company.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred to the special account as on the date of our audit report. Accordingly, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.

For, Chandulal M. Shah & Co.
Chartered Accountants
FRN 101698W

Irshad I. Mansuri
Partner
M. No. 135475
UDIN: 25135475BMKQBJ7336

Date 9 May 2025
Place Ahmedabad

ANNEXURE B

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HESTER BIOSCIENCES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")
We have audited the internal financial controls with reference to standalone financial statements of Hester Biosciences Limited ("the Company") as of 31 March 2025, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility
Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements and, both issued by the Institute of Chartered Accountants of India. Those Standards on Auditing and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's Judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements
A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that:

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company, and

3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements
Due to the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion
In our opinion, the Company has, in all material respects, an adequate internal financial control system with reference to standalone financial statements and such internal financial controls were operating effectively as on 31 March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reports issued by the Institute of Chartered Accountants of India.

For, Chandulal M. Shah & Co.
Chartered Accountants
FRN 101698W

Irshad I. Mansuri
Partner
M. No. 135475
UDIN: 25135475BMKQBJ7336

Date 9 May 2025
Place Ahmedabad

STANDALONE BALANCE SHEET

AS AT 31 MARCH 2025

(All amounts are in INR Million, unless otherwise stated)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
(a) Property, Plant & Equipment	3	1,048.33	1,028.91
(b) Capital Work-in-Progress	3	1,766.72	1,681.13
(c) Other Intangible Assets	4	6.28	5.66
(d) Intangible Assets under Development	4	60.29	32.89
(e) Financial Assets			
(i) Investments	5	646.89	646.89
(ii) Other Financial Assets	7	53.86	37.37
(f) Other Non-current Assets	8	25.24	18.49
Total Non-current Assets		**3,607.61**	**3,451.34**
Current assets			
(a) Inventories	9	585.10	685.26
(b) Financial Assets			
(i) Trade Receivables	10	805.95	857.76
(ii) Cash and Cash Equivalents	11	5.45	19.66
(iii) Bank Balances other than (ii) above	12	16.32	29.98
(iv) Loans	6	56.95	56.87
(v) Other Financial Assets	7	195.24	184.06
(c) Other Current Assets	8	187.34	210.53
Total Current Assets		**1,852.35**	**2,044.12**
Total Assets		**5,459.96**	**5,495.46**
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	13	85.07	85.07
(b) Other equity	14	3,305.80	3,042.05
Total Equity		**3,390.87**	**3,127.12**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	513.12	790.70
(ii) Other Financial Liabilities	16	7.83	7.03
(b) Provisions	17	23.79	22.56
(c) Deferred Tax Liabilities (Net)	30	57.33	70.85
(d) Other Non-Current Liabilities	18	500.00	500.00
Total Non-current Liabilities		**1,102.07**	**1,391.14**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	529.55	544.94
(ii) Trade Payables	20		
- Total outstanding dues of micro enterprises and small enterprises		98.31	49.08
- Total outstanding dues of creditors other than micro enterprises and small enterprises		227.02	247.75
(iii) Other Financial Liabilities	16	48.20	93.59
(b) Other Current Liabilities	18	17.22	15.13
(c) Provisions	17	9.24	6.70
(d) Current Tax Liabilities	21	37.48	20.01
Total Current Liabilities		**967.02**	**977.20**
Total Liabilities		**2,069.09**	**2,368.34**
Total Equity and Liabilities		**5,459.96**	**5,495.46**

The accompanying notes are an integral part of the Standalone Financial Statements.

In terms of our report attached
For Chandulal M. Shah & Co.
Firm Registration No.: 101698W
Chartered Accountants

Irshad I. Mansuri
Partner
Membership No.: 135475

Date 9 May 2025
Place Ahmedabad

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Divyesh Maru
Chief Financial Officer

Vinod Mali
Company Secretary

Date 9 May 2025
Place Kadi, Mehsana

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2025

(All amounts are in INR Million, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2025	For the year ended 31 March 2024
Income			
Revenue from operations	22	2,864.66	2,851.55
Other income	23	47.64	42.62
Total Income		**2,912.30**	**2,894.17**
Expenses			
Cost of raw material and components consumed	24	388.58	326.86
Purchase of stock-in-trade	25	448.37	565.95
Changes in inventories of finished goods, traded goods and work-in-progress	26	99.65	103.64
Employee benefits expense	27	547.63	567.20
Finance cost	28	53.67	50.93
Depreciation and amortisation expense		85.81	97.78
Other expenses	29	870.99	814.49
Total Expenses		**2,494.70**	**2,526.85**
Profit before tax		**417.60**	**367.32**
Tax expense:	30		
Current tax		118.08	96.35
Tax Adjustment of earlier years		(5.38)	-
Deferred tax		(13.52)	(0.62)
Total tax expense		**99.18**	**95.73**
Profit after tax		**318.42**	**271.59**
Other Comprehensive Income			
Items that will not to be reclassified to profit or loss			
Remeasurement gain/(loss) of defined benefit plans		(4.85)	(0.32)
Income Tax Effect		1.22	0.08
Net other comprehensive gain / (loss) that will not be reclassified to profit or loss		**(3.63)**	**(0.24)**
Total Comprehensive Income		**314.79**	**271.35**
Earnings Per Equity Share (EPS)			
Basic and Diluted (Face Value INR 10 Per Share) (INR)	34	37.43	31.93

The accompanying notes are an integral part of the Standalone Financial Statements.

In terms of our report attached
For Chandulal M. Shah & Co.
Firm Registration No.: 101698W
Chartered Accountants

Irshad I. Mansuri
Partner
Membership No.: 135475
Date 9 May 2025
Place Ahmedabad

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Divyesh Maru
Chief Financial Officer

Vinod Mali
Company Secretary

Date 9 May 2025
Place Kadi, Mehsana

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

(All amounts are in INR Million, unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
A. Cash Flow from operating activities		
Profit Before Tax	417.60	367.32
Adjustments for:		
Depreciation and amortisation Expense	85.81	97.78
Provision for doubtful debt	44.12	6.90
Bad debts written off	-	0.22
(Profit) / Loss on sale of property, plant & equipment	4.86	(0.28)
Liabilities no longer required written back (net)	(0.99)	-
Interest expense	50.89	48.90
Unrealised foreign exchange gain	(6.11)	(1.21)
Interest income	(20.37)	(19.07)
Operating profit before working capital changes	**575.81**	**500.56**
Adjustments for:		
Trade receivables	13.91	(40.07)
Inventories	100.16	106.90
Other assets	23.19	25.71
Trade payables	29.38	16.00
Other current liabilities	2.09	(84.53)
Provisions	(1.08)	7.36
Loans	(0.08)	1.60
Other financial liability	2.34	(2.11)
Other financial assets	(6.79)	7.49
Cash Generated from Operations	**738.93**	**538.91**
Income tax paid (net)	(99.22)	(110.31)
Net cash generated from operating activities (A)	**639.71**	**428.60**
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment, including capital advances and capital work-in-progress and on intangible assets	(206.29)	(223.76)
Proceeds from sale of property, plant and equipment	2.74	0.55
Interest received	8.26	18.94
Increase / (Decrease) in other bank balances	4.89	(1.58)
Net cash used in investing activities (B)	**(190.40)**	**(205.85)**
C. Cash flow from financing activities		
Proceeds from long term borrowings	-	202.01
Repayment of long term borrowings	(275.14)	(228.17)
Repayment of short-term borrowings (net)	(11.48)	(275.48)
Government grant received	-	260.00
Interest paid	(125.22)	(131.03)
Dividend paid	(51.68)	(68.53)
Net cash used in financing activities (C)	**(463.52)**	**(241.20)**
Net decrease in cash and cash equivalents (A)+(B)+(C)	**(14.21)**	**(18.45)**
Cash and cash equivalents at the beginning of the year	19.66	38.11
Cash and cash equivalents at the end of the year	**5.45**	**19.66**

(All amounts are in INR Million, unless otherwise stated)

Cash and cash equivalents as per above comprise of the following:		
Cash on Hand	0.87	1.82
Balance with Banks - On Current Accounts	4.58	17.84
	5.45	**19.66**

Notes:

a) The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS 7 on Cash Flow Statements notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Indian Accounting Standard) Rules, 2015 (as amended).

b) Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are given below:

Particulars	As at 1 April 2024	Cash Outflows	Foreign Exchange Loss/(Gain)	As at 31 March 2025
Long term borrowings	1,037.75	(275.14)	(6.35)	756.26
Short term borrowings	297.89	(11.48)	-	286.41
Total	**1,335.64**	**(286.62)**	**(6.35)**	**1,042.67**

Particulars	As at 1 April 2023	Cash Outflows	Foreign Exchange Loss/(Gain)	As at 31 March 2024
Long term borrowings	1,069.85	(26.16)	(5.94)	1,037.75
Short term borrowings	573.37	(275.48)	-	297.89
Total	**1,643.22**	**(301.64)**	**(5.94)**	**1,335.64**

In terms of our report attached
For Chandulal M. Shah & Co.
Firm Registration No.: 101698W
Chartered Accountants

Irshad I. Mansuri
Partner
Membership No.: 135475

Date 9 May 2025
Place Ahmedabad

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Divyesh Maru
Chief Financial Officer

Vinod Mali
Company Secretary

Date 9 May 2025
Place Kadi, Mehsana

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

(All amounts are in INR Million, unless otherwise stated)

A EQUITY SHARE CAPITAL

Equity shares of INR 10 each issued, subscribed and fully paid	Number of shares	Amount
As at 1 April 2023	85,06,865	85.07
Issue of Equity Share Capital	-	-
As at 31 March 2024	85,06,865	85.07
Issue of Equity Share Capital	-	-
As at 31 March 2025	**85,06,865**	**85.07**

B OTHER EQUITY

Particular	Reserves and Surplus				Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
Balance as at 1 April 2023	**9.42**	**175.07**	**392.26**	**2,262.00**	**2,838.75**
Profit for the year	-	-	-	271.59	271.59
Other comprehensive income for the year	-	-	-	-	-
Re-measurement loss on defined benefit plan (net of tax)	-	-	-	(0.24)	(0.24)
Total comprehensive income for the year	-	-	-	271.35	271.35
Dividend paid	-	-	-	(68.05)	(68.05)
As at 31 March 2024	**9.42**	**175.07**	**392.26**	**2,465.30**	**3,042.05**
Profit for the year	-	-	-	318.42	318.42
Other comprehensive income for the year	-	-	-	-	-
Re-measurement gain on defined benefit plan (net of tax)	-	-	-	(3.63)	(3.63)
Total comprehensive income for the year	-	-	-	314.79	314.79
Dividend paid	-	-	-	(51.04)	(51.04)
Balance as at 31 March 2025	**9.42**	**175.07**	**392.26**	**2,729.05**	**3,305.80**

In terms of our report attached
For Chandulal M. Shah & Co.
Firm Registration No.: 101698W
Chartered Accountants

Irshad I. Mansuri
Partner
Membership No.: 135475

Date 9 May 2025
Place Ahmedabad

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Divyesh Maru
Chief Financial Officer

Vinod Mali
Company Secretary

Date 9 May 2025
Place Kadi, Mehsana

1 CORPORATE INFORMATION

Hester Biosciences Limited (CIN: L99999GJ1987PLC022333) is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The HQ and Registered Office of the Company is located at Village Meda-Adraj, Taluka Kadi, Mehsana District, Gujarat 384441.

The Company is principally engaged in manufacturing of veterinary vaccines and trading of veterinary health products. The Company has two principal operating and reporting segments viz. Poultry healthcare and Animal healthcare (Ruminant and Pet).

The standalone financial statements were approved for issue in accordance with a resolution of the directors on 9 May 2025.

2 MATERIAL ACCOUNTING POLICY INFORMATION

1 BASIS OF PREPARATION:

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III), as applicable to the standalone financial statements of the Company.

The financial statements have been prepared on the historical cost basis, except for following assets and liabilities which have been measured at fair value or revalued amount:
i) Defined benefit plans - plan assets measured at fair value

The financial statements are presented in INR and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

a USE OF ESTIMATES:
The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumption that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Difference between the actual results and the estimates are recognised in the periods in which the results are known/ materialised.

b OPERATING CYCLE AND CURRENT/NON-CURRENT CLASSIFICATION:
All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

An asset is current when it is:
-Expected to be realised or intended to be sold or consumed in normal operating cycle.
-Held primarily for the purpose of trading.
-Expected to be realised within twelve months after the reporting period, or
-Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
-It is expected to be settled in normal operating cycle.
-It is held primarily for the purpose of trading.
-It is due to be settled within twelve months after the reporting period, or
-There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has ascertained twelve months as its operating cycle.

c REVENUE RECOGNITION:

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.

The transaction price of Goods is net of variable consideration, net of returns, trade discounts, rebates, Goods and Service Tax.

Revenue from services are recognised as the related services are performed. The transaction price of service rendered is net of variable consideration.

Contract Assets:
A contract asset is the right to consideration in exchange for goods or services transferred to the goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade Receivables:
A receivable represents the Company's right to an amount of consideration that is unconditional (i.e only the passage of time is required before payment of consideration is due). Refer to accounting policies of financial assets in financial instruments-initial recongnition and subsequent measurement.

Contract Liabilities (Advance from customers):
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is Contract liabilities (advance from customers) are recognised as revenue when the Company performs under the contract.

Interest income primarily comprises of interest from term deposits with banks and on loans given. Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

Export incentives are recognised when the right to receive them as per the terms of the entitlement is established in respect of exports made.

Rental income from operating leases (net of any incentives given to the lessee) is recognised on a straight-line basis over the lease term.

d PROPERTY, PLANT & EQUIPMENT :

Property, Plant and Equipments are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are changed to the Statement of Profit and Loss for the period during which such expenses are incurred except for high values which are capitalised.

Gains or losses arising from de-recognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Capital assets under erection/installation are stated at cost in the Balance Sheet as "Capital Work-in-Progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other non current assets. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e INTANGIBLE ASSETS :

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Except development costs which are capitalised, internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Capital assets under development are stated at cost in the Balance Sheet as “Intangible Asset under Development”.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Particulars	Estimated Useful Life
Software	Over a Period of 6 Years
Product Registration fees	Over a Period of 5-10 Years

f DEPRECIATION / AMORTISATION :

Depreciation on Property, Plant and Equipment is provided on Straight Line method (SLM) method based on useful life of the assets as prescribed under Part-C of Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II are used. The Management estimates the useful lives for such Property, Plant and Equipment is as under:

Particulars	Estimated Useful Life
Factory Roads Carpeted - RCC	Over a Period of 15 Years
Plant & Machineries, Equipment, Electrical Installation & Utilities	Over a Period of 5 to 15 Years

The Company believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used.

g IMPAIRMENT OF NON - FINANCIAL ASSET - Property, Plant and Equipment and Intangible Assets:

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, assets’ carrying amount exceeds its recoverable amount. The recoverable amount is higher of an assets’ fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

Goodwill is tested for impairment annually as at year end and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs’) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods.

h INVESTMENTS:

Investments, which are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

i **INVENTORIES:**

Inventories include raw materials, bought out components, work-in-progress and manufactured finished goods. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Finished Products:
Finished products produced by the Company are valued at lower of cost and net realisable value. Cost includes direct materials, labour, a proportion of manufacturing overheads.

Traded Goods:
Traded goods cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The cost is determined using First in First out (FIFO) method.

Work in Progress:
Work in Progress is valued at cost of direct materials, labour and other Manufacturing overheads up to estimated stage of process.

Raw Materials and Stores & Spares:
Raw materials and stores & spares are valued at Lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The cost is determined using First in First out (FIFO) method.

j **BORROWING COSTS:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k **FOREIGN CURRENCY TRANSACTIONS:**

The Company's financial statements are presented in Indian Rupees, which is also the Company's functional and presentation currency.

Foreign currency transactions are recorded at the exchange rates prevailing at the time of transaction.

Monetary items representing assets and liabilities denominated in foreign currencies at the balance sheet date are translated at rates prevailing on balance sheet date. Exchange differences arising as a result of the above are recognised as income or expenses in the statement of profit and loss. Exchange difference arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

Investments in equity capital of company registered outside India are carried in the Balance Sheet at the rates prevailing on the date of transaction.

Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction.

l PROVISION FOR RETIREMENT BENEFITS:

(i) **Short-Term Employee Benefits:**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

(ii) **Post- employment benefit plans:**

a) **Defined Contribution Plan:**

Contribution for provident fund are accrued in accordance with applicable Statutes and deposited with the Regional Provident Fund Commissioner. The Company does not have any obligation other than contribution under scheme.

b) **Defined Benefit Plan:**

The Company operates two defined benefit plans for its employees, viz., Gratuity and Leave Encashment. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for using the projected unit credit method. Actuarial gains and losses for defined benefit plan is recognised in full in the period in which they occur.

Remeasurements, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

m EARNINGS PER SHARE:

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

n CASH AND CASH EQUIVALENTS:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the standalone statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

o OTHER BANK BALANCES:

Other Bank Balances in the balance sheet comprise short-term deposits with an original maturity of more than three months and having maturity less than twelve months.

p FINANCIAL INSTRUMENTS:

(i) Financial Asset:

(a) Classification:

On initial recognition the Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(b) Initial recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date,i.e., the date that the company commits to purchase or sell the asset.

(c) Subsequent measurement:

For the purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets instruments at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI).
- Financial assets at fair value through profit or loss (FVTPL) (Derivatives and Equity Instruments)

(d) Financial assets at amortised cost:
A 'financial asset' is measured at the amortised cost if both the following conditions are met:

1) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

2) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Financial assets included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognised.

(e) Financial assets at fair value through OCI (FVTOCI):
A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

(f) Financial assets at fair value through profit or loss:
Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

(g) Derecognition:
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's standalone balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
(i) the Company has transferred substantially all the risks and rewards of the asset, or
(ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On derecognition of a financial asset in its entirety, the differences between the carrying amounts measured at the date of derecognition and the consideration received is recognised in the statement of profit and loss.

(h) Impairment of financial assets:
In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:
(i) financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
(ii) trade receivables:
The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(ii) Financial Liabilities:
(a) Classification:
The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities measured at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value with changes in fair value being recognised in the Statement of Profit and Loss.

(b) Initial recognition and measurement:
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, at amortised cost (loans and borrowings, and payables), or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

(c) Subsequent measurement:
For the purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss.
- Financial liabilities at amortised cost (loans and borrowings).

(d) Financial liabilities at fair value through profit or loss:
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

(e) Financial liabilities at amortised cost (loans and borrowings):
After initial recognition, interest-bearing financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

(f) Derecognition:
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting
Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

q **TAXATION:**

i. Current Tax:

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Standalone Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to realise the asset or to settle the liability on a net basis.

ii. Deferred Tax:

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the Standalone Financial Statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Standalone Balance Sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities. Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

r **LEASES**

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether : (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The Company as a lessor
Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms.

s GRANTS:

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

The Company has treated waiver of duty under EPCG Scheme received as Government assistance as capital grant as the same is received to compensate the import cost of the asset wherein conditions relating to export of goods are subsidiary conditions. The said assistance has been netted off against the value of the respective the asset so imported. The grant is recognised in profit & loss over the life of a depreciable asset as a reduced depreciation expense.

t PROVISIONS AND CONTINGENT LIABILITIES:

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

u SEGMENT REPORTING:

The Company's Chief Operating Decision Maker (CODM) examines the Company's performance from business and geographic perspective. In accordance with Ind AS-108 - Operating Segments, evaluation by the CODM and based on the nature of activities performed by the Company, which primarily relate to poultry healthcare and animal healthcare (ruminant & pet).

3 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a **Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Further details about gratuity obligations are given in note 36.

b **Useful life of Property, Plant and Equipment and Intangible assets**

Property, Plant and Equipment and Intangible Assets are depreciated/amortised over their estimated useful life, after taking into account estimated residual value.

Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period.The useful life and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes.

The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

c **Expected Credit Loss**

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, customer relationship, customer type and rating).

For the purpose of measuring lifetime expected credit loss allowance of trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which considers historical credit loss experience and adjusted for forward-looking information.

(All amounts are in INR Million, unless otherwise stated)

3. PROPERTY, PLANT AND EQUIPMENT:

Particulars	Freehold Land	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles	Computer	Total
Gross Block							
As at 1 April 2023	52.04	765.74	999.92	67.50	63.99	26.48	1,975.67
Additions	-	14.17	26.68	2.57	-	3.61	47.03
Disposals	-	-	0.14	-	3.73	0.32	4.19
As at 31 March 2024	**52.04**	**779.91**	**1,026.46**	**70.07**	**60.26**	**29.77**	**2,018.51**
Additions	-	4.64	103.31	2.77	-	1.22	111.94
Disposals	-	0.02	15.35	-	1.03	1.14	17.54
As at 31 March 2025	**52.04**	**784.53**	**1,114.42**	**72.84**	**59.23**	**29.85**	**2,112.91**
Depreciation/Amortisation and Impairment							
As at 1 April 2023	-	204.54	585.37	49.45	37.68	20.17	897.21
Charge for the Year	-	25.18	60.49	2.91	4.94	2.86	96.38
Deductions	-	-	0.13	-	3.55	0.31	3.99
As at 31 March 2024	**-**	**229.72**	**645.73**	**52.36**	**39.07**	**22.72**	**989.60**
Charge for the Year	-	26.86	46.83	2.52	4.73	3.16	84.10
Deductions	-	0.01	7.04	-	0.98	1.09	9.12
As at 31 March 2025	**-**	**256.57**	**685.52**	**54.88**	**42.82**	**24.79**	**1,064.58**
Net Block							
As at 31 March 2024	52.04	550.19	380.73	17.71	21.19	7.05	1,028.91
As at 31 March 2025	**52.04**	**527.96**	**428.90**	**17.96**	**16.41**	**5.06**	**1,048.33**

Notes:

a. For charges created on aforesaid assets, refer note 15.

b. The amount of borrowing costs capitalised during the year ended 31 March 2025 is INR 68.05 Million (31 March 2024: INR 94.49 million).

c. The Company had received government assistance amount in form of waiver of Duty under EPCG scheme in earlier years which has been netted off against the respective value of the PPE / CWIP. The same is received to compensate the import cost of the PPE wherein conditions relating to export of goods are subsidiary conditions. For pending export commitments, refer note 31.

d. During the year ended 31 March 2024, the company had performed an operational review of the balance useful life of certain items of equipments and building. As a result, there was an increase in useful life with corresponding decrease in depreciation amount. The effect of this change on depreciation expense for the year ended 31 March 2024 and 31 March 2025 was INR 5.09 million and INR 20.31 million respectively and for year ended 31 March 2026 is INR 19.54 million.

