



STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS ENDED ON 31 DECEMBER 2013

| PART I | | | | | | | Rs. In Million |
|----------------|-------------------------------------------------------------------------------------------|--------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|
| Sr.No. | Particulars | Quarter Ended | | | Nine Months Ended | | Year Ended |
| | | 31-12-2013 Unaudited | 30-09-2013 Unaudited | 31-12-2012 Unaudited | 31-12-2013 Unaudited | 31-12-2012 Unaudited | 31-03-2013 Audited |
| 1 | Manufacturing Sales | 144.12 | 142.19 | 173.07 | 435.62 | 465.74 | 618.08 |
| | Trading Sales | 14.51 | 10.75 | 13.94 | 36.39 | 15.07 | 32.96 |
| | Net Sales/ Income from Operations | 158.62 | 152.95 | 187.01 | 472.01 | 480.81 | 651.04 |
| 2 | Total Expenses | 124.81 | 114.06 | 127.43 | 354.06 | 330.90 | 470.93 |
| | (a) Cost of material consumed | 22.93 | 23.56 | 52.88 | 69.96 | 119.60 | 147.15 |
| | (b) Purchases of Stock in Trade | 9.13 | 9.65 | 9.63 | 29.20 | 17.35 | 31.76 |
| | (c) Change in inventories | -5.44 | -7.57 | -19.44 | -19.85 | -33.52 | -24.64 |
| | (d) Employee benefits Expenses | 18.86 | 22.82 | 25.01 | 66.84 | 64.84 | 90.62 |
| | (e) Depreciation | 16.30 | 12.72 | 11.34 | 38.38 | 30.65 | 43.95 |
| | (f) Other Expenses - mfg.exp. | 36.24 | 30.54 | 23.85 | 93.27 | 68.90 | 93.48 |
| | (g) Other Expenses - Selling, Admn. | 26.79 | 22.35 | 24.16 | 76.25 | 63.08 | 88.61 |
| 3 | Profit From Operations before other income, finance cost, & exceptional items. | 33.81 | 38.89 | 59.58 | 117.95 | 149.91 | 180.11 |
| 4 | Other Income | 0.86 | 0.28 | 0.23 | 1.42 | 0.58 | 2.34 |
| 5 | Profit from ordinary activities before finance costs & exceptional items | 34.67 | 39.17 | 59.81 | 119.37 | 150.49 | 182.45 |
| 6 | Interest | 9.20 | 10.10 | 8.34 | 28.52 | 23.14 | 32.18 |
| 7 | Profit from ordinary activities after finance cost but before exceptional items | 25.47 | 29.07 | 51.47 | 90.85 | 127.35 | 150.27 |
| 8 | Exceptional Items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9 | Profit from ordinary activities before tax | 25.47 | 29.07 | 51.47 | 90.85 | 127.35 | 150.27 |
| 10 | Tax Expense | 0.03 | 12.60 | 23.82 | 29.12 | 55.19 | 53.37 |
| 11 | Net Profit from ordinary activities after tax | 25.45 | 16.47 | 27.65 | 61.73 | 72.16 | 96.90 |
| 12 | Extraordinary Item | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 13 | Net Profit for the Period | 25.45 | 16.47 | 27.65 | 61.73 | 72.16 | 96.90 |
| 14 | Paid-up equity share capital (face value of Rs.10) | 85.07 | 85.07 | 85.07 | 85.07 | 85.07 | 85.07 |
| 15 | Reserves & Surplus | 0 | 0 | 0 | 0 | 0 | 593.68 |
| 16 | EPS (Rs.) (not annualised)(before and after extraordinary items) | 2.99 | 1.94 | 3.25 | 7.26 | 8.48 | 13.44 |
| PART II | | | | | | | |
| A | PARTICULARS OF SHARE HOLDING | | | | | | |
| 1 | Public shareholding: | | | | | | |
| | - Number of Share | 3962116 | 3962116 | 3956436 | 3962116 | 3956436 | 3985716 |
| | - % of Shareholding | 46.58 | 46.58 | 46.51 | 46.58 | 46.51 | 46.85 |
| 2 | Promoters and Promoter group shareholding | | | | | | |
| a) | Pledged / Encumbered | | | | | | |
| | - Number of shares | Nil | Nil | Nil | Nil | Nil | Nil |
| | - percentage of shares (as a % of the total shareholding of promoter and promoter group) | Nil | Nil | Nil | Nil | Nil | Nil |
| | - Percentage of shares (as a % of the total share capital of the Company) | Nil | Nil | Nil | Nil | Nil | Nil |
| b) | Non- encumbered | | | | | | |
| | - Number of shares | 4544684 | 4544684 | 4550364 | 4544684 | 4550364 | 4521084 |
| | - percentage of shares (as a % of the total shareholding of promoter and promoter group) | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| | - Percentage of shares (as a % of the total share capital of the Company) | 53.42 | 53.42 | 53.49 | 53.42 | 53.49 | 53.15 |
| B | INVESTOR COMPLAINTS | | | | | | |
| | | Quarter ended on 31st December, 2013 | | | | | |
| | Pending at the beginning of the quarter | | | | | | NIL |
| | Received during the quarter | | | | | | NIL |
| | Disposed of during