Capital work-in-progress (CWIP):

Particulars	Amount
As at 31 March 2025	**1,766.72**
As at 31 March 2024	1,681.13

Capital work-in-progress Ageing:

Particulars	Amount in CWIP for year ended				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at 31 March 2025					
Project in Progress	152.77	185.60	716.29	712.06	**1,766.72**
Project temporarily Suspended	-	-	-	-	**-**
As at 31 March 2024					
Project in Progress	217.16	750.84	708.62	4.51	**1,681.13**
Project temporarily Suspended	-	-	-	-	**-**

Note:

Capital projects pertaining to Fill Finish and BSL-3 appearing under CWIP relates to expansion of manufacturing facility which have experienced delays due to factors such as:

- Changes in project scope and design
- Delay in administrative approvals

Management is actively monitoring the progress of above project in accordance with the expected milestones critical for the completion.

(All amounts are in INR Million, unless otherwise stated)

4. INTANGIBLE ASSETS:

Particulars	Software	Product registration fees	Total
Gross Block			
As at 1 April 2023	10.02	4.27	14.29
Additions	1.86	1.49	3.35
Disposals	-	-	-
As at 31 March 2024	**11.88**	**5.76**	**17.64**
Additions	2.58	-	2.58
Disposals	5.37	3.95	9.32
As at 31 March 2025	**9.09**	**1.81**	**10.90**
Depreciation/Amortisation and Impairment			
As at 1 April 2023	7.41	3.17	10.58
Charge for the Year	0.92	0.48	1.40
Deductions	-	-	-
As at 31 March 2024	**8.33**	**3.65**	**11.98**
Charge for the Year	1.07	0.64	1.71
Deductions	5.35	3.72	9.07
As at 31 March 2025	**4.05**	**0.57**	**4.62**
Net Block			
As at 31 March 2024	3.55	2.11	5.66
As at 31 March 2025	**5.04**	**1.24**	**6.28**

Intangible assets under development:

Particulars	Amount
As at 31 March 2025	**60.29**
As at 31 March 2024	32.89

Intangible asset under Development Ageing:

Particulars	Amount in Intangible assets under development for year ended				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at 31 March 2025					
Project in Progress	28.60	18.25	8.43	5.01	**60.29**
Project temporarily Suspended	-	-	-	-	-
As at 31 March 2024					
Project in Progress	19.45	8.43	5.01	-	**32.89**
Project temporarily Suspended	-	-	-	-	-

5	NON CURRENT INVESTMENTS:		
	Particulars	**As at 31 March 2025**	**As at 31 March 2024**
	Investment in subsidiaries:		
	Unquoted Investments in equity instruments - at cost (All fully paid)		
	Hester Biosciences Nepal Private Limited 1,743,390 (31 March 2024:1,743,390) Equity shares of NPR 100 each	117.33	117.33
	Hester Biosciences Africa Limited 9,112,079 (31 March 2024: 9,112,079) Equity shares of TSHS 1,000 each	283.97	283.97
	Texas Lifesciences Private Limited 2,706,625 (31 March 2024: 2,706,625) Equity shares of INR 10 each	27.07	27.07
	Hester Biosciences Kenya Limited 150,600 (31 March 2024: 150,600) Equity shares of KSHS 100 each	10.37	10.37
	Investment in Joint Venture entity:		
	Unquoted Investments in equity instruments - at cost (Fully paid)		
	Thrishool Exim Limited 1,674 (31 March 2024: 1,674) Equity shares of TSHS 10,000 each	208.15	208.15
	Total	**646.89**	**646.89**
	Aggregate value of Unquoted Investment	**646.89**	**646.89**

6	LOANS:				
	(Unsecured, Considered Good unless otherwise stated)				
	Particulars	**Non Current**		**Current**	
		As at 31 March 2025	**As at 31 March 2024**	**As at 31 March 2025**	**As at 31 March 2024**
	Loan to Employees	-	-	1.95	1.87
	Loan to Others	-	-	55.00	55.00
	Total	**-**	**-**	**56.95**	**56.87**

	Disclosures pursuant to section 186(4) of the Companies Act, 2013:			
	Particulars	**Purpose**	**31 March 2025**	**31 March 2024**
	Loan to Tamboli Trading LLP	Working Capital	-	55.00
	Loan to Shubh Consultancy	Working Capital	55.00	-
	Corporate Guarantee given to Hester Biosciences Africa Limited	Credit Facilities	1,196.65	1,167.67

7	OTHER FINANCIAL ASSETS:				
	(Unsecured, Considered Good)				
	Particulars	**Non Current**		**Current**	
		As at 31 March 2025	**As at 31 March 2024**	**As at 31 March 2025**	**As at 31 March 2024**
	Bank Deposits with maturity of more than 12 months -Margin Money Deposit	16.14	7.37	-	-
	Security Deposit	37.72	30.00	123.00	123.00
	Export Incentives Receivables	-	-	1.84	4.14
	GST Refund Receivable	-	-	14.28	19.32
	Other Receivables	-	-	9.62	-
	Gratuity Fund (Refer note 36)	-	-	-	3.21
	Interest Accrued	-	-	46.50	34.39
	Total	**53.86**	**37.37**	**195.24**	**184.06**

8	OTHER ASSETS:				
	(Unsecured, Considered Good)				
	Particulars	**Non Current**		**Current**	
		As at 31 March 2025	**As at 31 March 2024**	**As at 31 March 2025**	**As at 31 March 2024**
	Capital Advances	15.68	14.14	-	-
	Advance Tax (Net of Provision for tax)	9.56	4.35	-	-
	Advances to Suppliers	-	-	68.90	81.46
	Prepaid Expenses	-	-	13.60	11.87
	Balance with Government Authorities	-	-	100.23	115.43
	Advance to Employees	-	-	4.61	1.77
	Total	**25.24**	**18.49**	**187.34**	**210.53**

(All amounts are in INR Million, unless otherwise stated)

9 INVENTORIES:

(At lower cost and net realisable value)

Particulars	As at 31 March 2025	As at 31 March 2024
Raw Materials	50.54	56.23
Work-in-Progress	100.47	125.20
Finished Goods	187.63	254.93
Traded Goods (Refer note below)	177.91	185.53
Stores & Spares	36.52	29.55
Packing Materials	32.03	33.82
Total	**585.10**	**685.26**

Notes:

a. During the year ended 31 March 2025, INR 3.12 million (Previous year: INR 4.68 million) was recognised as an expense for finished good inventories carried at net realisable value.

b. Traded Goods include in transit of INR 4.84 Million (Previous year: Nil)

c. For charges created on aforesaid assets, refer note 19.

10 TRADE RECEIVABLES:

Particulars	As at 31 March 2025	As at 31 March 2024
Secured, considered good	-	-
Unsecured, considered good	805.95	857.76
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	53.12	9.00
Total	**859.07**	**866.76**
Less :		
Impairment allowance (allowance for bad and doubtful debts)	(53.12)	(9.00)
Total	**805.95**	**857.76**

Notes:

a. For dues from the related parties, refer note 35.

b. For charges created on aforesaid assets, refer note 19.

Trade Receivable Ageing as on 31 March 2025 outstanding from due date of payment:

Particulars	Not Due	< 6 Months	6 Month-1 Year	1-2 Year	2-3 Year	>3 Year	Total
(i) Undisputed Trade Receivables (considered good)	372.53	251.86	75.44	26.08	42.21	32.34	800.46
(ii) Undisputed Trade Receivables (considered doubtful)	-	-	-	-	42.74	1.00	43.74
(iii) Disputed Trade Receivables (considered good)	-	-	-	-	-	12.00	12.00
(iv) Disputed Trade Receivables (considered doubtful)	-	-	-	-	-	2.87	2.87
	372.53	251.86	75.44	26.08	84.95	48.21	859.07
Less: Impairment Allowance (allowance for bad and doubtful debts)							(53.12)
Total	**372.53**	**251.86**	**75.44**	**26.08**	**84.95**	**48.21**	**805.95**

(All amounts are in INR Million, unless otherwise stated)

Trade Receivable Ageing as on 31 March 2024 outstanding from due date of payment:

Particulars	Not Due	< 6 Months	6 Month-1 Year	1-2 Year	2-3 Year	>3 Year	Total
(i) Undisputed Trade Receivables (considered good)	395.09	257.37	46.11	116.84	15.65	19.83	850.89
(ii) Undisputed Trade Receivables (considered doubtful)	-	-	-	-	-	1.00	1.00
(iii) Disputed Trade Receivables (considered good)	-	-	-	-	-	12.00	12.00
(iv) Disputed Trade Receivables (considered doubtful)	-	-	-	-	-	2.87	2.87
	395.09	**257.37**	**46.11**	**116.84**	**15.65**	**35.70**	**866.76**
Less: Impairment Allowance (allowance for bad and doubtful debts)							(9.00)
Total	**395.09**	**257.37**	**46.11**	**116.84**	**15.65**	**35.70**	**857.76**

Trade receivables that are impaired at the balance sheet date and the movement of the allowance for expected credit losses of trade receivables are as follows:

Movement in allowance account:

Particulars	31 March 2025	31 March 2024
Opening provision	9.00	7.00
Additional allowance during the year	44.12	6.90
Less: Bad debts written off against allowance	-	(4.90)
Closing balance	**53.12**	**9.00**

11 CASH AND CASH EQUIVALENTS:

Particulars	As at 31 March 2025	As at 31 March 2024
Balance with Banks - In Current Accounts	4.58	17.84
Cash on Hand	0.87	1.82
Total	**5.45**	**19.66**

12 OTHER BANK BALANCES:

Particulars	As at 31 March 2025	As at 31 March 2024
Balance with Banks - Unpaid dividend accounts	3.78	4.42
Bank Deposits with original maturity of more than three months but less than twelve months - Margin Money Deposit	12.54	25.56
Total	**16.32**	**29.98**

(All amounts are in INR Million, unless otherwise stated)

13 SHARE CAPITAL:

Particulars	As at 31 March 2025	As at 31 March 2024
AUTHORISED CAPITAL		
11,200,000 (Previous Year 11,200,000) Equity Shares of INR 10 each	112.00	112.00
	112.00	**112.00**
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
8,506,865 (Previous Year 8,506,865) Equity Shares of INR 10 each fully paid up	85.07	85.07
Total	**85.07**	**85.07**

13.01 The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31 March 2025	As at 31 March 2024
Equity Shares at the beginning of the year	**8,506,865**	**8,506,865**
Changes during the Year	-	-
Outstanding at the end of the year	**8,506,865**	**8,506,865**

13.02 Rights, preferences and restriction attached to shares:

The Company has only one class of equity shares having par value of INR 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Each equity shareholder is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting except Interim Dividend declared during the year and Company pays the same in Indian Rupees. In the event of liquidation of the Company, the equity Shareholders are eligible to receive the remaining asset of the Company, after distribution of all preferential amounts, in proportion to the number of equity shares held.

The Board has further recommended final dividend of INR 7 (Seven) per equity share (70%) for year 2024-25, subject to the approval of the shareholders.

13.03 Disclosure of Shareholding of Promoters and Promoter Group:

Disclosure of Shareholding of Promoters and Promoter Group as at 31 March 2025 is as follow:

Name	As at 31 March 2025		As at 31 March 2024		% Change during the Year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Rajiv Dinesh Gandhi	890,397	10.47	890,397	10.47	-
Sanjiv Dinesh Gandhi	697,820	8.20	697,820	8.20	-
Nina Rajiv Gandhi	696,340	8.19	696,340	8.19	-
Shaila Bhupendra Gandhi	491,300	5.78	491,300	5.78	-
Ravin Gandhi	403,320	4.74	403,320	4.74	-
Bela Gandhi	400,635	4.71	400,635	4.71	-
Bhupendra Vithaldas Gandhi	399,100	4.69	399,100	4.69	-
Biolink Healthcare Limited	248,838	2.93	248,838	2.93	-
Anup Chandravadan Kapadia	228,354	2.68	228,354	2.68	-
Hester Coatings LLP	64,000	0.75	64,000	0.75	-
Hester Diagnostics Private Limited	24,000	0.28	24,000	0.28	-
Hetal Sanjiv Gandhi	19,590	0.23	19,590	0.23	-
Yash Rajiv Gandhi	7,250	0.09	7,250	0.09	-
Total	**4,570,944**	**53.73**	**4,570,944**	**53.73**	**-**

(All amounts are in INR Million, unless otherwise stated)

Disclosure of Shareholding of Promoters and Promoter Group as at 31 March 2024 is as follow:

Name	As at 31 March 2024		As at 31 March 2023		% Change during the Year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Rajiv Dinesh Gandhi	890,397	10.47	890,397	10.47	-
Sanjiv Dinesh Gandhi	697,820	8.20	697,820	8.20	-
Nina Rajiv Gandhi	696,340	8.19	696,340	8.19	-
Shaila Bhupendra Gandhi	491,300	5.78	491,300	5.78	-
Ravin Gandhi	403,320	4.74	403,320	4.74	-
Bela Gandhi	400,635	4.71	400,635	4.71	-
Bhupendra Vithaldas Gandhi	399,100	4.69	399,100	4.69	-
Biolink Healthcare Limited	248,838	2.93	248,838	2.93	-
Anup Chandravadan Kapadia	228,354	2.68	228,354	2.68	-
Hester Coatings LLP	64,000	0.75	64,000	0.75	-
Hester Diagnostics Private Limited	24,000	0.28	24,000	0.28	-
Hetal Sanjiv Gandhi	19,590	0.23	19,590	0.23	-
Yash Rajiv Gandhi	7,250	0.09	7,250	0.09	-
Total	**4,570,944**	**53.73**	**4,570,944**	**53.73**	**-**

13.04 The details of shareholders holding more than 5% equity shares in the Company:

Name of the Shareholders	As at 31 March 2025		As at 31 March 2024	
	No. of Shares	% held	No. of Shares	% held
Rajiv Dinesh Gandhi	890,397	10.47	890,397	10.47
Sanjiv Dinesh Gandhi	697,820	8.20	697,820	8.20
Nina Rajiv Gandhi	696,340	8.19	696,340	8.19
Shaila Bhupendra Gandhi	491,300	5.78	491,300	5.78

(All amounts are in INR Million, unless otherwise stated)

14 OTHER EQUITY:

Particulars	As at 31 March 2025	As at 31 March 2024
Capital Reserve		
As per last Balance sheet	9.42	9.42
Securities Premium		
As per last Balance sheet	175.07	175.07
General Reserve		
As per last Balance sheet	392.26	392.26
Retained Earnings		
As per last Balance Sheet	2,465.30	2,262.00
Add: Profit for the year	318.42	271.59
Add: Other Comprehensive Income (Remeasurement gain / (loss) of defined benefit plans, net of tax)	(3.63)	(0.24)
Less: Dividend paid	51.04	68.05
	2,729.05	2,465.30
Total	**3,305.80**	**3,042.05**

Notes :

a **Capital reserve:** This is mainly used to record the reserves created on receipt of state/central subsidies and amounts forfeited towards the forfeiture of Equity warrants issued. This reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.

b **Securities premium:** This represents the premium received on issue of shares over and above the face value of equity shares. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.

c **General Reserve:** Under the erstwhile Companies Act, 1956, general reserves was created through an annual transfer of net income at specified percentage in accordance with applicable regulation. Consequent to the introduction of Companies Act, 2013, the requirement of mandatorily transfer a specified percentage of the net profit to general reserves has been withdrawn. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.

d **Retained earnings:** This represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies Act, 2013.

Distribution made and proposed	As at 31 March 2025	As at 31 March 2024
Cash dividend on equity shares declared and paid		
Final Dividend for the year ended 31 March 2024 INR 6 per share (for the year ended 31 March 2023 INR 8 per share)	51.04	68.05
	51.04	**68.05**
Proposed dividend on equity shares		
Final Dividend for the year ended 31 March 2025 INR 7 per share (for the year ended 31 March 2024 INR 6 per share)	59.55	51.04
	59.55	**51.04**

Proposed dividend on equity shares are subject to approval at the ensuing Annual General Meeting and are not recognised as a liability as at year end.

(All amounts are in INR Million, unless otherwise stated)

15	BORROWINGS (Long Term):		
	Particulars	**As at 31 March 2025**	**As at 31 March 2024**
	Secured Borrowings		
	Term Loans from Banks	222.94	327.64
	External Commercial Borrowings	533.32	709.69
	Hire Purchase Loans from Banks	-	0.42
		756.26	**1,037.75**
	Less: Current Maturities of Long Term Borrowings (Refer Note 19)		
	Term Loans from Banks	(98.01)	(104.70)
	External Commercial Borrowings	(145.13)	(141.93)
	Hire Purchase Loans from Banks	-	(0.42)
		(243.14)	**(247.05)**
	Total	**513.12**	**790.70**

Notes:

a. **The security details for the borrowing balances:**
Term Loans from Banks aggregating to INR 222.94 million (Previous year: INR 327.64 million) and External Commercial borrowing from Banks aggregating to INR 533.32 million (Previous year: INR 709.69 million) are secured by first charge on all immovable, movable assets and freehold land of the Company along with the personal guarantee of the directors.

Hire Purchase Loans from Banks aggregating to INR Nil (Previous year: INR 0.42 million) were secured by hypothecation of specific vehicle/car on paripassu basis.

b. **Repayment schedule for the borrowing balances:**
The secured term loans from banks aggregating to INR 21.66 million (Previous year: INR 37.50 million) are repayable over a period of 5 years in quarterly instalments upto FY 2026-27.

The secured term loans from banks aggregating to INR 17.89 million (Previous year: INR 45.17 million) are repayable over a period of 5 years in monthly instalments upto FY 2025-26.

The secured term loans from banks aggregating to INR 136.30 million (Previous year: INR 185.52 million) are repayable over a period of 5 years in quarterly instalments upto FY 2027-28.

The secured term loans from banks aggregating to INR 47.09 million (Previous year: INR 59.45 million) are repayable over a period of 4 years in monthly instalments upto FY 2028-29.

External Commercial Borrowing from banks aggregating to INR 533.32 million (Previous year: INR 709.69 million) are repayable over a period of 6 years in 21 quarterly instalments upto FY 2027-28.

The hire purchase loan from banks aggregating to INR Nil (Previous year: INR 0.42 million) has been repaid.

c. **Interest rates on borrowings:**
Interest rates on Term loan is varying, which is linked to MCLR of bank, from time to time.

Interest rates on Hire purchase loan was fixed at 9.26% p.a.

Interest rates on External Commercial Borrowing is varying, which is linked to 3 Months SOFR.

(All amounts are in INR Million, unless otherwise stated)

16 OTHER FINANCIAL LIABILITIES:

Particulars	Non Current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Deposits	7.83	7.03	-	-
Unclaimed Dividends	-	-	3.78	4.42
Interest accrued	-	-	2.79	3.47
Creditors for Capital expenses	-	-	35.59	81.20
Payable to employees	-	-	5.44	4.38
Others	-	-	0.60	0.12
Total	**7.83**	**7.03**	**48.20**	**93.59**

17 PROVISIONS:

Particulars	Non Current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Provision for Leave encashment	23.79	22.56	5.70	6.70
Provision for Gratuity (Refer note 36)	-	-	3.54	-
Total	**23.79**	**22.56**	**9.24**	**6.70**

18 OTHER LIABILITIES:

Particulars	Non Current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Advance from Customers	-	-	5.67	3.80
Payables to Statutory Authorities	-	-	11.55	11.33
Deferred Government Grant	500.00	500.00	-	-
Total	**500.00**	**500.00**	**17.22**	**15.13**

Following is the movement of Deferred Government Grant:

Particulars	31 March 2025	31 March 2024
Opening Balance	500.00	240.00
Add: Grant received during the year	-	260.00
Less: Released to statement of Profit and Loss during the year	-	-
Closing balance	**500.00**	**500.00**

The company has been sanctioned Government Grant of INR 600 million by BIRAC (Biotechnology Industry Research Assistance Council), Government of India enterprise to support the project “Proposal for Facility Augmentation to support Covid Vaccine Manufacturing” under the Mission Covid Suraksha Scheme of Government of India. The Company has received INR Nil during the year (Previous year: INR 260 million) towards the capital equipment and INR Nil during the year (Previous Year: INR 49.80 million) towards the operating expense which is netted off with respective expenses.

19 CURRENT BORROWINGS:

Particulars	As at 31 March 2025	As at 31 March 2024
Loan Repayable on Demand		
- Cash Credit from Bank	286.41	297.89
Current Maturities of Long Term Borrowings (Refer Note 15)		
- Term Loans	98.01	104.70
- Hire Purchase Loans	-	0.42
- External Commercial Borrowings	145.13	141.93
Total	**529.55**	**544.94**

Notes:

a. Cash Credit accounts are secured by first and exclusive hypothecation charge on all the current assets of the company. It is also collaterally secured by Equitable Mortgage of Ahmedabad Office and hypothecation of unencumbered plant and machinery, stocks and trade receivable of the Company and personal guarantee of three directors.

b. Interest Rate on cash credit facilities is varying, which is linked to base rate of Bank, from time to time.

(All amounts are in INR Million, unless otherwise stated)

20 TRADE PAYABLES:

Particulars	As at 31 March 2025	As at 31 March 2024
Total outstanding dues of micro enterprises and small enterprises	98.31	49.08
Total outstanding dues of creditors other than micro enterprises and small enterprises	227.02	247.75
Total	**325.33**	**296.83**

Note: For dues to related parties, refer note 35

Dues to Micro, Small & Medium Enterprises as per MSMED Act, 2006:

Particulars	As at 31 March 2025	As at 31 March 2024
Principal amount due remaining unpaid to Micro and Small Enterprises as at end of the year;	98.31	49.08
Interest accrued and remaining unpaid to Micro and Small Enterprises as at end of the year;	-	-
Interest due and payable to Micro and Small Enterprises for the year;	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day;	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to Micro and Small Enterprises.	-	-

The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Trade Payable Ageing as on 31 March 2025

Outstanding for the following period from due date of payment

Particulars	Unbilled	Not Due	< 1 Year	1-2 Year	2-3 Year	>3 Year	Total
MSME - Undisputed dues	-	51.11	47.20	-	-	-	**98.31**
Others - Undisputed dues	90.75	46.39	87.89	1.64	0.35	-	**227.02**
MSME - Disputed dues	-	-	-	-	-	-	**-**
Others - Disputed dues	-	-	-	-	-	-	**-**

Trade Payable Ageing as on 31 March 2024

Outstanding for the following period from due date of payment

Particulars	Unbilled	Not Due	< 1 Year	1-2 Year	2-3 Year	>3 Year	Total
MSME - Undisputed dues	-	26.87	22.21	-	-	-	**49.08**
Others - Undisputed dues	54.50	96.63	99.92	1.08	-	-	**252.13**
MSME - Disputed dues	-	-	-	-	-	-	**-**
Others - Disputed dues	-	-	-	-	-	-	**-**

21 CURRENT TAX LIABILITIES:

Particulars	31 March 2025	31 March 2024
Provision for Current Tax (Net of advance tax)	37.48	20.01
Total	**37.48**	**20.01**

(All amounts are in INR Million, unless otherwise stated)

22 REVENUE FROM OPERATIONS:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(A) Sale of Goods	2,863.22	2,834.59
(B) Other Operating Revenue		
-Revenue from license fees and services	-	10.63
-Export Incentives	1.44	6.33
Total	**2,864.66**	**2,851.55**

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Revenue as per contracted price	2,866.36	2,853.88
Adjustments:		
Less: Discount on prompt payment	1.70	2.33
Revenue from contract with customers	**2,864.66**	**2,851.55**

Note: For Revenue from contracts with customers disaggregated based on geography refer note 39(iii).

23 OTHER INCOME:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Interest income		
- Bank deposits	2.10	2.03
- Others	18.27	17.04
Commission income	11.78	11.57
Foreign exchange fluctuation (Net)	8.92	4.42
Liabilities no longer required written back (net)	0.99	-
Profit on sale of Property, Plant and Equipment (net)	-	0.28
Rent Income	4.86	6.05
Other miscellaneous income	0.72	1.23
Total	**47.64**	**42.62**

24 COST OF RAW MATERIAL AND COMPONENTS CONSUMED:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Inventory at the beginning of the year	90.05	93.06
Add: Purchases during the year	381.10	323.85
Less: Inventory at the end of the year	82.57	90.05
Total	**388.58**	**326.86**

25 PURCHASE OF STOCK-IN-TRADE:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Purchase of Stock-in-trade (in transit of INR 4.84 million (Previous year: Nil))	448.37	565.95
Total	**448.37**	**565.95**

(All amounts are in INR Million, unless otherwise stated)

26 CHANGES IN INVENTORIES OF FINISHED GOODS, TRADED GOODS AND WORK-IN-PROGRESS:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Inventories at the End of the Year		
-Finished Goods	187.63	254.93
-Traded Goods	177.91	185.53
-Work-in-Progress	100.47	125.20
	466.01	**565.66**
Inventories at the Beginning of the Year		
-Finished Goods	254.93	283.47
-Traded Goods	185.53	235.37
-Work-in-Progress	125.20	150.46
	565.66	**669.30**
Total	**99.65**	**103.64**

27 EMPLOYEE BENEFITS EXPENSE:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Salaries & Wages	519.93	539.17
Gratuity expense (Refer Note 36)	4.89	4.07
Contributions to Provident Fund & Other Funds (Refer Note 36)	20.68	22.01
Staff Welfare Expenses	2.13	1.95
Total	**547.63**	**567.20**

28 FINANCE COST:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Interest Expenses	47.09	46.15
Bank Charges	2.78	2.03
Foreign exchange loss on borrowings	3.80	2.75
Total	**53.67**	**50.93**

(All amounts are in INR Million, unless otherwise stated)

29 OTHER EXPENSES:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Power and Fuel	101.19	123.39
Consumption of Stores and Spares	78.71	89.02
Repairs & Maintenance		
- Plant and Machinery	13.48	13.58
- Building	3.62	2.60
- Others	8.35	13.45
Testing and inspection charges	2.76	1.38
Factory Expense	33.81	24.91
Freight Expense	137.28	126.89
Sales promotion expense	76.34	86.65
Commission on Sales	55.32	32.73
Royalty on Sales	23.83	20.48
Legal and Professional fees	37.32	28.64
Traveling & conveyance expense	156.81	164.59
Insurance expense	10.28	9.13
Rent	21.04	18.30
Rates and Taxes	22.19	11.46
Payment to Auditor		
- As Auditor	1.60	1.40
- Taxation matters	0.65	0.11
- Other services	0.03	0.03
- Reimbursement of expense	*	*
CSR expenses (refer note 33)	8.93	10.38
Provision for Doubtful Debts	44.12	6.90
Loss on Sale of Property, Plant and Equipment	4.86	-
Bad Debts written off	-	5.12
Less: Provision for Doubtful debt utilised	-	(4.90)
	-	0.22
Charity and donations	0.53	1.64
Directors' sitting fees	1.83	2.05
Miscellaneous Expenses	26.11	24.56
Total	**870.99**	**814.49**

(Figures below INR 50,000 are denominated with *)

Note: The amount of rent includes short term lease rental payment of INR 21.04 Million (Previous year: INR 18.30 Million)

30 TAX RECONCILIATION:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Statement of Profit and Loss		
Current tax		
Current income tax	118.08	96.35
Tax Adjustment of earlier years	(5.38)	-
Deferred tax		
Deferred tax expense	(13.52)	(0.62)
Income tax expenses reported in the Statement of Profit and Loss	**99.18**	**95.73**
OCI Section		
Other comprehensive income (OCI)		
Tax related to items recognised in OCI during the year		
Tax effect on Remeasurement gain/(loss) of defined benefit plans	1.22	0.08
Tax credit/(charged) to OCI	**1.22**	**0.08**

(All amounts are in INR Million, unless otherwise stated)

a.	Reconciliation of tax expense and the accounting profit		
	Particulars	**Year ended 31 March 2025**	**Year ended 31 March 2024**
	Profit before tax as per Statement of Profit and loss	417.60	367.32
	Enacted Income Tax Rate applicable to Company	25.17%	25.17%
	Expected Income Tax Expenses	**105.11**	**92.46**
	Tax effects of:		
	Non-deductible expenses	2.39	3.03
	Others	(8.32)	0.24
	Total Tax	**99.18**	**95.73**
	Effective Income Tax Rate	**23.75%**	**26.06%**

b.	Movement in deferred tax liabilities (net) for the year ended 31 March 2025				
	Particulars	**Opening Balance as at 1 April 2024**	**Recognised in profit and loss**	**Recognised in other comprehensive income**	**Closing Balance as at 31 March 2025**
	Tax effect of items constituting deferred tax liabilities:				
	Accelerated depreciation for tax purposes	79.67	6.72	-	86.39
	Gratuity fund	0.81	(1.85)	-	(1.04)
		80.48	**4.87**	**-**	**85.35**
	Tax effect of items constituting deferred tax assets:				
	Expense allowed in the year of payment	7.36	7.27	-	14.63
	Provision for doubtful debts	2.27	11.12	-	13.39
		9.63	**18.39**	**-**	**28.02**
	Net deferred tax liabilities	**70.85**	**(13.52)**	**-**	**57.33**

	Movement in deferred tax liabilities (net) for the year ended 31 March 2024				
	Particulars	**Opening Balance as at 1 April 2023**	**Recognised in profit and loss**	**Recognised in other comprehensive income**	**Closing Balance as at 31 March 2024**
	Tax effect of items constituting deferred tax liabilities:				
	Accelerated depreciation for tax purposes	76.79	2.88	-	79.67
	Gratuity fund	1.87	(1.06)	-	0.81
		78.66	**1.82**	**-**	**80.48**
	Tax effect of items constituting deferred tax assets:				
	Expense allowed in the year of payment	5.43	1.93	-	7.36
	Provision for doubtful debts	1.76	0.51	-	2.27
		7.19	**2.44**	**-**	**9.63**
	Net deferred tax liabilities	**71.47**	**(0.62)**	**-**	**70.85**

(All amounts are in INR Million, unless otherwise stated)

31 COMMITMENTS:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	124.56	129.05
Export Commitments	1,046.57	1,306.64

32 CONTINGENT LIABILITIES NOT PROVIDED FOR:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Claims against the company not acknowledged as debts:		
Income Tax*	-	-
Corporate Guarantee given against credit facilities availed by Subsidiary**	1,196.65	1,167.67

* includes demand from Income Tax Authorities based on assessment/appeal orders and the Company is in appeal with higher authorities, and the Company has been advised that the decision will be in favour of the Company, and hence no provision has been made in the Financial Statements. The matters are pending before respective appellate authorities and not yet settled.

** In respect of Corporate Guarantee of USD 14 Million (INR 1,196.65 Million) issued in favour of Gates Foundation, U.S.A. on behalf of Hester Biosciences Africa Limited, Tanzania (Wholly Owned Subsidiary Company) for setting up of an animal vaccine manufacturing plant.

33 DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE:

Pursuant to Section 135 of the Companies Act, 2013, a Company, meeting the applicability of threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities identified by the Company and monitored by CSR Committee.

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(a) Amount required to be spent by the company during the year	8.93	10.35
(b) Amount of expenditure incurred	8.93	10.38
(c) Shortfall at the end of the year	-	-
(d) Total of previous year shortfall	-	-
(e) Reason for shortfall	-	-
(f) Nature of CSR activity	1. Promoting Education, vocational skill training & allied activities 2. Promoting Healthcare & allied activities 3. Environment sustainability 4. Promoting Woman empowerment & Rural Development 5. Promoting sports for Olympic & Para-Olympic games.	1. Promoting Healthcare 2. Promoting Education 3. Setting up old age homes and other facilities 4. Promoting sports including Olympic games.
(g) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard.	-	-

34 EARNINGS PER SHARE:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Net Profit for the year	318.42	271.59
Weighted Average Number of Equity Shares	8,506,865	8,506,865
Basic and diluted Earnings per share (INR)	37.43	31.93
Nominal Value of Equity Share (INR)	10.00	10.00

35 RELATED PARTY DISCLOSURE:

As per Ind AS 24, the disclosures of transactions with the Related Parties are given below:

(i) List of Related Parties

(a) Subsidiary Companies

1. Hester Biosciences Nepal Private Limited
2. Texas Lifesciences Private Limited
3. Hester Biosciences Africa Limited
4. Hester Biosciences Kenya Limited

(b) Step-down Subsidiary Company

1. Hester Biosciences Tanzania Limited (Wholly-owned Subsidiary of Hester Biosciences Kenya Limited)

(c) Joint Venture entity

1. Thrishool Exim Limited

(d) Key Management Personnel

1. Mr. Rajiv Gandhi - CEO & Managing Director
2. Ms. Priya Gandhi - Executive Director
3. Mr. Nikhil Jhanwar - Chief Financial Officer (up to 6 November 2024)
4. Mr. Divyesh Maru - Chief Financial Officer (with effect from 12 November 2024)
5. Mr. Vinod Mali - Company Secretary & Compliance Officer

(e) Independent Directors

1. Ms. Sandhya Patel
2. Mr. Ashok Bhadakal
3. Mr. Ameet Desai
4. Mr. Anil Jain
5. Mr. Jatin Trivedi

(f) Relatives of key management personnel

1. Dr. Bhupendra Gandhi (Non-Executive chairman)
2. Mr. Sanjiv Gandhi (Non-Executive Director)
3. Mr. Ravin Gandhi (Non-Executive Director)
4. Ms. Nina Gandhi (Non-Executive Alternate Director of Mr. Ravin Gandhi)

(g) Enterprises owned or significantly influenced by key management personnel or their relatives

1. Hester Coatings LLP
2. Biolink Healthcare Limited
3. Hester Diagnostics Private Limited
4. Gujarat Polyplast Private Limited
5. Blue Ray Aviation Private Limited
6. Hester Aviation Services Private Limited
7. Gujarat Airconnect Private Limited
8. Aerotrans Services Private Limited
9. Y. J. Trivedi & Co.

(All amounts are in INR Million, unless otherwise stated)

(ii) Transactions during the year with Related Parties:

	Particulars	Key Management Personnel/Relatives of Key Managerial Personnel		Subsidiary Companies/Joint Venture Entity		Enterprises Having Significant Influence		Total	
		2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
a)	Purchase of Goods	-	-	279.56	247.74	39.40	45.56	318.96	293.30
b)	Sales of Goods	-	-	84.04	50.96	-	-	84.04	50.96
c)	Guarantee Commission Income	-	-	11.78	11.57	-	-	11.78	11.57
d)	Commission Expense	-	-	-	-	-	4.99	-	4.99
e)	Professional Services Availed	-	-	-	-	0.26	0.33	0.26	0.33
f)	Services Availed	-	-	-	-	6.17	2.98	6.17	2.98
g)	Reimbursement of Expenses	-	-	1.64	1.94	0.55	0.29	2.19	2.23
h)	Sitting Fees	1.83	2.05	-	-	-	-	1.83	2.05
i)	Remuneration Paid	58.15	51.51	-	-	-	-	58.15	51.51
j)	Rent Paid	-	-	-	-	3.00	3.00	3.00	3.00
k)	Rent Income	-	-	-	-	4.80	6.00	4.80	6.00

Outstanding balances at the year-end:

	Particulars	Key Management Personnel/Relatives of Key Managerial Personnel		Subsidiary Companies/Joint Venture		Enterprises Having Significant Influence		Total	
		2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
a)	Receivables	-	-	117.37	114.84	23.32	18.94	140.69	133.78
b)	Payables	-	-	80.53	59.08	6.76	21.33	87.29	80.41
c)	Loans & Advances	-	-	16.67	22.95	29.57	33.76	46.24	56.71
d)	Remuneration Payable	12.23	0.98	-	-	-	-	12.23	0.98

Notes:

1. The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave encashment, as it is determined on an actuarial basis for the Company as a whole.
2. Bank Facilities (Working capital limit, Term loans and External Commercial Borrowings) are secured by guarantee of Mr. Rajiv Gandhi, Mr. Sanjiv Gandhi and Dr. Bhupendra Gandhi, Directors of the Company.
3. Corporate Guarantee of USD 14 Million (INR 1,196.65 Million) issued in favour of Gates Foundation, U.S.A. on behalf of Hester Biosciences Africa Limited, Tanzania (Wholly Owned Subsidiary Company) for setting up of an animal vaccine manufacturing plant.

36 DEFINED BENEFIT OBLIGATIONS:

a) Defined Contribution Plans:

The Company made contribution towards provident fund to defined contribution retirement benefit plans for qualifying employees. The provident fund plan is operated by the regional provident fund commissioner, the Company required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefit.

The Company recognised INR 20.68 million (2023-24: INR 22.01 million) for provident and other fund contribution in the Statement of Profit and Loss. The contributions payable to this plan by the Company are at rates specified in the rules of the scheme. The Company has no further obligations under the plan beyond its monthly contributions.

b) Defined Benefit Plan:

The Company made annual contribution to the Employees' Group Gratuity Cash Accumulation Scheme of the Life Insurance Corporation of India, a funded benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or a part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The present value of define benefit obligation and the related current service cost were measured using the projected unit credit method as per actuarial valuation carried out at balance sheet date.

The following table sets out the funded status of the gratuity plan and the amount recognised by the Company's financial statement as at 31 March 2025.

(All amounts are in INR Million, unless otherwise stated)

BALANCE SHEET

(i) Change in the Present Value of Defined Benefit Obligation

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Defined Benefit Obligation at Beginning of the Year	49.36	43.14
Current Service Costs	5.12	4.62
Interest Cost on Defined Benefit Obligation	3.57	3.13
Actuarial (Gain) / Loss on Defined Benefit Obligation	4.31	(0.15)
Benefits paid during the Year	(9.21)	(1.37)
Defined Benefit Obligation at End of the Year	**53.15**	**49.36**

(ii) Change in Plan Asset

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Fair Value of Plan Assets at the Beginning of the Year	52.57	50.56
Expected Return on Plan Assets	3.79	3.68
Contribution made during the Year	3.00	0.18
Benefits paid during the Year	(9.21)	(1.37)
Actuarial Loss on Plan Assets	(0.54)	(0.48)
Fair Value of Plan Assets at the End of the Year	**49.61**	**52.57**

(iii) Disclosure in Balance Sheet

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Defined Benefit Obligation at the End of the Year	(53.15)	(49.36)
Fair Value of Plan Assets at the end of the Year	49.61	52.57
Funded Status [(Deficit)/Surplus]	(3.54)	3.21
Net (Liability)/Asset Recognised in the Balance Sheet	**(3.54)**	**3.21**

(iv) Reconciliation - Balance Sheet

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Net (Asset)/Liability at the beginning of the Year	(3.21)	(7.42)
Expenses Recognised in Statement of Profit or Loss	4.89	4.07
Expenses Recognised in Other Comprehensive Income	4.85	0.32
Employers contribution paid	(3.00)	(0.18)
Net Liability/(Asset) at the end of the year	**3.54**	**(3.21)**

(All amounts are in INR Million, unless otherwise stated)

STATEMENT OF PROFIT AND LOSS

(v) Expenses recognised during the Year

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
In Income Statement		
Current Service Costs	5.12	4.62
Interest Cost	(0.23)	(0.55)
Expenses Recognised in Statement of Profit or Loss	**4.89**	**4.07**
In Other Comprehensive Income		
Actuarial (Gain) / Loss	4.31	(0.15)
Return on Plan Assets	0.54	0.47
Expenses Recognised in Other Comprehensive Income	**4.85**	**0.32**

(vi) Assumptions used

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Discount rate	6.59%	7.21%
Rate of return on plan asset	6.59%	7.21%
Salary escalation	6.00%	6.00%
Attrition rate	For service 4 years and below 30% p.a. For service 5 years and above 9% p.a.	For service 4 years and below 20% p.a. For service 5 years and above 6% p.a.

(vii) Sensitivity Analysis

Particulars	Year ended 31 March 2025	
	Increase	**Decrease**
Change in discounting rate (delta effect of +/- 1%)	(2.99)	3.37
Change in rate of salary increase (delta effect of +/- 1%)	3.03	(2.79)
Change in rate of employee turnover(delta effect of +/- 1%)	0.11	(0.13)

Particulars	Year ended 31 March 2024	
	Increase	**Decrease**
Change in discounting rate (delta effect of +/- 1%)	(3.31)	3.78
Change in rate of salary increase (delta effect of +/- 1%)	3.50	(3.18)
Change in rate of employee turnover(delta effect of +/- 1%)	0.28	(0.32)

(viii) The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Insurance funds	49.61	52.57
% of total plan assets	100%	100%

(ix) The following payments are expected contributions to the defined benefit plan in future years:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Within the next 12 months (next annual reporting period)	6.61	5.24
Between 2 and 5 years	21.32	17.67
Between 6 and 10 years	21.96	18.76
Beyond 10 years	36.17	53.13
Total expected payments	**86.06**	**94.80**

(x) The weighted average duration of the projected benefit obligation at the end of the reporting period is 7 years (31 March 2024: 9 years).

(All amounts are in INR Million, unless otherwise stated)

37 FINANCIAL INSTRUMENTS, FAIR VALUE MEASUREMENTS, FINANCIAL RISK AND CAPITAL MANAGEMENT:

(I) Financial Instruments:

(a) Category-wise Classification of Financial Instruments:

Particulars	Refer Note	As at 31 March 2025		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Investments in subsidiary companies and joint venture entity	5	-	646.89	646.89
Trade receivables	10	-	805.95	805.95
Cash and cash equivalents	11	-	5.45	5.45
Other balances with banks	7 & 12	-	32.46	32.46
Loans	6	-	56.95	56.95
Other financial assets	7	-	232.96	232.96
Total		**-**	**1,780.66**	**1,780.66**
Financial liabilities				
Borrowings	15 & 19	-	1,042.67	1,042.67
Trade payables	20	-	325.33	325.33
Other financial liabilities	16	-	56.03	56.03
Total		**-**	**1,424.03**	**1,424.03**

Particulars	Refer Note	As at 31 March 2024		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Investments in subsidiary companies and joint venture entity	5	-	646.89	646.89
Trade receivables	10	-	857.76	857.76
Cash and cash equivalents	11	-	19.66	19.66
Other balances with banks	7 & 12	-	37.35	37.35
Loans	6	-	56.87	56.87
Other financial assets	7	-	214.06	214.06
Total		**-**	**1,832.59**	**1,832.59**
Financial liabilities				
Borrowings	15 & 19	-	1,335.64	1,335.64
Trade payables	20	-	296.83	296.83
Other financial liabilities	16	-	100.62	100.62
Total		**-**	**1,733.09**	**1,733.09**

(b) Category-wise Classification of Financial Instruments:

The financial instruments are categorised in to three levels, based on the inputs used to arrive at fair value measurement as described bellow:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 - Inputs based on unobservable market data.

There are no financial assets and liabilities which are measured at Fair value through Profit and Loss or Fair value through OCI and all the financial assets and liabilities are carried at amortised cost. Therefore, disclosure with respect to fair value measurement hierarchy of financial instrument is not required.

(II) Financial risk management:

The Company's activities are exposed to variety of financial risks. These risks include market risk (including foreign exchange risk and interest rate risks), credit risks and liquidity risk. The Company's' overall risk management program seeks to minimise potential adverse effects on the financial performance of the Company through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

(All amounts are in INR Million, unless otherwise stated)

(a) Market risk:

Market risk refers to the possibility that changes in the market rates may have impact on the Company's profits or the value of its holding of financial instruments. The Company is exposed to market risks on account of foreign exchange rates and interest rates.

(i) Foreign currency exchange rate risk:

The Company's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries, foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

The major foreign currency exposure for the company is denominated in USD. Additionally, transactions entered into in other currencies are not significant in relation to the total volume of the foreign currency exposures.

The following table sets forth information relating to foreign currency exposure from non-derivative financial instruments:

Particulars	Liabilities		Assets	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
USD	538.39	715.46	169.25	207.09

The above table represents total exposure of the company towards foreign exchange denominated assets and liabilities.

For the years ended 31 March 2025 and 31 March 2024, every 1% depreciation/appreciation in the exchange rate between the Indian rupee and the respective currencies for the above mentioned financial assets/liabilities would affect the Company's net profit by approximately INR 3.24 million and INR 5.08 million respectively.

Particulars	Impact on Profit & Loss		Impact on Equity	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
USD Sensitivity				
Rupee/USD - Increase by 1%	(3.69)	(5.08)	(3.69)	(5.08)
Rupee/USD - Decrease by 1%	3.69	5.08	3.69	5.08

(ii) Interest Rate Risk:

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company is exposed to fluctuations in interest rates in respect of rupee loans carrying a floating rate of interest and USD External Commercial Borrowing carrying a floating SOFR linked Interest rate.

Variable-rate instruments	As at 31 March 2025	As at 31 March 2024
Term Loans from Banks	222.94	327.64
External Commercial Borrowings	533.32	709.69
Cash Credit from Bank	286.41	297.89
Total	**1,042.67**	**1,335.22**

Sensitivity analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates.

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not have any designate derivatives (interest rate swaps). The exposure of Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	Impact on Profit & Loss	
	As at 31 March 2025	As at 31 March 2024
a) Long Term Borrowings Sensitivity		
100 bp Increase	(7.56)	(10.37)
100 bp decrease	7.56	10.37
b) Short Term Borrowings Sensitivity		
100 bp Increase	(2.86)	(2.98)
100 bp decrease	2.86	2.98

(All amounts are in INR Million, unless otherwise stated)

(b) Credit Risk:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The customers are categorised based on the nature of transaction and the credit risk associated with them is managed through credit approvals, establishing credit limits and continuously monitoring of the creditworthiness of the counterparty to which the company grant credit terms in the normal course of business. The Company uses publicly available financial information and its own trading records to rate its major customers.

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

Other receivables consist primarily of security deposits, loans and other receivables. The risk of default is assessed as low.

(c) Liquidity Risk:

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity.

Maturity Profile of financial liabilities as at 31 March 2025

Particular	Within 1 Year	1-2 Years	2-5 Years	> 5 Years	Total
Borrowings	529.55	263.61	249.51	-	1,042.67
Trade Payable	325.33	-	-	-	325.33
Other Financial Liabilities	48.20	7.83	-	-	56.03
Total	**903.08**	**271.44**	**249.51**	**-**	**1,424.03**

Maturity Profiles of financial liabilities as at 31 March 2024

Particular	Within 1 Year	1-2 Years	2-5 Years	> 5 Years	Total
Borrowings	544.94	287.05	503.65	-	1,335.64
Trade Payable	301.21	-	-	-	301.21
Other Financial Liabilities	89.21	7.03	-	-	96.24
Total	**935.36**	**294.08**	**503.65**	**-**	**1,733.09**

(iii) Capital management

The capital structure of the Company consists of equity, debt, cash and cash equivalents. The Company's objective for capital management is to maintain the capital structure which will support the Company's strategy to maximise shareholders' value, safeguarding the business continuity and help in supporting the growth of the Company.

As at 31 March 2025, the Company meets its capital requirement through equity and borrowings from banks. The Company monitors its capital and debt on basis of debt to equity ratio.

The debt-equity ratio for the reporting period is as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Total borrowings	1,042.67	1,335.64
Total Equity	3,390.87	3,127.12
Debt-Equity ratio	**0.31**	**0.43**

(All amounts are in INR Million, unless otherwise stated)

38 DISCLOSURE OF SIGNIFICANT INTEREST IN SUBSIDIARIES AS PER PARAGRAPH 17 OF IND AS 27:

Sr No.	Name of Entity	Principal activities	Country of Incorporation	Ownership %	
				As at 31 March 2025	As at 31 March 2024
1	Hester Biosciences Nepal Private Limited	Manufacturing of goods	Nepal	65%	65%
2	Texas Lifesciences Private Limited	Manufacturing of goods	India	54.81%	54.81%
3	Hester Biosciences Africa Limited	Manufacturing of goods	Tanzania	100%	100%
4	Hester Biosciences Kenya Limited	Trading of goods	Kenya	100%	100%
5	Thrishool Exim Limited*	Trading of goods	Tanzania	50%	50%

Note:

Method of accounting investment in subsidiary is at cost.

Method of accounting investment in Joint venture entity is at cost.

*Joint Venture entity

39 SEGMENT INFORMATION:

(i) Identification of Segments:

The Company's operating segments are established on the basis of those components of the Company that are evaluated regularly by the Management Committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 Operating Segments), in deciding how to allocate resources and in assessing performance. The Company is principally engaged in manufacturing of Poultry vaccines and Large Animal Vaccines and trading of Poultry, Large animal and Pet health products. The CEO and Managing Director(CMD) and senior management of the Company constitutes the CODM of the Company.

The Company has two principal operating and reporting segments viz. Poultry healthcare and Animal healthcare (Ruminant and Pet). The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.

(ii) Information about product and services:

Particulars	Poultry Healthcare	Animal Healthcare	Others	Total
Year Ended 31 March 2025				
Segment Revenue				
Revenue from operations	1,665.83	1,198.83	-	2,864.66
Identifiable Segment Expenses	(1,401.80)	(944.11)	-	(2,345.91)
Segment Results	**264.03**	**254.72**	**-**	**518.75**
Less: Unallocable Finance Cost				53.67
Less: Other Unallocable Expense (net)				47.48
Profit Before Tax				**417.60**
Less: Tax Expense				99.18
Net Profit after Tax				**318.42**
Year Ended 31 March 2024				
Segment Revenue				
Revenue from operations	1,444.95	1,138.71	267.89	2,851.55
Identifiable Segment Expenses	(1,267.94)	(910.40)	(199.02)	(2,377.36)
Segment Results	**177.01**	**228.31**	**68.87**	**474.19**
Less: Unallocable Finance Cost				50.93
Less: Other Unallocable Income (net)				55.94
Profit Before Tax				**367.32**
Less: Tax Expense				95.73
Net Profit after Tax				**271.59**

(All amounts are in INR Million, unless otherwise stated)

Other Information:

Particulars	Poultry Healthcare	Animal Healthcare	Others	Total
Year Ended 31 March 2025				
Segment Assets	2,522.99	587.54	2.85	3,113.38
Unallocated Assets				2,346.58
Total				**5,459.96**
Segment Liabilities	172.32	164.06	-	336.38
Unallocated Liabilities				1,732.71
Total				**2,069.09**
Non cash items	26.97	11.04	-	38.01
Capital Expenditure	147.81	24.65	55.05	227.51
Year Ended 31 March 2024				
Segment Assets	2,408.55	665.42	2.78	3,076.75
Unallocated Assets				2,418.71
Total				**5,495.46**
Segment Liabilities	178.99	148.19	2.85	330.03
Unallocated Liabilities				2,038.31
Total				**2,368.34**
Non cash items	5.74	0.17	-	5.91
Capital Expenditure	146.81	6.48	-	153.29

Notes:

a. The management has revised the reportable segments, pursuant to a change in the internal reporting reviewed by the Chief Operating Decision Maker (CODM) for evaluation and performance assessment. Accordingly, “Petcare” has been merged with “Animal Healthcare” to reflect the integrated operational structure and strategic alignment based on the nature of activities performed by the Company. The segment information for comparative periods has been restated in accordance with Ind AS 108 - Operating Segments.

b. Others segment include sale of other Pharmaceutical products.

c. Unallocated assets and liabilities includes capital work in-progress, capital advances and capital creditors related to BSL-3 facility as the same is yet to be capitalised.

(iii) Secondary Reportable Segment (Geographical):

Particulars	In India	Outside India	Total
Segment Revenue			
Year ended 31 March 2025	**2,603.15**	**261.51**	**2,864.66**
Year ended 31 March 2024	2,383.91	467.64	2,851.55
Non-current operating assets			
Year ended 31 March 2025	**2,906.86**	**-**	**2,906.86**
Year ended 31 March 2024	2,767.08	-	2,767.08

Information about major customers

The Company did not have any revenue from a particular customer which exceeded 10% of total revenue.

(All amounts are in INR Million, unless otherwise stated)

40 RATIO ANALYSIS AND ITS ELEMENTS:

Sr. No.	Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance
(a)	Current ratio	Current assets	Current liabilities	1.92	2.09	(8%)	
(b)	Debt-equity ratio	Total debt	Shareholder's equity	0.31	0.43	(28%)	Reduction in borrowings has resulted in improvement of ratio.
(c)	Debt service coverage ratio	Earnings for debt service = Net profit after taxes + Interest expense + Non-cash operating expenses	Debt service=Interest & Lease Payments + Principal Repayments	1.48	1.55	(4%)	
(d)	Return on equity ratio (%)	Net profit after tax	Average shareholder's equity	9.77%	8.98%	9%	
(e)	Inventory turnover ratio	Sales	Average inventory	4.51	3.86	17%	
(f)	Trade receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Average trade receivable	3.44	3.39	2%	
(g)	Trade payables turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average trade payable	5.30	5.73	(8%)	
(h)	Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	3.24	2.67	21%	
(i)	Net profit ratio (%)	Net profit after tax	Net sales = Total sales - sales return	11.12%	9.52%	17%	
(j)	Return on capital employed (%)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	10.43%	9.18%	14%	
(k)	Return on Investment (%)	Income from investment	Investment	NA	NA	NA	

41 OTHER STATUTORY INFORMATION:

a) The Company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

b) Title deeds of all the immovable properties comprising of land/ buildings as disclosed in standalone financial statements, are held in the name of the Company.

c) The Company do not have any transactions with companies struck off.

d) The Company does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

e) The Company has utilised the borrowings from banks and financial institutions for the specific purpose for which it was taken.

f) The Company was not declared wilful defaulter by any bank or financial Institution or other lender.

g) The Company has not advanced or loaned or invested funds (either borrowed funds or security premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

h) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

i) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

j) The monthly Stock Statements as submitted to the Banks are materially in agreement with the books of account of the Company.

k) The Company has not entered into any scheme of arrangement which has an accounting impact on current year or previous year.

42 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:

The Company evaluates events and transactions that occur subsequent to the Balance Sheet date prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the Financial Statements. As of 9 May 2025 there were no subsequent event to be recognised or reported that are not already disclosed elsewhere in these Financial Statements.

43 RECENT PRONOUNCEMENTS

The Ministry of Corporate Affairs (MCA), through notification dated 7 May 2025, amended Ind AS 21 “The Effects of Changes in Foreign Exchange Rates” to provide guidance on determining the spot exchange rate when exchangeability between two currencies is lacking. The amendment also introduces related disclosure requirements:

- New guidance on assessing when a currency is not exchangeable into another and how to estimate the spot exchange rate in such cases.
- Additional paragraphs on recognition, measurement, and disclosure to address these scenarios, including new application guidance and disclosure requirements.

These amendments are effective for annual reporting periods beginning on or after 1 April 2025. The Company is evaluating the potential impact of the application of this amendment on its financial statements.

44 Previous year figures have been regrouped / reclassified, where necessary, to conform to this year’s classification.

In terms of our report attached
For Chandulal M. Shah & Co.
Firm Registration No.: 101698W
Chartered Accountants

Irshad I. Mansuri
Partner
Membership No.: 135475

Date 9 May 2025
Place Ahmedabad

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Divyesh Maru
Chief Financial Officer

Vinod Mali
Company Secretary

Date 9 May 2025
Place Kadi, Mehsana

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
Hester Biosciences Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Consolidated financial statements of Hester Biosciences Limited (the 'Holding Company'), its subsidiary company and joint venture entity (hereinafter referred to as "the Group") which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of subsidiaries and on the other financial information of the subsidiaries and joint venture entity, the aforesaid Consolidated Financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2025, their consolidated profit including other comprehensive income, their consolidated statement of changes in equity and the consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (1) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Sr.	Key Audit Matters	Auditor's Response
1	**Capital Work-in-progress**	
	The Group has a Capital work-in-progress carrying value INR 1,766.72 million which constitutes about 27% of the total assets of the group. We have considered the Capital Work in progress as a key audit matter given the relative size of the amount in the financial statements.	Our audit procedures included following: • Obtained an understanding of the process and controls over capitalisation, monitoring, and review of CWIP balances. • Reviewed the CWIP ageing schedule and obtained management explanations for projects that were aged beyond months or exhibiting delays. • Assessed the technical and commercial viability of major projects by reviewing project reports, management budgets, status reports, and board minutes. • Evaluated the appropriateness of capitalisation of expenses to CWIP by performing sample-based tests of underlying supporting documents. • Assessed management's impairment assessment, if any, on CWIP, including review of cost-to-completion estimates and future business plans. • Verified the adequacy of disclosures related to CWIP, including ageing schedules and capital commitments, in accordance with the applicable accounting standards.
2	**Valuation of Inventories**	
	The Group has an inventory of carrying value INR 703.77 million which is around 23% of its' revenue from operations, including Raw Materials, packing material, Work in progress, Finished goods and Traded goods. We have considered the valuation of inventories as a key audit matter given the relative size of the balance in the financial statements and significant judgement involved in the consideration of factors in determination of inventory value. The inventory valuation of the company involves complex procedures estimating the costs incurred, overheads applied and identification for slow moving, expired and obsolete inventory and ascertainment of net realizable value.	Our audit procedures included following: • We have understood and tested the design and operating effectiveness of controls as established by the management in determination of valuation of inventory. • Assessing the appropriateness of the Company's accounting policy for valuation of inventories and compliance of the policy with the requirements of the prevailing accounting standards. • We have considered various factors including the estimation of costs, overheads incurred, the actual selling price prevailing around and subsequent to the year-end. • Compared the cost of the finished goods with the estimated net realizable value and checked if the finished goods were recorded at net realizable value where the cost was higher than the net realizable value. • We have considered the process of periodical physical verification of Inventory carried out by the management. • We have evaluated the design and operating effectiveness of controls as established by the management in determination of slow moving, products banned by government, expired and obsolete inventory. • Considered the completeness and accuracy of the disclosures.
3	**Carrying Value of Trade Receivables**	
	The Group has Trade Receivables carrying value INR 731.81 million and the ascertainment of allowance for expected credit loss of trade receivables requires significant management judgement.	Our audit procedures included following: • We have understood and tested the design and operating effectiveness of controls as established by the management in determining recoverability of trade receivables. • We performed audit procedures on the assessment of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. • Assessing the impact of impairment on trade receivables requires judgment and we evaluated management's assumptions in determining the provision for Impairment of trade receivables, by analyzing the ageing of receivables, assessing significant overdue trade receivables. • We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the trade with the customers, invoices raised, etc., as a part of our audit procedures. Furthermore, we assessed the adequacy and appropriateness of the disclosures in the financial statements. • We also discussed with the management any disputes between the parties involved, attempts by management to recover the outstanding amounts and the credit status of significant counterparties available. • In assessing the appropriateness of the overall provision for expected credit losses, we considered management's policy for recognizing provisions and compared the Company's provisioning against Simplified Approach of ECL. • Considered the completeness and accuracy of the disclosures.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the Other Information. The Other Information comprises the information included in the Board's Report including Annexures to Board's Report and Management Discussion & Analysis but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated Financial statements does not cover the Other Information other than the financial statements and auditor's report thereon and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated changes in equity and Consolidated cash flows of the Group including its Joint venture in accordance with the IND AS and accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for overseeing financial reporting process of the Group and of its joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial statements, including the disclosures, and whether the Consolidated Financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. The accompanying consolidated financial statement includes the audited financial statements and other financial information, in respect of the 4 subsidiaries, whose financial statements reflect total assets of INR 1,532.17 million as at 31 March 2025 and total revenue of INR 334.66 million, total net loss after tax of INR 90.76 million and total comprehensive income of INR (86.68) million for the year ended on that date, and net cash outflows of INR 58.88 million for the year ended 31 March 2025 as considered in the consolidated financial statements which have been audited by their respective independent auditors.

   The independent auditors' reports on the financial statements of the above referred entities have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

   Our opinion on the consolidated financial statements is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

2. The accompanying consolidated financial statement includes the group's share of net profit after tax of INR 41.00 million for the year ended on 31 March 2025 in respect of 1 joint venture entity, whose audited financial statements have been audited by its Independent auditor have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of the joint venture entity, is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the Group.

3. Those subsidiaries and joint venture entity who are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries as per their Financial Reporting Standards ('local GAAP'). The Holding Company's management has converted the financial statements of such subsidiaries and joint venture entity from Local GAAP to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our conclusion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based on the conversion adjustments prepared by the management of the Holding company and audited by us.

   Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Holding company, we report that there are no qualifications or adverse remarks in the CARO reports of the said companies included in the consolidated financial statements.

2.
   A. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial statements.

b) In our opinion, proper books of account as required by law have been kept by the Holding Company, in electronic mode on servers physically located in India so far as it appears from our examination of those books, SOC Type I & II report and other records and details provided to us.

   In case of one Indian subsidiary company, proper books of account as required by law have been kept by the Company, in electronic mode on servers physically located in India so far it appears from our examination of those books except matters stated in paragraph 2(B)(f)(ii) on reporting under rule 11(g).

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial statements.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company for the financial year 2024-25, taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India, is disqualified as on 31 March 2025, from being appointed as a director in terms of Section 164 (2) of the Act.

f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under

Section 143(3)(b) and sub-clause (2)(B)(f)(ii) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

g) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and according to the information and explanation given to us by the management, the remuneration paid/provided during the Current Year by the Holding Company to its directors is in accordance with the provisions of Section 197 read with Schedule V of the Act.

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries as noted in the "Other Matters" paragraph:

a) The Group has no pending litigations having any material impact on its financial position in its financial statements;

b) The Group did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses.

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2025.

d)

i. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary company incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary company incorporated in India or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

ii. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary company incorporated in India from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or its subsidiary company incorporated in India shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

iii. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us in this regard, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (d) (i) and (ii) above, contain any material misstatement.

e)

i. The final dividend proposed in the previous year, declared, and paid by the Holding company during the year, is in accordance with Section 123 of the Act, as applicable.

ii. The Board of Directors of the Holding Company has proposed a final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

f) Based on our examination which included test checks performed by us and the respective auditor of the subsidiary, which is incorporated in India, and in accordance with requirements of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, we report that-

   i. The Holding Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and based on the SOC Type I & II report for such software provided to us, it can be derived that the audit trail has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

      Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

   ii. The Indian subsidiary company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility; however, feature of audit trail was enabled in current financial year and was in operation with effect from 08 February 2025 as stated in note 42 of the consolidated financial statements. Further, during our audit we did not come across any instance of audit trail feature being tampered with.

      Additionally, the audit trail has been preserved by the Indian subsidiary company as per the statutory requirements for record retention except for the period from 1 April 2023 to 7 February 2025.

For, Chandulal M. Shah & Co.
Chartered Accountants
FRN 101698W

Irshad I. Mansuri
Partner
M. No. 135475
UDIN: 25135475BMKQBK7858

Date 9 May 2025
Place Ahmedabad

ANNEXURE A

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HESTER BIOSCIENCES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial statements of the company as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries, incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls with reference to Consolidated Financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated financial statements included obtaining an understanding of internal financial controls with reference to Consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated financial statements.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial control with reference to Consolidated Financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated Financial statements include those policies and procedures that-

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the

company are being made only in accordance with authorisations of management and directors of the company; and

3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and subsidiary company incorporated in India, have maintained in all material respects, adequate internal financial controls with reference to Consolidated Financial statements and such internal financial controls with reference to Consolidated Financial statements were operating effectively as at 31 March 2025, based on the internal control over financial reporting criteria established by the such companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, Chandulal M. Shah & Co.
Chartered Accountants
FRN 101698W

Irshad I. Mansuri
Partner
M. No. 135475
UDIN: 25135475BMKQBK7858

Date 9 May 2025
Place Ahmedabad

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2025

(All amounts are in INR Million, unless otherwise stated)

Particulars	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
(a) Property, Plant & Equipment	3	2,326.81	2,394.70
(b) Capital Work-in-Progress	3	1,766.72	1,681.13
(c) Other Intangible Assets	4	6.28	6.43
(d) Intangible Assets under Development	4	60.29	32.89
(e) Financial Assets			
(i) Investments	5	340.51	299.27
(ii) Other Financial Assets	6	55.82	37.86
(f) Other Non-current Assets	7	25.68	25.04
Total Non-current Assets		**4,582.11**	**4,477.32**
Current assets			
(a) Inventories	8	703.77	755.81
(b) Financial Assets			
(i) Trade Receivables	9	731.81	786.45
(ii) Cash and Cash Equivalents	10	55.87	123.07
(iii) Bank Balances other than (ii) above	11	16.32	29.97
(iv) Loans	12	57.56	58.56
(v) Other Financial Assets	6	201.70	187.73
(c) Other Current Assets	7	184.71	204.56
Total Current Assets		**1,951.74**	**2,146.15**
Total Assets		**6,533.85**	**6,623.47**
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	13	85.07	85.07
(b) Other equity	14	3,057.48	2,832.86
Equity Attributable to Owners		3,142.55	2,917.93
(c) Non Controlling Interest		124.01	110.82
Total Equity		**3,266.56**	**3,028.75**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	1,333.68	1,820.86
(ii) Lease Liabilities	16	54.75	53.36
(iii) Other Financial Liabilities	17	7.95	29.67
(b) Non-current Provision	18	27.53	25.34
(c) Deferred Tax Liabilities (Net)	31	59.33	74.11
(d) Other Non-current Liabilities	19	532.21	536.66
Total Non-current Liabilities		**2,015.45**	**2,540.00**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	744.07	569.56
(ii) Lease Liabilities	16	-	-
(iii) Trade Payables	21	294.19	258.56
(iv) Other Financial Liabilities	17	103.61	133.61
(b) Other Current Liabilities	19	59.51	60.83
(c) Provisions	18	10.29	7.60
(d) Current Tax Liabilities	22	40.17	24.56
Total Current Liabilities		**1,251.84**	**1,054.72**
Total Liabilities		**3,267.29**	**3,594.72**
Total Equity and Liabilities		**6,533.85**	**6,623.47**

The accompanying notes are an integral part of the Consolidated Financial Statements.

In terms of our report attached
For Chandulal M. Shah & Co.
Firm Registration No.: 101698W
Chartered Accountants

Irshad I. Mansuri
Partner
Membership No.: 135475

Date 9 May 2025
Place Ahmedabad

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Divyesh Maru
Chief Financial Officer

Vinod Mali
Company Secretary

Date 9 May 2025
Place Kadi, Mehsana

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2025

(All amounts are in INR Million, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2025	For the year ended 31 March 2024
Income			
Revenue from Operations	23	3,111.02	3,045.46
Other Income	24	39.24	106.38
Total income		**3,150.26**	**3,151.84**
Expenses			
Cost of raw material and components consumed	25	639.46	543.14
Purchases of stock-in-trade	26	175.99	328.23
Change in inventories of finished goods, traded goods and work-in-progress	27	67.78	87.38
Employee benefits expense	28	624.24	641.32
Finance cost	29	127.03	197.75
Depreciation and amortisation expense		168.02	171.74
Other expenses	30	993.03	908.84
Total expenses		**2,795.55**	**2,878.40**
Profit before Share of Profit of Joint Venture Entity and Tax		**354.71**	**273.44**
Share of Profit in Joint Venture entity		41.00	46.09
Profit before tax		**395.71**	**319.53**
Tax Expense:	31		
Current tax		126.71	107.26
Tax Adjustment of earlier years		(4.48)	-
Deferred tax		(14.78)	0.61
Total Tax Expense		**107.45**	**107.87**
Profit after tax		**288.26**	**211.66**
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurement Gain/(Loss) on Defined Benefit Plans		(5.43)	(0.66)
Income Tax Impact		1.37	0.17
Items that will be reclassified to Profit or Loss			
Foreign Currency Translation Reserve		4.65	0.16
Income Tax Impact		-	-
Total Other Comprehensive Income		**0.59**	**(0.33)**
Total Comprehensive Income		**288.85**	**211.33**
Profit for the year attributable to:			
(i) Owners of the Company		274.88	188.89
(ii) Non Controlling Interest		13.38	22.77
Other Comprehensive Income for the year attributable to:			
(i) Owners of the Company		0.78	(0.22)
(ii) Non Controlling Interest		(0.19)	(0.11)
Total Comprehensive Income for the year attributable to:			
(i) Owners of the Company		275.66	188.67
(ii) Non Controlling Interest		13.19	22.66
Earnings Per Equity Share (EPS)			
Basic and Diluted (Face Value INR 10 Per Share) (INR)	34	33.89	24.88

The accompanying notes are an integral part of the Consolidated Financial Statements.

In terms of our report attached
For Chandulal M. Shah & Co.
Firm Registration No.: 101698W
Chartered Accountants

Irshad I. Mansuri
Partner
Membership No.: 135475
Date 9 May 2025
Place Ahmedabad

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Divyesh Maru
Chief Financial Officer

Vinod Mali
Company Secretary

Date 9 May 2025
Place Kadi, Mehsana

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

(All amounts are in INR Million, unless otherwise stated)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
A. Cash Flow from Operating Activities		
Profit Before Tax	395.71	319.53
Adjustments for:		
Depreciation and amortisation expense	168.02	171.74
Share of profit in joint venture entity	(41.00)	(46.09)
Provision for doubtful debt	44.71	6.90
Bad debts written off	-	0.22
(Profit) / Loss on sale of property, plant & equipment	4.86	(0.28)
Liabilities no longer required written back (net)	(0.99)	-
Amortisation of deferred grant	(5.07)	(52.87)
Gain on lease adjustment	-	(11.77)
Interest expense	122.17	194.65
Unrealised foreign exchange gain	(7.67)	(1.21)
Interest income	(20.37)	(19.07)
Operating profit before working capital changes	**660.37**	**561.75**
Adjustments for:		
Trade receivables	16.15	3.95
Inventories	52.04	92.29
Other assets	19.85	24.59
Trade payables	36.51	(37.27)
Other liabilities	(5.77)	(78.83)
Provisions	(0.55)	7.88
Loans	1.00	1.34
Other financial liability	(14.16)	14.39
Other financial assets	(5.62)	8.40
Cash Generated From Operations	**759.82**	**598.49**
Income tax paid (net)	(114.71)	(116.66)
Net cash generated from operating activities (A)	**645.11**	**481.83**
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment, including capital advances and capital work-in-progress and on intangible assets	(205.91)	(243.97)
Proceeds from sale of property, plant and equipment	2.74	0.55
Interest received	8.26	18.94
Increase / (Decrease) in other bank balances	4.88	(1.58)
Net cash used in investing activities (B)	**(190.03)**	**(226.06)**
C. Cash flow from financing activities		
Proceeds from long term borrowings	-	204.74
Repayment of long term borrowings	(313.44)	(229.66)
Repayment of short-term borrowings (net)	(17.72)	(275.07)
Government grant received	-	260.00

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

(All amounts are in INR Million, unless otherwise stated)

Payment of principal portion of lease liabilities	(3.06)	(3.00)
Interest paid	(131.27)	(149.41)
Dividend paid	(51.68)	(68.53)
Net cash used in financing activities (C)	**(517.17)**	**(260.93)**
Exchange rate fluctuation arising on consolidation (D)	(5.11)	1.57
Net decrease in cash and cash equivalents (A)+(B)+(C)+(D)	**(67.20)**	**(3.59)**
Cash and cash equivalents at the beginning of the year	123.07	126.66
Cash and cash equivalents at the end of the year	**55.87**	**123.07**
Cash and cash equivalents as per above comprise of the following:		
Cash on Hand	3.47	13.14
Balance with Banks	52.40	109.93
	55.87	**123.07**

Notes:

a. The Consolidated Statement of Cash Flow has been prepared under the 'Indirect Method' set out in "Indian Accounting Standard (Ind AS) 7- Statement of Cash Flows" issued by the Institute of Chartered Accountants of India.

b. Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are given below:

Particulars	As at 1 April 2024	Cash Outflows	Foreign Exchange Loss/(Gain)	As at 31 March 2025
Long term borrowings	2,076.91	(313.44)	18.49	1,781.96
Short term borrowings	313.51	(17.72)	-	295.79
Total	**2,390.42**	**(331.16)**	**18.49**	**2,077.75**

Particulars	As at 1 April 2023	Cash Outflows	Foreign Exchange Loss/(Gain)	As at 31 March 2024
Long term borrowings	2,092.95	(24.92)	8.88	2,076.91
Short term borrowings	588.58	(275.07)	-	313.51
Total	**2,681.53**	**(299.99)**	**8.88**	**2,390.42**

In terms of our report attached
For Chandulal M. Shah & Co.
Firm Registration No.: 101698W
Chartered Accountants

Irshad I. Mansuri
Partner
Membership No.: 135475

Date 9 May 2025
Place Ahmedabad

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Divyesh Maru
Chief Financial Officer

Vinod Mali
Company Secretary

Date 9 May 2025
Place Kadi, Mehsana

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

(All amounts are in INR Million, unless otherwise stated)

A EQUITY SHARE CAPITAL

Equity shares of INR 10 each issued, subscribed and fully paid	Number of shares	Amount
As at 1 April 2023	8,506,865	85.07
Issue of Equity Share Capital	-	-
As at 31 March 2024	8,506,865	85.07
Issue of Equity Share Capital	-	-
As at 31 March 2025	**8,506,865**	**85.07**

B OTHER EQUITY

Particulars	Reserves and Surplus					Total	Non Controlling Interest
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Foreign Currency Translation Reserve		
Balance as at 1 April 2023	**82.56**	**175.07**	**392.26**	**2,030.42**	**31.92**	**2,712.23**	**88.16**
Profit for the Year	-	-	-	188.89	-	188.89	22.77
Other comprehensive income for the year	-	-	-	-	-	-	-
Re-measurement gain on defined benefit plan (net of tax)	-	-	-	(0.37)	-	(0.37)	(0.11)
Exchange differences on translating the financial statements	-	-	-	-	0.16	0.16	-
Total comprehensive income for the year	-	-	-	188.52	0.16	188.68	22.66
Dividends Paid	-	-	-	(68.05)	-	(68.05)	-
Balance as at 31 March 2024	**82.56**	**175.07**	**392.26**	**2,150.89**	**32.08**	**2,832.86**	**110.82**
Profit for the Year	-	-	-	274.88	-	274.88	13.38
Other comprehensive income for the year	-	-	-	-	-	-	-
Re-measurement gain on defined benefit plan (net of tax)	-	-	-	(3.87)	-	(3.87)	(0.19)
Exchange differences on translating the financial statements	-	-	-	-	4.65	4.65	-
Total comprehensive income for the year	-	-	-	271.01	4.65	275.66	13.19
Dividends Paid	-	-	-	(51.04)	-	(51.04)	-
Balance as at 31 March 2025	**82.56**	**175.07**	**392.26**	**2,370.86**	**36.73**	**3,057.48**	**124.01**

In terms of our report attached
For Chandulal M. Shah & Co.
Firm Registration No.: 101698W
Chartered Accountants

Irshad I. Mansuri
Partner
Membership No.: 135475

Date 9 May 2025
Place Ahmedabad

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Divyesh Maru
Chief Financial Officer

Vinod Mali
Company Secretary

Date 9 May 2025
Place Kadi, Mehsana

1 CORPORATE INFORMATION

Hester Biosciences Limited (CIN: L99999GJ1987PLC022333) is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The HQ and Registered Office of the Company is located at Village Meda-Adraj, Taluka Kadi, Mehsana District, Gujarat 384441.

The Group is principally engaged in manufacturing of veterinary vaccines and trading of veterinary health products having its manufacturing set up at Meda Adraj village, Mehsana District, Gujarat, India and at Kathmandu, Nepal and Kibaha, Tanzania. The Group has two principal operating and reporting segments viz. Poultry healthcare and Animal healthcare (Ruminant and Pet).

The consolidated financial statements were approved by the Board of Directors based on recommendation of the Audit Committee of the Company at their meeting held on 9 May 2025.

2 BASIS OF PREPARATION:

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) including the Companies (Indian Accounting Standards) Amendment Rules, 2019 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements of the Group.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value and derivative financial instruments:
i) Defined benefit plans - plan assets measured at fair value

The consolidated financial statements are presented in INR and all values are rounded to the nearest million (INR 000,000), except where otherwise indicated.

1. MATERIAL ACCOUNTING POLICY INFORMATION

a PRINCIPLES OF CONSOLIDATION :

The consolidated financial statements comprises the financial statements of the Company and its subsidiaries and Joint Venture Entity. In the preparation of consolidated financial statements, investment in subsidiary has been accounted for in accordance with Ind AS 110 on 'Consolidated Financial Statements' and investment in Joint Venture has been accounted in accordance with Ind AS 28 on Investments in Associates and Joint Ventures. Consolidated financial statements have been prepared on the following basis:

i) Subsidiary is fully consolidated from the date of incorporation, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases (including through voting rights). Subsidiary has been consolidated on a line- by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions. The unrealised profits resulting from intra-group transactions that are included in the carrying amount of assets are eliminated in full.

ii) Investment in Joint Venture Entity has been accounted as per the Equity method as prescribed under Ind AS 28. Investment in joint venture entity is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss of the joint venture entity after the date of acquisition.

iii) Financial statements of the subsidiary are prepared for the same reporting year as the parent company, using consistent accounting policies. As far as possible, the consolidated financial statements have been prepared using uniform accounting policies, consistent with the Company's stand-alone financial statements for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements. Any deviation in accounting policies is disclosed separately.

iv) On consolidation, the assets and liabilities of foreign operations are translated into INR at the exchange rate prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the date of transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of transactions. The exchange differences arising on translation for consolidation are recognised through foreign currency translation reserves.

v) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

vi) The subsidiaries and joint venture entity considered in the consolidated financial statements are:

Name of the Company	Country of Incorporation
Texas Lifesciences Private Limited	India
Hester Biosciences Nepal Private Limited	Nepal
Hester Biosciences Africa Limited	Tanzania
Hester Biosciences Kenya Limited	Kenya
Hester Biosciences Tanzania Limited (Step-down subsidiary)	Tanzania
Thrishool Exim Limited (Joint Venture entity)	Tanzania

b OPERATING CYCLE AND CURRENT/NON-CURRENT CLASSIFICATION:

All the assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

An asset is current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has ascertained twelve months as its operating cycle.

c FOREIGN CURRENCIES:

The Group's consolidated financial statements are presented in (Rupees), which is also the Group's functional currency. The Group determines the functional currency and items included in the consolidated financial statements are measured using that functional currency.

Transactions and balances:

Transactions in foreign currencies are initially recorded in the Group's functional currency at the exchange rates prevailing on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are restated in the functional currency at the exchange rates prevailing on the reporting date of financial statements.

Exchange differences arising on settlement of such transactions and on translation of monetary items are recognised in the Consolidated Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on the dates of the initial transactions.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

d REVENUE RECOGNITION:

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Sale of goods is recorded net of returns, trade discounts, rebates, Goods and Service Tax.

Revenue from services are recognised as the related services are performed. The transaction price of service rendered is net of variable consideration.

Contract Assets:
A contract asset is the right to consideration in exchange for goods or services transferred to the goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade Receivables:
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of consideration is due). Refer to accounting policies of financial assets in financial instruments-initial recognition and subsequent measurement.

Contract Liabilities (Advance from Customers):
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is Contract liabilities (advance from customers) are recognised as revenue when the Group performs under the contract.

Interest income primarily comprises of interest from term deposits with banks and on loans given. Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

Export incentives are recognised when the right to receive them as per the terms of the entitlement is established in respect of exports made.

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

e PROPERTY, PLANT & EQUIPMENT :

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are changed to the Statement of Profit and Loss for the period during which such expenses are incurred except for high values which are capitalised.

Gains or losses arising from de-recognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Capital assets under erection/installation are stated at cost in the Balance Sheet as "Capital Work-in-Progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other non current assets. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f INTANGIBLE ASSETS :

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Except development costs which are capitalised, internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Capital assets under development are stated at cost in the Balance Sheet as “Intangible Asset under Development”.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss. when the asset is derecognised.

Particulars	Estimated Useful Life
Software	Over a Period of 6 Years
Product Registration fees	Over a Period of 10 Years

g DEPRECIATION / AMORTISATION :

Depreciation on Property, Plant & Equipment is provided on Straight Line method (SLM) method based on useful life of the assets as prescribed under Part-C of Schedule II to the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II are used. The Management estimates the useful lives for such Property, Plant & Equipment as under:

Particulars	Estimated Useful Life
Factory Roads Carpeted - RCC	Over a Period of 15 Years
Plant & Machineries, Equipment, Electrical Installation & Utilities	Over a Period of 5 to 15 Years

The Company believes that these estimated useful lives reflect fair approximation of the period over which the assets are likely to be used.

h IMPAIRMENT OF NON - FINANCIAL ASSET - Property, Plant and Equipment and Intangible Assets:

The group assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, assets’ carrying amount exceeds its recoverable amount. The recoverable amount is higher of an assets’ fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

i INVESTMENTS:

Investments, which are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

j INVENTORIES:

Inventories include raw materials, bought out components, work-in-progress and manufactured finished goods. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Finished Products:
Finished products produced by the group are valued at lower of cost and net realisable value. Cost includes direct materials, labour, a proportion of manufacturing overheads.

Traded Goods:
Traded goods cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The cost is determined using First in First out (FIFO) method.

Work in Progress:
Work in Progress is valued at cost of direct materials, labour and other Manufacturing overheads up to estimated stage of process.

Raw Materials and Stores & Spares:
Raw materials and stores & spares are valued at Lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The cost is determined using First in First out (FIFO) method.

k BORROWING COSTS:
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l LEASES:
The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group as a lesse
The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether : (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms.

m PROVISION FOR RETIREMENT BENEFITS:

(i) Short-Term Employee Benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

(ii) Post-employment Benefit plans:

a) Defined Contribution Plan:

Contribution for provident fund are accrued in accordance with applicable Statutes and deposited with the Regional Provident Fund Commissioner. The Group does not have any obligation other than contribution under scheme.

b) Defined Benefit Plan:

The Holding Company operates two defined benefit plans for its employees, viz., Gratuity and Leave Encashment. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for using the projected unit credit method. Actuarial gains and losses for defined benefit plan is recognised in full in the period in which they occur.

The Indian subsidiary operates defined benefit plans for its employees for Gratuity. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for using the projected unit credit method. Actuarial gains and losses for defined benefit plan is recognised in full in the period in which they occur. The Indian subsidiary company has not invested in any fund for meeting liability.

Remeasurement, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement are not reclassified to profit or loss in subsequent periods.

n EARNINGS PER SHARE:

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o CASH AND CASH EQUIVALENTS:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

p OTHER BANK BALANCES:

Other Bank Balances in the balance sheet comprise short-term deposits with an original maturity of more than three months and having maturity less than twelve months.

q FINANCIAL INSTRUMENTS:

(i) Financial Asset:

(a) Classification:

On initial recognition the group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(b) Initial recognition and measurement:

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

(c) Subsequent measurement:
For the purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets instruments at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI).
- Financial assets at fair value through profit or loss (FVTPL) (Derivatives and Equity Instruments)

(d) Financial assets at amortised cost:
A 'financial asset' is measured at the amortised cost if both the following conditions are met:

1) the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

2) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Financial assets included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognised.

(e) Financial assets at fair value through OCI (FVTOCI):
A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.

(f) Financial assets at fair value through profit or loss:
Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

(g) Derecognition:
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:
- The rights to receive cash flows from the asset have expired, or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
(i) the group has transferred substantially all the risks and rewards of the asset, or
(ii) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

On derecognition of a financial asset in its entirety, the differences between the carrying amounts measured at the date of derecognition and the consideration received is recognised in the statement of profit and loss.

(h) Impairment of financial assets:
In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:
(i) financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
(ii) trade receivables: The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(ii) Financial Liabilities:
(a) Classification:
The group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities measured at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value with changes in fair value being recognised in the Statement of Profit and Loss.

(b) Initial recognition and measurement:
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, at amortised cost (loans and borrowings, and payables), or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

(c) Subsequent measurement:
For the purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss.
- Financial liabilities at amortised cost (loans and borrowings).

(d) Financial liabilities at fair value through profit or loss:
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

(e) Financial liabilities at amortised cost (loans and borrowings):
After initial recognition, interest-bearing financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to interest-bearing loans and borrowings.

(f) Derecognition:
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting
Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

r **TAXATION:**

i. Current Tax:

Tax expense for the year comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to realise the asset or to settle the liability on a net basis.

ii. Deferred Tax:

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the Standalone Financial Statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Standalone Balance Sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities. Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

s **GRANTS:**

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

The Company has treated waiver of duty under EPCG Scheme received as Government assistance as capital grant as the same is received to compensate the import cost of the asset wherein conditions relating to export of goods are subsidiary conditions. The said assistance has been netted off against the value of the respective the asset so imported. The grant is recognised in profit & loss over the life of a depreciable asset as a reduced depreciation expense.

t **PROVISIONS AND CONTINGENT LIABILITIES:**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

A Contingent Liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

u **SEGMENT REPORTING:**

The Company's Chief Operating Decision Maker (CODM) examines the Company's performance from business and geographic perspective. In accordance with Ind AS-108 - Operating Segments, evaluation by the CODM and based on the nature of activities performed by the Company, which primarily relate to poultry healthcare and animal healthcare (ruminant and pet).

2. **SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:**

The preparation of the group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the grouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur.

a **Defined benefit plans (gratuity benefits):**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Further details about gratuity obligations are given in note 36.

b **Useful life of Property, Plant and Equipment and Intangible assets:**

Property, Plant and Equipment and Intangible Assets are depreciated/amortised over their estimated useful life, after taking into account estimated residual value.

Management reviews the estimated useful life and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The useful life and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes.

The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

c **Expected Credit Loss**

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, customer relationship, customer type and rating).

For the purpose of measuring lifetime expected credit loss allowance of trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which considers historical credit loss experience and adjusted for forward-looking information.

(All amounts are in INR Million, unless otherwise stated)

3. PROPERTY, PLANT AND EQUIPMENT:

Particulars	Freehold Land	Right to use Assets	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles	Computer	Total
Gross Block								
As at 1 April 2023	136.36	53.41	1,593.87	1,868.66	85.77	71.99	32.39	3,842.45
Additions	-	3.75	14.59	39.26	0.05	0.00	3.92	61.58
Disposals	-	-	-	0.21	-	3.73	0.32	4.26
Translation Reserve	-	0.74	(54.22)	(43.28)	(0.80)	(0.24)	(0.37)	(98.18)
As at 31 March 2024	**136.36**	**57.90**	**1,554.24**	**1,864.43**	**85.02**	**68.02**	**35.62**	**3,801.59**
Additions	-	-	4.64	106.20	2.80	0.10	1.34	115.08
Disposals	-	-	0.02	15.35	-	1.03	1.14	17.54
Translation Reserve	-	1.32	(7.11)	(5.33)	(0.10)	(0.03)	(0.04)	(11.29)
As at 31 March 2025	**136.36**	**59.22**	**1,551.75**	**1,949.95**	**87.72**	**67.06**	**35.78**	**3,887.84**
Depreciation and Amortisation								
As at 1 April 2023	-	4.59	297.13	829.08	55.23	43.71	23.70	1,253.44
Charge for the Year	-	1.95	52.64	103.20	2.13	5.91	4.33	170.16
Deductions	-	-	-	0.14	-	3.55	0.31	4.00
Translation Reserve	-	0.02	(3.64)	(8.54)	(0.14)	(0.16)	(0.24)	(12.70)
As at 31 March 2024	**-**	**6.56**	**346.13**	**923.60**	**57.22**	**45.91**	**27.47**	**1,406.89**
Charge for the Year	-	2.00	59.79	90.54	4.26	5.09	3.85	165.53
Deductions	-	-	0.01	7.04	-	0.98	1.09	9.12
Translation Reserve	-	0.07	(0.74)	(1.51)	(0.03)	(0.03)	(0.03)	(2.27)
As at 31 March 2025	**-**	**8.63**	**405.17**	**1,005.59**	**61.45**	**49.99**	**30.20**	**1,561.03**
Net Block								
As at 31 March 2024	136.36	51.34	1,208.11	940.83	27.80	22.11	8.15	2,394.70
As at 31 March 2025	**136.36**	**50.59**	**1,146.58**	**944.36**	**26.27**	**17.07**	**5.58**	**2,326.81**

Notes:

a. For charges created on aforesaid assets, refer note 15.

b. The amount of borrowing costs capitalised during the year ended 31 March 2025 is INR 68.05 million (Previous year: INR 94.49 million).

c. The Group had received government assistance amount in form of waiver of Duty under EPCG scheme in earlier years which has been netted off against the respective value of the PPE / CWIP. The same is received to compensate the import cost of the PPE wherein conditions relating to export of goods are subsidiary conditions. For pending export commitments, refer note 32.

d. During the year ended 31 March 2024, the Holding Company had performed an operational review of the balance useful life of certain items of equipments and building. As a result, there was an increase in useful life with corresponding decrease in depreciation amount. The effect of this change on depreciation expense for the year ended 31 March 2024 and 31 March 2025 was INR 5.09 million and INR 20.31 million respectively and for year ended 31 March 2026 is INR 19.54 million.

Capital work-in-progress (CWIP):

Particulars	Amount
As at 31 March 2025	**1,766.72**
As at 31 March 2024	1,681.13

Capital work-in-progress Ageing :

Particulars	Amount in CWIP for year ended				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at 31 March 2025					
Projects in Progress	152.77	185.60	716.29	712.06	**1,766.72**
Projects temporarily Suspended	-	-	-	-	-
As at 31 March 2024					
Projects in Progress	217.16	750.84	708.62	4.51	**1,681.13**
Projects temporarily Suspended	-	-	-	-	-

Note:

Capital projects pertaining to Fill Finish and BSL-3 appearing under CWIP relates to expansion of manufacturing facility which have experienced delays due to factors such as:

• Changes in project scope and design

• Delay in administrative approvals

Management is actively monitoring the progress of above project in accordance with the expected milestones critical for the completion.

(All amounts are in INR Million, unless otherwise stated)

4 OTHER INTANGIBLE ASSETS:

Particulars	Software	Product registration fees	Total
Gross Block			
As at 1 April 2023	11.23	4.27	15.50
Additions	1.85	1.49	3.34
Disposals / Adjustments	-	-	-
As at 31 March 2024	**13.08**	**5.76**	**18.84**
Additions	2.58	-	2.58
Disposals / Adjustments	5.36	3.95	9.31
As at 31 March 2025	**10.30**	**1.81**	**12.11**
Depreciation and Amortisation			
As at 1 April 2023	7.66	3.17	10.83
Charge for the Year	1.10	0.48	1.58
Deductions	-	-	-
As at 31 March 2024	**8.76**	**3.65**	**12.41**
Charge for the Year	1.85	0.64	2.49
Deductions	5.35	3.72	9.07
As at 31 March 2025	**5.26**	**0.57**	**5.83**
		-	
Net Block			
As at 31 March 2024	4.32	2.11	6.43
As at 31 March 2025	**5.04**	**1.24**	**6.28**

Intangible assets under development:

Particulars	Amount
As at 31 March 2025	**60.29**
As at 31 March 2024	32.89

Intangible asset under Development Ageing:

Particulars	Amount in Intangible Assets Under Development for year ended				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at 31 March 2025					
Project in Progress	28.60	18.25	8.43	5.01	**60.29**
Project temporarily Suspended	-	-	-	-	**-**
As at 31 March 2024					
Project in Progress	19.45	8.43	5.01	-	**32.89**
Project temporarily Suspended	-	-	-	-	**-**

(All amounts are in INR Million, unless otherwise stated)

5 NON CURRENT INVESTMENTS:

Particulars	As at 31 March 2025	As at 31 March 2024
Investment in Joint Venture entity:		
Unquoted Investments in equity instruments - at cost (Fully paid)		
Thrishool Exim Limited 1,674 (31 March 2024: 1,674) Equity shares of TSHS 10,000 each	340.51	299.27
Total	**340.51**	**299.27**

Note:

1. The above joint venture is accounted for using the equity method in Consolidated Financial Statements.
2. Below is the summarised financial information of joint venture:

Summarised Balance Sheet:

Particulars	As at 31 March 2025	As at 31 March 2024
Cash & cash equivalents	81.11	87.02
Other current assets	373.47	271.09
Non-current assets	31.92	25.58
Current liabilities	112.77	34.30
Equity	373.73	349.39
Proportion of Group's Ownership	50%	50%

Summarised Statement of Profit and Loss:

Particulars	As at 31 March 2025	As at 31 March 2024
Revenue from contracts with customers	1,211.84	958.88
Cost of goods sold	865.30	723.43
Depreciation & amortisation	3.88	3.63
Finance cost	0.74	0.81
Employee benefit expense	34.73	21.62
Other expense	191.72	76.62
Profit before tax	115.47	132.77
Income tax expense	33.47	40.60
Profit for the year	82.00	92.17
Total comprehensive income for the year	82.00	92.17
Share of HBL %	50%	50%
Share of profit from Joint venture	**41.00**	**46.09**

Summary of movement of investment in joint venture entity:

Particulars	As at 31 March 2025	As at 31 March 2024
Opening balance	299.27	253.05
Add: Share of profit in Joint Venture entity	41.00	46.09
Unrealised gain/(loss) on inter-company transaction	0.24	0.14
Closing carrying value	340.51	299.27

6 OTHER FINANCIAL ASSETS:

(Unsecured, Considered Good)

Particulars	Non Current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Bank Deposits with maturity of more than 12 months - Margin Money Deposit	16.14	7.37	-	-
Security Deposit	39.68	30.49	123.00	123.00
Export Incentives Receivables	-	-	2.21	4.14
GST Refund Receivable	-	-	20.37	19.32
Gratuity Fund (Refer note 36)	-	-	-	3.21
Interest Accrued	-	-	46.50	34.39
Others	-	-	9.62	3.67
Total	**55.82**	**37.86**	**201.70**	**187.73**

(All amounts are in INR Million, unless otherwise stated)

7 OTHER ASSETS:

(Unsecured, Considered Good)

Particulars	Non Current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Capital Advances	15.95	20.29	-	-
Advance Tax (Net of Provision for tax)	9.73	4.75	-	-
Advances to Suppliers	-	-	61.28	67.54
Advances to Employees	-	-	4.61	1.80
Prepaid Expenses	-	-	16.80	12.72
Balance with Government Authorities	-	-	102.02	122.50
Total	**25.68**	**25.04**	**184.71**	**204.56**

8 INVENTORIES:

(At lower of cost and net realisable value)

Particulars	As at 31 March 2025	As at 31 March 2024
Raw Materials	63.10	77.04
Work-in-Progress	100.61	126.00
Finished Goods	311.52	350.85
Traded goods	114.70	118.45
Stores & Spares	60.55	37.65
Packing Materials	53.29	45.82
Total	**703.77**	**755.81**

Note:

a. During the year ended 31 March 2025, INR 3.12 million (Previous year: INR 4.68 million) was recognised as an expense for finished goods inventories carried at net realisable value.

b. For charges created on aforesaid assets, refer note 20.

9 TRADE RECEIVABLES:

Particulars	As at 31 March 2025	As at 31 March 2024
Secured, considered good	-	-
Unsecured, considered good	731.81	786.45
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	53.71	9.00
Total	785.52	795.45
Less : Impairment allowance (allowance for doubtful debts)	(53.71)	(9.00)
Total	**731.81**	**786.45**

Notes:

a. For dues from the related parties, refer note 35.

b. For charges created on aforesaid assets, refer note 20.

Trade Receivable Ageing as on 31 March 2025 outstanding from due date of payment:

Particulars	Not Due	< 6 Months	6 Month -1 Year	1-2 Year	2-3 Year	>3 Year	Total
(i) Undisputed Trade receivables (considered good)	394.63	195.48	52.89	25.64	42.21	16.07	726.92
(ii) Undisputed Trade Receivables (considered doubtful)	-	-	-	-	42.73	1.00	43.73
(iii) Disputed Trade Receivables (considered good)	-	-	-	-	-	12.00	12.00
(iv) Disputed Trade Receivables (considered doubtful)	-	-	-	-	-	2.87	2.87
	394.63	195.48	52.89	25.64	84.94	31.94	785.52
Less: Impairment allowance (allowance for doubtful debts)							(53.71)
Total	**394.63**	**195.48**	**52.89**	**25.64**	**84.94**	**31.94**	**731.81**

(All amounts are in INR Million, unless otherwise stated)

Trade Receivable Ageing as on 31 March 2024 outstanding from due date of payment:

Particulars	Not Due	< 6 Months	6 Month -1 Year	1-2 Year	2-3 Year	>3 Year	Total
(i) Undisputed Trade receivables (considered good)	392.49	256.32	21.23	90.52	15.13	3.89	779.58
(ii) Undisputed Trade Receivables (considered doubtful)	-	-	-	-	-	1.00	1.00
(iii) Disputed Trade Receivables (considered good)	-	-	-	-	-	12.00	12.00
(iv) Disputed Trade Receivables (considered doubtful)	-	-	-	-	-	2.87	2.87
	392.49	256.32	21.23	90.52	15.13	19.76	795.45
Less: Impairment allowance (allowance for doubtful debts)							(9.00)
Total	**392.49**	**256.32**	**21.23**	**90.52**	**15.13**	**19.76**	**786.45**

Trade receivables that are impaired at the balance sheet date and the movement of the allowance for expected credit losses of trade receivables are as follows:

Particulars	31 March 2025	31 March 2024
Opening provision	9.00	7.00
Additional allowance during the year	44.71	6.90
Less: Bad debts written off against allowance	-	(4.90)
Closing balance	53.71	9.00

10 CASH AND CASH EQUIVALENTS:

Particulars	As at 31 March 2025	As at 31 March 2024
Balance with Banks - In Current Accounts	52.40	109.93
Cash on Hand	3.47	13.14
Total	**55.87**	**123.07**

11 OTHER BANK BALANCES:

Particulars	As at 31 March 2025	As at 31 March 2024
Balance with Banks - Unpaid dividend accounts	3.78	4.41
Bank Deposits with original maturity of more than three months but less than twelve months - Margin Money Deposit	12.54	25.56
Total	**16.32**	**29.97**

12 LOANS:

(Unsecured, Considered Good unless otherwise stated)

Particulars	As at 31 March 2025	As at 31 March 2024
Loan to Employees	2.56	3.56
Loan to Others	55.00	55.00
Total	**57.56**	**58.56**

Disclosures pursuant to section 186(4) of the Companies Act, 2013:

Particulars	Purpose	As at 31 March 2025	As at 31 March 2024
Loan to Tamboli Trading LLP	Working Capital	-	55.00
Loan to Shubh Consultancy	Working Capital	55.00	-

13 SHARE CAPITAL:

Particulars	As at 31 March 2025	As at 31 March 2024
AUTHORISED CAPITAL		
11,200,000 (Previous Year 11,200,000) Equity Shares of INR 10 each	112.00	112.00
	112.00	**112.00**
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
8,506,865 (Previous Year 8,506,865) Equity Shares of INR 10 each fully paid up	85.07	85.07
Total	**85.07**	**85.07**

(All amounts are in INR Million, unless otherwise stated)

13.01 The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31 March 2025	As at 31 March 2024
Equity Shares at the beginning of the year	8,506,865	8,506,865
Changes during the year	-	-
Outstanding at the end of the year	**8,506,865**	**8,506,865**

13.02 Rights, preferences and restriction attached to shares:

The Holding Company has only one class of equity shares having par value of INR 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Each equity shareholder is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting except Interim Dividend declared during the year and Company pays the same in Indian Rupees. In the event of liquidation of the Company, the equity Shareholders are eligible to receive the remaining asset of the Company, after distribution of all preferential amounts, in proportion to the number of equity shares held.

The board has further recommended final dividend of INR 7 (Seven) per equity share (70%) for year 2024-25, subject to the approval of the shareholders.

13.03 Disclosure of Shareholding of Promoters and Promoter Group:

Disclosure of Shareholding of Promoters and Promoter Group as at 31 March 2025 is as follow:

Name	As at 31 March 2025		As at 31 March 2024		% Change during the Year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Rajiv Dinesh Gandhi	890,397	10.47	890,397	10.47	-
Sanjiv Dinesh Gandhi	697,820	8.20	697,820	8.20	-
Nina Rajiv Gandhi	696,340	8.19	696,340	8.19	-
Shaila Bhupendra Gandhi	491,300	5.78	491,300	5.78	-
Ravin Gandhi	403,320	4.74	403,320	4.74	-
Bela Gandhi	400,635	4.71	400,635	4.71	-
Bhupendra Vithaldas Gandhi	399,100	4.69	399,100	4.69	-
Biolink Healthcare Limited	248,838	2.93	248,838	2.93	-
Anup Chandravadan Kapadia	228,354	2.68	228,354	2.68	-
Hester Coatings LLP	64,000	0.75	64,000	0.75	-
Hester Diagnostics Private Limited	24,000	0.28	24,000	0.28	-
Hetal Sanjiv Gandhi	19,590	0.23	19,590	0.23	-
Yash Rajiv Gandhi	7,250	0.09	7,250	0.09	-
Total	**4,570,944**	**53.73**	**4,570,944**	**53.73**	**-**

Disclosure of Shareholding of Promoters and Promoter Group as at 31 March 2024 is as follow:

Name	As at 31 March 2024		As at 31 March 2023		% Change during the Year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Rajiv Dinesh Gandhi	890,397	10.47	890,397	10.47	-
Sanjiv Dinesh Gandhi	697,820	8.20	697,820	8.20	-
Nina Rajiv Gandhi	696,340	8.19	696,340	8.19	-
Ravin Gandhi	491,300	4.74	491,300	4.74	-
Bela Gandhi	403,320	4.71	403,320	4.71	-
Bhupendra Vithaldas Gandhi	400,635	4.69	400,635	4.69	-
Biolink Healthcare Limited	399,100	2.93	399,100	2.93	-
Anup Chandravadan Kapadia	248,838	2.68	248,838	2.68	-
Shaila Bhupendra Gandhi	228,354	5.78	228,354	5.78	-
Hester Coatings LLP	64,000	0.75	64,000	0.75	-
Hester Diagnostics Private Limited	24,000	0.28	24,000	0.28	-
Hetal Sanjiv Gandhi	19,590	0.23	19,590	0.23	-
Yash Rajiv Gandhi	7,250	0.09	7,250	0.09	-
Total	**4,570,944**	**53.73**	**4,570,944**	**53.73**	**-**

(All amounts are in INR Million, unless otherwise stated)

13.04 The details of shareholders holding more than 5% equity shares in the Company

Name of the Shareholders	As at 31 March 2025		As at 31 March 2024	
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
Rajiv Dinesh Gandhi	890,397	10.47	890,397	10.47
Sanjiv Dinesh Gandhi	697,820	8.20	697,820	8.20
Nina Rajiv Gandhi	696,340	8.19	696,340	8.19
Shaila Bhupendra Gandhi	491,300	5.78	491,300	5.78

14 OTHER EQUITY:

Particulars	As at 31 March 2025	As at 31 March 2024
Capital Reserve		
As per last Balance sheet	82.56	82.56
Securities Premium		
As per last Balance sheet	175.07	175.07
General Reserve		
As per last Balance sheet	392.26	392.26
Retained Earnings		
As per last Balance Sheet	2,150.89	2,030.42
Add: Profit for the year	274.88	188.89
Add: Other Comprehensive Income (Remeasurement gain/(loss) of defined benefit plans, net of tax)	(3.87)	(0.37)
Less: Dividend paid	51.04	68.05
	2,370.86	2,150.89
Foreign Currency Translation Reserve		
As per last Balance Sheet	32.08	31.92
Add: Movement during the year	4.65	0.16
	36.73	32.08
Total	**3,057.48**	**2,832.86**

Notes :

a **Capital reserve:** This is mainly used to record the reserves created on receipt of state/central subsidies, grant of the subsidiary company for the capital investment and amounts forfeited towards the forfeiture of Equity warrants issued. This reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.

b **Securities premium:** This represents the premium received on issue of shares over and above the face value of equity shares. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.

c **General Reserve:** Under the erstwhile Companies Act 1956, general reserves was created through an annual transfer of net income at specified percentage in accordance with applicable regulation. Consequent to the introduction of Companies Act 2013, the requirement of mandatorily transfer a specified percentage of the net profit to general reserves has been withdrawn. The reserve is available for utilisation in accordance with the provisions of the Companies Act, 2013.

d **Retained earnings:** This represents the amount that can be distributed by the Company as dividend considering the requirements of the Companies Act, 2013.

Distribution made and proposed	As at 31 March 2025	As at 31 March 2024
Cash dividend on equity shares declared and paid		
Final Dividend for the year ended 31 March 2024 INR 6 per share (for the year ended 31 March 2023 INR 8 per share)	51.04	68.05
	51.04	**68.05**
Proposed dividend on equity shares		
Final Dividend for the year ended 31 March 2025 INR 7 per share (for the year ended 31 March 2024 INR 6 per share)	59.55	51.04
	59.55	**51.04**

Proposed dividend on equity shares are subject to approval at the ensuing Annual General Meeting and are not recognised as a liability as at year end.

(All amounts are in INR Million, unless otherwise stated)

15	BORROWINGS (Long Term):		
	Particulars	**As at 31 March 2025**	**As at 31 March 2024**
	Secured Borrowings		
	Term Loans from Banks	222.94	365.94
	Term Loans from Others	1,025.70	1,000.86
	External Commercial Borrowings	533.32	709.69
	Hire Purchase Loans from Banks	-	0.42
		1,781.96	**2,076.91**
	Less: Current Maturities of Long Term Borrowings (Refer Note 20)		
	Term Loans from Banks	(98.01)	(116.83)
	Term Loans from Others	(205.14)	-
	External Commercial Borrowings	(145.13)	(138.80)
	Hire Purchase Loans from Banks	-	(0.42)
		(448.28)	**(256.05)**
	Total	**1,333.68**	**1,820.86**

Notes :

a) **The security details for the borrowing balances:**

Term Loans from Banks aggregating to INR 222.94 million (Previous year: INR 327.64 million) and External Commercial borrowing from Banks aggregating to INR 533.32 million (Previous year: INR 709.69 million) are secured by first charge on all immovable, movable assets and freehold land of the Company along with the personal guarantee of three directors.

Term Loans from Banks aggregating to INR Nil (Previous year INR 38.30 million) are secured by hypothecation on entire fixed assets, plant and machinery of the subsidiary.

Term Loans from Gates Foundation amounting to INR 1,025.70 million (Previous year INR 1,000.86 million) taken by Hester Biosciences Africa Limited, a wholly owned subsidiary, are secured by corporate guarantee issued by Hester Biosciences Limited, India.

Hire Purchase Loans from Banks aggregating to INR Nil (Previous year: INR 0.42 million) were secured by hypothecation of specific vehicle/car on paripassu basis.

b) **Repayment schedule for the borrowing balances:**

The secured term loans from banks aggregating to INR 21.66 million (Previous year: INR 37.50 million) are repayable over a period of 5 years in quarterly instalments upto FY 2026-27.

The secured term loans from banks aggregating to INR 17.89 million (Previous year: INR 45.17 million) are repayable over a period of 5 years in monthly instalments upto FY 2025-26.

The secured term loans from banks aggregating to INR 136.30 million (Previous year: INR 185.52 million) are repayable over a period of 5 years in quarterly instalments upto FY 2027-28.

The secured term loans from banks aggregating to INR 47.09 million (Previous year: INR 59.45 million) are repayable over a period of 4 years in monthly instalments upto FY 2028-29.

The secured loans of the subsidiary from banks aggregating to INR Nil (Previous year INR 5.88 million) has been repaid.

The secured loans of the subsidiary from banks aggregating to INR Nil (Previous year INR 32.42 million) has been repaid.

External Commercial Borrowing from banks aggregating to INR 533.32 million (Previous year: INR 709.69 million) are repayable over a period of 6 years in 21 quarterly instalments upto FY 2027-28.

The secured term loans from Gates Foundation aggregating to INR 1,025.70 million (Previous year: INR 1,000.86 million) are repayable over a period of 5 years in semi-annually instalments from FY 2025-26 to FY 2029-30.

The hire purchase loan from banks aggregating to INR Nil (Previous year: INR 0.42 million) has been repaid.

(All amounts are in INR Million, unless otherwise stated)

c) **Interest rates on borrowings:**

Interest rates on Term loan of the company is varying, which is linked to MCLR of bank, from time to time.

Interest rates on Term loan of the subsidiary is varying, which is linked to Base rate of Commercial bank of Nepal, from time to time.

Interest rates on Hire purchase loan was fixed at 9.26% p.a.

Interest rates on term loan from Gates Foundation is 3% p.a.

Interest rates on External Commercial Borrowing is varying, which is linked to 3 Months SOFR.

16 LEASE LIABILITIES:

Particulars	Non Current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Lease Liabilities	54.75	53.36	-	-
Total	**54.75**	**53.36**	**-**	**-**

Note:

The amount recognised in the consolidated statement of profit and loss in respect of right of use assets and lease obligation are as under:

Particulars	As at 31 March 2025	As at 31 March 2024
Amortisation of Right to use asset	2.00	1.95
Interest expense on lease liabilities	3.13	3.05
Expenses relating to short term leases	26.52	23.31

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	53.36	59.99
Foreign currency translation	1.32	(6.68)
Interest expense on lease liabilities	3.13	3.05
Cash outflow	(3.06)	(3.00)
Balance at the end of the year	**54.75**	**53.36**

17 OTHER FINANCIAL LIABILITIES:

Particulars	Non Current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Deposits	7.95	7.15	-	-
Unclaimed Dividends	-	-	3.78	4.42
Interest accrued	-	22.52	56.64	3.47
Creditors for Capital expenses	-	-	35.59	104.60
Payable to employees	-	-	7.00	5.80
Others	-	-	0.60	15.32
Total	**7.95**	**29.67**	**103.61**	**133.61**

18 PROVISIONS:

Particulars	Non Current		Current	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Provision for Leave Encashment	23.79	22.70	5.76	6.70
Provision for Gratuity (Refer note 36)	3.74	2.64	4.53	0.90
Total	**27.53**	**25.34**	**10.29**	**7.60**

(All amounts are in INR Million, unless otherwise stated)

19 OTHER LIABILITIES:

Particulars	Non Current As at 31 March 2025	Non Current As at 31 March 2024	Current As at 31 March 2025	Current As at 31 March 2024
Deferred Government Grant	500.00	500.00	-	-
Deferred Capital Grant	32.21	36.66	5.04	5.04
Advance from Customers	-	-	5.67	9.89
Payables to Statutory Authorities	-	-	16.52	13.77
Other Liabilities	-	-	32.28	32.13
Total	**532.21**	**536.66**	**59.51**	**60.83**

Following is the movement of Deferred Government Grant:

Particulars	As at 31 March 2025	As at 31 March 2024
Opening Balance	500.00	240.00
Add: Amount received during the year	-	260.00
Less: Released to statement of Profit and Loss during the year	-	-
Closing balance	**500.00**	**500.00**

The Holding Company has been sanctioned Government Grant of INR 600 million by BIRAC (Biotechnology Industry Research Assistance Council), Government of India enterprise to support the project "Proposal for Facility Augmentation to support Covid Vaccine Manufacturing" under the Mission Covid Suraksha Scheme of Government of India. The Holding Company has received INR Nil (Previous year: INR 260 million) during the year towards the capital equipment and INR Nil during the year (Previous Year: INR 49.80 million) towards the operating expense which is netted off with respective expenses.

Following is the movement of Deferred Capital Grant:

Particulars	As at 31 March 2025	As at 31 March 2024
Opening Balance	41.70	95.22
Add: Grant received during the year	-	-
Less: Released to statement of Profit and Loss during the year	(5.07)	(52.87)
Foreign Translation Reserve	0.62	(0.65)
Closing balance	**37.25**	**41.70**

Capital Grant received in subsidiaries from Gates Foundation and the Government of Netherlands relating to Buildings, Plant & Machineries and Equipment of the respective subsidiaries are accounted as deferred capital grant.

20 CURRENT BORROWINGS

Particulars	As at 31 March 2025	As at 31 March 2024
Loan Repayable on Demand		
- Cash Credit from Bank	295.79	313.51
Current Maturities of Long Term Borrowings (Refer Note 15)		
- Term Loans from Banks	98.01	116.83
- Term Loans from Others	205.14	-
- Hire Purchase Loans	-	0.42
- External Commercial Borrowings	145.13	138.80
Total	**744.07**	**569.56**

Note:

a. Cash Credit account of the Company is secured by first and exclusive hypothecation charge on all the current assets of the Company. It is also collaterally secured by Equitable Mortgage of Corporate office at Ahmedabad and hypothecation of unencumbered plant and machinery, stocks and trade receivable of the Company and personal guarantee of three directors.

b. Cash Credit account of the subsidiary is secured by hypothecation charge on stocks, plant and machinery and trade receivables of the subsidiary and personal guarantee of the Directors.

c. Interest Rates on Cash credit facilities are varying, which are linked to base rate of Bank, from time to time.

21 TRADE PAYABLES:

Particulars	As at 31 March 2025	As at 31 March 2024
Trade Payables	294.19	258.56
Total	**294.19**	**258.56**

(All amounts are in INR Million, unless otherwise stated)

Trade Payable Ageing as on 31 March 2025

Outstanding for the following period from due date of payment

Particulars	Unbilled	Not Due	< 1 Year	1-2 Year	2-3 Year	>3 Year	Total
Undisputed dues	101.01	67.22	119.10	1.73	0.34	4.79	294.19
Disputed dues	-	-	-	-	-	-	-

Trade Payable Ageing as on 31 March 2024

Outstanding for the following period from due date of payment

Particulars	Unbilled	Not Due	< 1 Year	1-2 Year	2-3 Year	>3 Year	Total
Undisputed dues	52.65	81.25	118.17	1.70	0.01	4.78	258.56
Disputed dues	-	-	-	-	-	-	-

22 CURRENT TAX LIABILITIES:

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for Current Tax (Net of advance tax)	40.17	24.56
Total	**40.17**	**24.56**

23 REVENUE FROM OPERATIONS:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(A) Sale of Goods	3,098.66	3,015.73
(B) Other Operating Revenue		
-Export Incentives	1.44	14.83
-Revenue from license fees and services	10.92	14.90
Total	**3,111.02**	**3,045.46**

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Revenue as per contracted price	3,112.72	3,047.79
Adjustments:		
Discount on prompt payment	1.70	2.33
Revenue from contract with customers	**3,111.02**	**3,045.46**

Note: For Revenue from contracts with customers disaggregated based on geography refer note 38(iii)

24 OTHER INCOME:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Interest Income		
- Bank deposits	2.10	2.03
- Others	18.27	17.04
Foreign exchange fluctuation (Net)	5.15	8.78
Liabilities no longer required written back (net)	0.99	-
Profit on sale of property, plant and equipment (net)	-	0.28
Rent income	4.86	6.05
Grant Income	5.07	52.87
Gain on lease adjustment	-	11.77
Other miscellaneous income	2.80	7.56
Total	**39.24**	**106.38**

(All amounts are in INR Million, unless otherwise stated)

25	COST OF RAW MATERIAL AND COMPONENTS CONSUMED:		
	Particulars	**Year ended 31 March 2025**	**Year ended 31 March 2024**
	Inventory at the beginning of the year	122.86	126.18
	Add: Purchased during the year	632.72	540.14
	Foreign currency translation	0.27	(0.32)
	Less: Inventory at the end of the year	116.39	122.86
	Total	**639.46**	**543.14**

26	PURCHASE OF TRADED GOODS:		
	Particulars	**Year ended 31 March 2025**	**Year ended 31 March 2024**
	Purchase of traded goods	175.99	328.23
	Total	**175.99**	**328.23**

26	PURCHASE OF TRADED GOODS:		
	Particulars	**Year ended 31 March 2025**	**Year ended 31 March 2024**
	Inventories at the End of the Year		
	-Finished Goods	311.52	350.85
	-Traded Goods	114.70	118.45
	-Work-in-Progress	100.61	126.00
		526.83	**595.30**
	Foreign currency translation	**0.69**	**(3.05)**
	Inventories at the Beginning of the Year		
	-Finished Goods	350.85	384.65
	-Traded Goods	118.45	144.14
	-Work-in-Progress	126.00	150.84
		595.30	**679.63**
	Total	**67.78**	**87.38**

28	EMPLOYEE BENEFITS EXPENSE:		
	Particulars	**Year ended 31 March 2025**	**Year ended 31 March 2024**
	Salaries & Wages	591.23	606.09
	Gratuity expense (Refer Note 36)	5.50	4.52
	Contributions to Provident Fund & Other Funds (Refer Note 36)	24.25	25.13
	Staff Welfare Expenses	3.26	5.58
	Total	**624.24**	**641.32**

29	FINANCE COST:		
	Particulars	**Year ended 31 March 2025**	**Year ended 31 March 2024**
	Interest Expenses	83.40	91.19
	Bank Charges	4.86	3.10
	Foreign exchange loss on borrowings	38.77	103.46
	Total	**127.03**	**197.75**

(All amounts are in INR Million, unless otherwise stated)

30 OTHER EXPENSES:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Power and Fuel	139.78	152.96
Consumption of Stores and Spares	83.54	89.87
Repairs & Maintenance		
- Plant and Machinery	27.87	18.22
- Building	4.81	4.22
- Others	12.46	16.09
Testing and inspection charges	4.73	5.75
Factory Expense	35.69	32.72
Freight Expense	144.91	135.25
Sales promotion expense	77.73	88.06
Commission on Sales	60.18	32.73
Royalty on Sales	23.83	20.48
Legal and Professional fees	54.45	36.84
Traveling & conveyance expense	163.16	169.24
Insurance Expense	13.47	12.18
Rent	26.52	23.31
Rates and Taxes	24.47	11.97
CSR Expenses	8.93	10.38
Provision for doubtful debts	44.71	6.90
Loss on Sale of Property, Plant and Equipment	4.86	-
Bad Debts written off	-	5.12
Less: Provision for Doubtful debt utilised	-	(4.90)
	-	0.22
Charity and donations	0.62	1.68
Directors' sitting fees	1.83	2.05
Miscellaneous Expenses	34.48	37.72
Total	**993.03**	**908.84**

31 TAX RECONCILIATION:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Statement of Profit and Loss		
Current tax		
Current income tax	126.71	107.26
Tax Adjustment of earlier years	(4.48)	-
Deferred tax		
Deferred tax expense	(14.78)	0.61
Income tax expenses reported in the Statement of Profit and Loss	**107.45**	**107.87**
OCI Section		
Other comprehensive income (OCI)		
Tax related to items recognised in OCI during the year		
Tax effect on Remeasurement gain/(loss) of defined benefit plans	1.37	0.17
Tax credit/(charged) to OCI	**1.37**	**0.17**

a. Reconciliation of tax expense and the accounting profit

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Profit before tax as per Statement of Profit and loss	395.71	319.53
Enacted Income Tax Rate applicable to Company	25.17%	25.17%
Expected Income Tax Expenses	**99.60**	**80.43**
Tax effects of :		
Non-deductible expenses	3.86	3.99
Tax netted off in share of profit of Joint Venture Entity	(10.32)	(11.60)
Deferred tax assets not created on losses of subsidiaries	24.19	35.52
Others	(9.88)	(0.47)
Total Tax	**107.45**	**107.87**
Effective Income Tax Rate	**27.15%**	**33.76%**

For the year ended 31 March 2025

(All amounts are in INR Million, unless otherwise stated)

b. Movement in deferred tax liabilities (net) for the year ended 31 March 2025

Particulars	Opening Balance as at 1 April 2024	Recognised in profit and loss	Recognised in other comprehensive income	Closing Balance as at 31 March 2025
Tax effect of items constituting deferred tax liabilities:				
Accelerated depreciation for tax purposes	85.80	6.45	-	92.25
Gratuity fund	0.48	(2.14)	-	(1.66)
	86.28	**4.31**	**-**	**90.59**
Tax effect of items constituting deferred tax assets:				
Expense allowed in the year of payment	7.94	7.27	-	15.21
Other adjustment	4.23	11.82	-	16.05
	12.17	**19.09**	**-**	**31.26**
Net deferred tax liabilities	**74.11**	**(14.78)**	**-**	**59.33**

Movement in deferred tax liabilities (net) for the year ended 31 March 2024

Particulars	Opening Balance as at 1 April 2023	Recognised in profit and loss	Recognised in other comprehensive income	Closing Balance as at 31 March 2024
Tax effect of items constituting deferred tax liabilities:				
Accelerated depreciation for tax purposes	81.90	3.91	-	85.80
Gratuity fund	1.74	(1.26)	-	0.48
	83.64	**2.65**	**-**	**86.28**
Tax effect of items constituting deferred tax assets:				
Expense allowed in the year of payment	6.01	1.93	-	7.94
Other adjustment	4.12	0.11	-	4.23
	10.13	**2.04**	**-**	**12.17**
Net deferred tax liabilities	**73.51**	**0.61**	**-**	**74.11**

32 COMMITMENTS:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	124.56	129.05
Export Commitments	1,046.57	1,306.64

33 CONTINGENT LIABILITIES NOT PROVIDED FOR:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Claims against the company not acknowledged as debts:		
Income Tax*	-	-

includes demand from Income Tax Authorities based on assessment/appeal orders and the Company is in appeal with higher authorities, and the Company has been advised that the decision will be in favour of the Company, and hence no provision has been made in the Consolidated Financial Statements. The matters are pending before respective appellate authorities and not yet settled.

34 EARNINGS PER SHARE:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Net Profit for the year	288.26	211.66
Weighted Average Number of Equity Shares	8,506,865	8,506,865
Basic and diluted Earnings per share (INR)	33.89	24.88
Nominal Value of Equity Share (INR)	10.00	10.00

(All amounts are in INR Million, unless otherwise stated)

35 RELATED PARTY DISCLOSURE:

As per Ind AS 24, the disclosures of transactions with the Related Parties are given below:

(i) List of Related Parties:

(a) Key Management Personnel

1. Mr. Rajiv Gandhi - CEO & Managing Director
2. Ms. Priya Gandhi -Executive Director
3. Mr. Nikhil Jhanwar - Chief Financial Officer (up to 6 November 2024)
4. Mr. Divyesh Maru - Chief Financial Officer (with effect from 12 November 2024)
5. Mr. Vinod Mali - Company Secretary & Compliance Officer

(b) Independent Directors

1. Ms. Sandhya Patel
2. Mr. Ashok Bhadakal
3. Mr. Ameet Desai
4. Mr. Anil Jain
5. Mr. Jatin Trivedi

(c) Relatives of key management personnel

1. Dr. Bhupendra Gandhi (Non-Executive Chairman)
2. Mr. Sanjiv Gandhi (Non-Executive Director)
3. Mr. Ravin Gandhi (Non-Executive Director)
4. Ms. Nina Gandhi (Non-Executive Alternate Director of Mr. Ravin Gandhi)

(d) Enterprises owned or significantly influenced by key management personnel or their relatives:

1. Hester Coatings LLP
2. Biolink Healthcare Limited
3. Hester Diagnostics Private Limited
4. Gujarat Polyplast Private Limited
5. Blue Ray Aviation Private Limited
6. Hester Aviation Services Private Limited
7. Gujarat Airconnect Private Limited
8. Aerotrans Services Private Limited
9. Y. J. Trivedi & Co.

(e) Joint venture entity

1. Thrishool Exim Limited

(ii) Transactions during the year with Related Parties:

	Particulars	Key Management Personnel/Relatives of Key Managerial Personnel		Enterprises Having Significant Influence		Total	
		2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
a)	Purchase of Goods	-	-	51.86	57.08	51.86	57.08
b)	Sales of Goods	-	-	74.98	63.40	74.98	63.40
c)	Commission Expense	-	-	-	4.99	-	4.99
d)	Professional Services Availed	-	-	0.26	0.33	0.26	0.33
e)	Reimbursement of Expenses	-	-	0.55	0.29	0.55	0.29
f)	Services Availed	-	-	6.17	2.98	6.17	2.98
g)	Sitting Fees	1.83	2.05	-	-	1.83	2.05
h)	Remuneration Paid	58.15	51.51	-	-	58.15	51.51
i)	Rent Income	-	-	4.80	6.00	4.80	6.00
k)	Rent Paid	-	-	3.00	3.00	3.00	3.00

(All amounts are in INR Million, unless otherwise stated)

(iii) Outstanding balances at the year-end:

	Particulars	Key Management Personnel/Relatives of Key Managerial Personnel		Enterprises Having Significant Influence		Total	
		2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
a)	Trade Receivables	-	-	55.27	42.66	55.27	42.66
b)	Trade Payables	-	-	6.92	24.51	6.92	24.51
c)	Loans & Advances	-	-	29.57	33.76	29.57	33.76
d)	Remuneration Payable	12.23	0.98	-	-	12.23	0.98

Notes:

a. The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave encashment, as it is determined on an actuarial basis for the Group as a whole.

b. Bank Facilities (Working capital limit, Term loans and External Commercial Borrowings) are secured by guarantee of Mr. Rajiv Gandhi, Mr. Sanjiv Gandhi and Dr. Bhupendra Gandhi, Directors of the Holding Company.

36 DEFINED BENEFIT OBLIGATIONS:

a) Defined Contribution Plans:

The Group made contribution towards provident fund to defined contribution retirement benefit plans for qualifying employees. The provident fund plan is operated by the regional provident fund commissioner, the Group required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefit.

The Group recognised INR 24.25 million (2023-24: INR 25.13 million) for provident fund and other funds in the Statement of Profit and Loss. The contributions payable to this plan by the Group are at rates specified in the rules of the scheme. The Group has no further obligations under the plan beyond its monthly contributions.

b) Defined Contribution Plans:

The Company made annual contribution to the employees' Group Gratuity Cash Accumulation Scheme of the Life Insurance Corporation of India, a funded benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or a part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The present value of define benefit obligation and the related current service cost were measured using the projected unit credit method as per actuarial valuation carried out at balance sheet date.

The following table sets out the funded status of the gratuity plan and the amount recognised by the Group's financial statement as at 31 March 2025.

BALANCE SHEET

(i) Change in the Present Value of Defined Benefit Obligation

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Defined Benefit Obligation at Beginning of the Year	52.90	45.89
Current Service Costs	5.48	4.87
Interest Cost on Defined Benefit Obligation	3.82	3.33
Actuarial (Gain) / Loss on Defined Benefit Obligation	4.89	0.18
Benefits paid during the Year	(9.21)	(1.37)
Defined Benefit Obligation at End of the Year	**57.88**	**52.90**

(ii) Change in Plan Asset

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Fair Value of Plan Assets at the Beginning of the Year	52.57	50.56
Expected Return on Plan Assets	3.79	3.68
Contribution made during the Year	3.00	0.18
Benefits paid during the Year	(9.21)	(1.37)
Actuarial Loss on Plan Assets	(0.54)	(0.48)
Fair Value of Plan Assets at the End of the Year	**49.61**	**52.57**

(All amounts are in INR Million, unless otherwise stated)

	Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(iii)	**Disclosure in Balance Sheet**		
	Defined Benefit Obligation at the End of the Year	(57.88)	(52.90)
	Fair Value of Plan Assets at the end of the Year	49.61	52.57
	Unfunded Status [(Deficit)/Surplus]	(4.73)	(3.54)
	Funded Status [(Deficit)/Surplus]	(3.54)	3.21
	Net (Liability)/Asset Recognised in the Balance Sheet of the Company	**(3.54)**	**3.21**
	Net (Liability)/Asset Recognised in the Balance Sheet of the subsidiary	**(4.73)**	**(3.54)**

	Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(iv)	**Reconciliation - Balance Sheet**		
	Net (Asset)/Liability at the Beginning of the Year	0.33	(4.67)
	Expenses Recognised in Statement of Profit or Loss	5.50	4.52
	Expenses/(Income) Recognised in Other Comprehensive Income	5.43	0.66
	Employers Contribution Paid	(3.00)	(0.18)
	Net Liability/(Asset) at the End of the Year	**8.27**	**0.33**

STATEMENT OF PROFIT AND LOSS

	Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(v)	**Expenses recognised during the Year**		
	In Income Statement		
	Current Service Costs	5.48	4.87
	Interest Cost	0.02	(0.35)
	Expenses Recognised in Statement of Profit or Loss	**5.50**	**4.52**
	In Other Comprehensive Income		
	Actuarial (Gain) / Loss	4.89	0.18
	Return on Plan Assets	0.54	0.48
	Expenses Recognised in Other Comprehensive Income	**5.43**	**0.66**

	Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(vi)	**Assumptions used-Holding company**		
	Discount rate	6.59%	7.21%
	Rate of return on plan asset	6.59%	7.21%
	Salary escalation	6.00%	6.00%
	Attrition rate	For service 4 years and below 30% p.a. For service 5 years and above 9% p.a.	For service of 4 years and below 20% p.a. For service of 5 years and above 6% p.a.

	Particulars	Year ended 31 March 2025	Year ended 31 March 2024
(vii)	**Assumptions used-Subsidiary company**		
	Discount rate	6.55%	7.18%
	Salary escalation	10.00%	10.00%
	Attrition rate	20.00%	20.00%

(viii) Sensitivity Analysis - Impact on defined benefit obligation

Particulars	Year ended 31 March 2025	
	Increase	**Decrease**
Change in discounting rate (delta effect of +/- 1%)	(3.15)	3.55
Change in rate of salary increase (delta effect of +/- 1%)	3.20	(2.95)
Change in rate of employee turnover(delta effect of +/- 1%)	0.07	(0.09)

Particulars	Year ended 31 March 2024	
	Increase	**Decrease**
Change in discounting rate (delta effect of +/- 1%)	(3.42)	3.90
Change in rate of salary increase (delta effect of +/- 1%)	3.61	(3.29)
Change in rate of employee turnover(delta effect of +/- 1%)	0.25	(0.30)

(All amounts are in INR Million, unless otherwise stated)

(ix) The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Insurance funds	49.61	52.57
% of total plan assets	100%	100%

(x) The following payments are expected contributions to the defined benefit plan in future years:

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Within the next 12 months (next annual reporting period)	7.60	6.00
Between 2 and 5 years	23.86	19.61
Between 6 and 10 years	23.70	20.07
Beyond 10 years	37.16	53.83
Total expected payments	**92.32**	**99.51**

(xi) a. The weighted average duration of the projected benefit obligation at the end of the reporting period is 7 years (31 March 2024: 9 years) in respect of the Holding Company.

b. The weighted average duration of the projected benefit obligation at the end of the reporting period is 5 years (31 March 2024: 5 years) in respect of the subsidiary.

37 FINANCIAL INSTRUMENTS, FAIR VALUE MEASUREMENTS, FINANCIAL RISK AND CAPITAL MANAGEMENT:

(i) Financial Instruments:

(a) Category-wise Classification of Financial Instruments:

Particulars	Refer Note	As at 31 March 2025		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Investments in joint venture entity	5	-	340.51	340.51
Trade receivables	9	-	731.81	731.81
Cash and cash equivalents	10	-	55.87	55.87
Other balances with banks	6 & 11	-	32.46	32.46
Loans	12	-	57.56	57.56
Other financial assets	6	-	241.38	241.38
Total		**-**	**1,459.59**	**1,459.59**
Financial liabilities				
Borrowings	15 & 20	-	2,077.75	2,077.75
Trade payables	21	-	294.19	294.19
Other financial liabilities	17	-	111.56	111.56
Lease Liabilities	16	-	54.75	54.75
Total		**-**	**2,538.25**	**2,538.25**

Particulars	Refer Note	As at 31 March 2024		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Investments in joint venture entity	5	-	299.27	299.27
Trade receivables	9	-	786.45	786.45
Cash and cash equivalents	10	-	123.07	123.07
Other balances with banks	6 & 11	-	37.34	37.34
Loans	12	-	58.56	58.56
Other financial assets	6	-	218.22	218.22
Total		**-**	**1,522.91**	**1,522.91**
Financial liabilities				
Borrowings	15 & 20	-	2,390.42	2,390.42
Trade payables	21	-	258.56	258.56
Other financial liabilities	17	-	163.28	163.28
Lease Liabilities	16	-	53.36	53.36
Total		**-**	**2,865.62**	**2,865.62**

(All amounts are in INR Million, unless otherwise stated)

(b) Category-wise Classification of Financial Instruments:

The financial instruments are categorised into three levels, based on the inputs used to arrive at fair value measurement as described below:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Inputs based on unobservable market data.

There are no financial assets and liabilities which are measured at Fair value through profit and loss or Fair value through OCI, and all financial assets and liabilities are carried at amortised cost. Therefore, disclosure with respect to fair value measurement hierarchy of financial instruments is not required.

(ii) Financial risk management

The Group's activities are exposed to variety of financial risks. These risks include market risk (including foreign exchange risk and interest rate risks), credit risks and liquidity risk. The Group's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Group through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

(a) Market risk:

Market risk refers to the possibility that changes in the market rates may have impact on the Group's profits or the value of its holding of financial instruments. The Group is exposed to market risks on account of foreign exchange rates and interest rates.

(i) Foreign currency exchange rate risk:

The Group's foreign currency risk arises from its foreign operations, foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Group.

The major foreign currency exposure for the group is denominated in USD. Additionally, transactions entered into in other currencies are not significant in relation to the total volume of the foreign currency exposures.

The following table sets forth information relating to foreign currency exposure from non-derivative financial instruments:

Particulars	Liabilities		Assets	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
USD	1,621.16	1,742.06	106.39	199.04

The above table represents total exposure of the Group towards foreign exchange denominated assets and liabilities.

For the years ended 31 March 2025 and 31 March 2024, every 1% depreciation/appreciation in the exchange rate between the Indian rupee and value in the respective currencies for the above mentioned financial assets/liabilities would affect the Groups' net profit by approximately INR 15.15 million and INR 15.43 million respectively.

Particulars	Impact on Profit & Loss		Impact on Equity	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
USD Sensitivity				
Rupee/USD - Increase by 1%	(15.15)	(15.43)	(15.15)	(15.43)
Rupee/USD - Decrease by 1%	15.15	15.43	15.15	15.43

(ii) Interest Rate Risk:

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group is exposed to fluctuations in interest rates of respective currency loans carrying a floating rate of interest and USD External Commercial Borrowing carrying a floating SOFR linked interest rate.

Variable-rate instruments	As at 31 March 2025	As at 31 March 2024
Term Loans from Banks and others	222.94	365.94
External commercial borrowings	533.32	709.69
Cash Credit from Bank	295.79	313.51
Total	**1,052.05**	**1,389.14**

(All amounts are in INR Million, unless otherwise stated)

Sensitivity analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates.

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Group does not have any designate derivatives (interest rate swaps). The exposure of Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	Impact on Profit & Loss	
	As at 31 March 2025	As at 31 March 2024
a) Long Term - Borrowings Sensitivity		
Increase by 1%	(7.56)	(10.76)
Decrease by 1%	7.56	10.76
b) Short Term - Borrowings Sensitivity		
Increase by 1%	(2.96)	(3.14)
Decrease by 1%	2.96	3.14

(b) Credit Risk:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The customers are categorised based on the nature of transaction and the credit risk associated with them is managed through credit approvals, establishing credit limits and continuously monitoring of the creditworthiness of the counterparty to which the Group grant credit terms in the normal course of business. The Group uses publicly available financial information and its own trading records to rate its major customers.

The Group has used expected credit loss (ECL) model for assessing the impairment loss. For this purpose, the Group uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

Other receivables consist primarily of security deposits, loans and other receivables. The risk of default is assessed as low.

(c) Liquidity Risk:

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity.

Maturity Profile of financial liabilities as at 31 March 2025

Particular	Within 1 Year	1-2 Years	2-5 Years	> 5 Years	Total
Borrowings	744.07	468.75	864.93	-	2,077.75
Trade Payable	294.19	-	-	-	294.19
Othe Financial Liabilities	103.61	7.95	-	-	111.56
Lease Liabilities	-	0.57	2.89	51.29	54.75
Total	**1,141.87**	**477.27**	**867.82**	**51.29**	**2,538.25**

Maturity Profile of financial liabilities as at 31 March 2024

Particular	Within 1 Year	1-2 Years	2-5 Years	> 5 Years	Total
Borrowings	569.56	495.84	1,118.65	206.37	2,390.42
Trade Payable	258.56	-	-	-	258.56
Othe Financial Liabilities	133.61	29.67	-	-	163.28
Lease Liabilities	-	1.56	11.59	40.96	54.11
Total	**961.73**	**527.07**	**1,130.24**	**247.33**	**2,866.37**

(iii) Capital management

The capital structure of the Group consists of equity, debt, cash and cash equivalents. The Group's objective for capital management is to maintain the capital structure which will support the Group's strategy to maximise shareholders' value, safeguarding the business continuity and help in supporting the growth of the Group.

As at 31 March 2025, the Group meets its capital requirement through equity and borrowings. The Group monitors its capital and debt on basis of debt to equity ratio.

(All amounts are in INR Million, unless otherwise stated)

The debt-equity ratio for the reporting period is as follow:

Particulars	As at 31 March 2025	As at 31 March 2024
Total borrowings including Lease liabilities	2,132.50	2,444.53
Total Equity	3,266.56	3,028.75
Debt-Equity ratio	**0.65**	**0.81**

38 SEGMENT INFORMATION:

(i) Identification of Segments:

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Management committee (the 'Chief Operating Decision Maker' as defined in Ind AS 108 Operating Segments), in deciding how to allocate resources and in assessing performance. The Group is principally engaged in manufacturing of Poultry vaccines and Large Animal Vaccines and trading of Poultry, Large animal and Pet health products. The CEO and Managing Director (CMD) and Senior management of the Group constitutes the CODM of the Group.

The Group has two principal operating and reporting segments viz. Poultry healthcare and Animal healthcare (Ruminant and Pet). The accounting policies adopted for segment reporting are in line with the accounting policies of the Group.

(ii) Information about product and services:

Particulars	Poultry Healthcare	Animal Healthcare	Others	Total
Year Ended 31 March 2025				
Segment Revenue				
Revenue from operations	1,674.54	1,436.48	-	3,111.02
Identifiable Segment Expenses	(1,404.70)	(1,162.47)	-	(2,567.17)
Segment Results	**269.84**	**274.01**	**-**	**543.85**
Less: Unallocable Finance Cost				127.03
Add: Share of Profit in Joint Venture Entity				41.00
Less: Other Unallocable Expense (net)				62.11
Net Profit Before Tax				**395.71**
Less: Tax Expense				107.45
Net Profit after Tax				**288.26**
Year Ended 31 March 2024				
Segment Revenue				
Revenue from operations	1,452.51	1,325.06	267.89	3,045.46
Identifiable Segment Expenses	(1,268.87)	(1,039.16)	(199.02)	(2,507.05)
Segment Results	**183.64**	**285.90**	**68.87**	**538.41**
Less: Unallocable Finance Cost				197.75
Add: Share of Profit in Joint Venture Entity				46.09
Less: Other Unallocable Expense (net)				67.22
Net Profit Before Tax				**319.53**
Less: Tax Expense				107.87
Net Profit after Tax				**211.66**

Other Information

Particulars	Poultry Healthcare	Animal Healthcare	Others	Total
Year Ended 31 March 2025				
Segment Assets	2,614.37	1,946.57	2.85	4,563.79
Unallocated Assets				1,970.06
Total				**6,533.85**
Segment Liabilities	170.32	312.68	-	483.00
Unallocated Liabilities				2,784.29
Total				**3,267.29**
Non cash items	38.03	(6.06)	-	31.97
Capital Expenditure	149.37	26.23	55.05	230.65

(All amounts are in INR Million, unless otherwise stated)

Year Ended 31 March 2024				
Segment Assets	2,453.54	2,139.12	2.78	4,595.44
Unallocated Assets				2,028.03
Total				**6,623.47**
Segment Liabilities	177.66	327.55	2.85	508.06
Unallocated Liabilities				3,086.66
Total				**3,594.72**
Non cash items	5.74	(64.47)	-	(58.72)
Capital Expenditure	153.38	14.34	-	167.72

Notes:

a. The management has revised the reportable segments, pursuant to a change in the internal reporting reviewed by the Chief Operating Decision Maker (CODM) for evaluation and performance assessment. Accordingly, "Petcare" has been merged with "Animal Healthcare" to reflect the integrated operational structure and strategic alignment based on the nature of activities performed by the Company. The segment information for comparative periods has been restated in accordance with Ind AS 108 - Operating Segments.

b. Others segment include sale of other Pharmaceutical products.

c. Unallocated assets and liabilities includes capital work in-progress, capital advances and capital creditors related to BSL-3 facility, as the same is yet to be capitalised.

(iii) Secondary Reportable Segment (Geographical):

Particulars	In India	Outside India	Total
Segment Revenue			
As at 31 March 2025	**2,609.48**	**501.54**	**3,111.02**
As at 31 March 2024	2,391.70	653.76	3,045.46
Non-current operating assets			
As at 31 March 2025	**2,998.22**	**1,187.56**	**4,185.78**
As at 31 March 2024	2,860.20	1,279.99	4,140.19

Information about major customers:

The Group did not have any external revenue from a particular customer which exceeded 10% of total revenue.

39 ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013:

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated total comprehensive income	Amount
Holding Company								
Hester Biosciences Limited	103.81%	3,390.87	110.46%	318.42	(610.79%)	(3.63)	108.98%	314.79
Subsidiary Company (Indian)								
Texas Lifesciences Private Limited	2.25%	73.55	3.86%	11.13	(39.66%)	(0.24)	3.77%	10.90
Subsidiary Company (Foreign)								
Hester Biosciences Nepal Private Limited	3.61%	117.79	2.71%	7.81	-	-	2.70%	7.81
Hester Biosciences Africa Limited	(5.51%)	(180.03)	(35.62%)	(102.69)	859.81%	5.11	(33.78%)	(97.58)
Hester Biosciences Kenya Limited	1.85%	60.50	(0.03%)	(0.09)	(173.31%)	(1.03)	(0.39%)	(1.12)
Joint Venture Entity								
Thrishool Exim Limited	10.42%	340.51	14.22%	41.00	-	-	14.19%	41.00
Non-Controlling interest in Subsidiary Companies	3.80%	124.01	4.64%	13.39	(31.97%)	(0.19)	4.57%	13.20
Inter company transaction	(20.22%)	(660.64)	(0.25%)	(0.71)	0.96	0.57	(0.05%)	(0.14)
Total	**100.00%**	**3,266.56**	**100.00%**	**288.26**	**100.00%**	**0.59**	**100.00%**	**288.85**

40 OTHER STATUTORY INFORMATION:

a) The Group has utilised the borrowings from banks and financial institutions for the specific purpose for which it was taken.

b) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous year.

c) The Group has not advanced or loaned or invested funds (either borrowed funds or security premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

d) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

41 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:

The Group evaluates events and transactions that occur subsequent to the Balance Sheet date prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the Financial Statements. As of 9 May 2025 there was no subsequent event to be recognised or reported that are not already disclosed elsewhere in these Consolidated Financial Statements.

42 MAINTENANCE OF BOOKS OF ACCOUNTS

The Indian Subsidiary Company uses an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, which was enabled from 8 February 2025 and the same has operated throughout the balance period till 31 March 2025 for all relevant transactions recorded in the accounting software.

43 RECENT PRONOUNCEMENTS

The Ministry of Corporate Affairs (MCA), through notification dated 7 May 2025, amended Ind AS 21 “The Effects of Changes in Foreign Exchange Rates” to provide guidance on determining the spot exchange rate when exchangeability between two currencies is lacking. The amendment also introduces related disclosure requirements:

- New guidance on assessing when a currency is not exchangeable into another and how to estimate the spot exchange rate in such cases,
- Additional paragraphs on recognition, measurement, and disclosure to address these scenarios, including new application guidance and disclosure requirements.

These amendments are effective for annual reporting periods beginning on or after 1 April 2025. The Group is evaluating the potential impact of the application of this amendment on its financial statements.

44 Previous year figures have been regrouped / reclassified, where necessary, to conform to this year’s classification.

In terms of our report attached
For Chandulal M. Shah & Co.
Firm Registration No.: 101698W
Chartered Accountants

Irshad I. Mansuri
Partner
Membership No.: 135475
Date 9 May 2025
Place Ahmedabad

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Divyesh Maru
Chief Financial Officer

Vinod Mali
Company Secretary

Date 9 May 2025
Place Kadi, Mehsana

TEN-YEAR FINANCIAL STATISTICS

(All amounts are in INR Million, unless otherwise stated)

YEAR ENDED ON 31 MARCH	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sale	982.36	1,234.87	1,319.14	1,703.53	1,540.23	1,909.04	2,155.02	2,490.87	2,840.92	2,863.22
Other Operational Income	26.56	20.91	33.39	8.34	154.02	175.74	38.49	49.13	10.63	1.44
REVENUE FROM OPERATIONS	**1,008.92**	**1,255.78**	**1,352.53**	**1,711.87**	**1,694.25**	**2,084.77**	**2,193.51**	**2,540.00**	**2,851.55**	**2,864.66**
Other Income	8.72	7.26	18.77	30.97	29.26	16.48	46.57	53.23	42.62	47.64
TOTAL INCOME	**1,017.64**	**1,263.04**	**1,371.30**	**1,742.84**	**1,723.51**	**2,101.25**	**2,240.08**	**2,593.23**	**2,894.17**	**2,912.30**
TOTAL EXPENSES	**769.15**	**932.17**	**934.23**	**1,145.33**	**1,311.23**	**1,500.64**	**1,707.52**	**2,153.99**	**2,526.85**	**2,494.70**
(a) Cost of material consumed	157.68	177.67	217.04	227.32	211.31	241.75	370.74	292.81	326.86	388.58
(b) Purchase of Stock-in-trade	67.59	88.05	78.42	137.26	171.89	252.09	392.97	553.71	565.95	448.37
(c) (Increase)/decrease in inventories	(29.75)	33.21	(62.35)	(72.45)	(155.74)	40.14	(125.26)	(47.71)	103.64	99.65
(d) Employee benefits expenses	154.40	183.23	222.88	267.42	371.56	334.51	391.19	479.17	567.20	547.63
(e) Finance Cost	36.86	32.08	23.16	35.43	50.34	39.47	24.68	64.97	50.93	53.67
(f) Depreciation and amortisation expense	57.32	55.09	54.51	75.66	93.85	96.33	95.02	97.88	97.78	85.81
(g) Other Expenses	325.05	362.84	400.57	474.70	568.02	496.35	558.18	713.16	814.49	870.99
PROFIT BEFORE EXCEPTIONAL ITEMS	**248.49**	**330.87**	**437.07**	**597.51**	**412.28**	**600.61**	**532.56**	**439.24**	**367.32**	**417.60**
Exceptional Items	-	-	-	-	-	(52.78)	-	-	-	-
PROFIT BEFORE TAX	**248.49**	**330.87**	**437.07**	**597.51**	**412.28**	**547.83**	**532.56**	**439.24**	**367.32**	**417.60**
Tax Expenses	56.26	81.47	131.49	158.99	100.05	148.82	137.39	115.82	95.73	99.18
PROFIT AFTER TAX	**192.23**	**249.40**	**305.58**	**438.52**	**312.23**	**399.01**	**395.17**	**323.42**	**271.59**	**318.42**

BALANCE SHEET AS AT 31 MARCH	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
SOURCES OF FUNDS :										
Share Capital	85.07	85.07	85.07	85.07	85.07	85.07	85.07	85.07	85.07	85.07
Other Equity	929.40	1,135.85	1,375.71	1,709.30	1,945.73	2,290.74	2,599.27	2,838.75	3,042.05	3,305.80
Grants	-	-	-	-	-	-	-	240.00	500.00	500.00
Borrowings	340.61	363.27	388.49	323.54	393.99	162.04	1,224.66	1,650.25	1,342.67	1,050.50
TOTAL	**1,355.08**	**1,584.18**	**1,849.27**	**2,117.90**	**2,424.79**	**2,537.86**	**3,909.00**	**4,814.07**	**4,969.79**	**4,941.37**
APPLICATION OF FUNDS :										
Property, Plant & Equipments and Intangible assets	720.38	821.45	972.13	1,012.26	976.38	904.12	1,662.18	2,568.24	2,748.59	2,881.62
Investments	86.70	86.02	144.78	282.19	406.71	438.85	646.89	646.89	646.89	646.89
Non-Current Assets	51.47	128.81	96.67	113.93	152.57	81.12	270.63	82.54	55.86	79.10
Current Assets	671.51	748.12	891.30	994.02	1,214.99	1,396.06	1,664.72	2,160.48	2,044.12	1,852.35
Current liabilities	**(152.58)**	**(164.32)**	**(182.36)**	**(181.02)**	**(242.96)**	**(205.56)**	**(259.34)**	**(551.03)**	**(425.56)**	**(428.23)**
Provisions	(0.23)	(0.43)	(0.01)	(2.59)	(0.01)	(8.67)	(13.16)	(21.58)	(29.26)	(33.03)
Deferred Tax Liabilities	(22.18)	(35.46)	(73.23)	(100.89)	(82.89)	(68.06)	(62.92)	(71.47)	(70.85)	(57.33)
TOTAL	**1,355.08**	**1,584.18**	**1,849.27**	**2,117.90**	**2,424.79**	**2,537.85**	**3,909.00**	**4,814.07**	**4,969.79**	**4,941.37**
Equity Dividend	41%	53%	100%	110%	66%	100%	100%	80%	60%	70%

NOTES

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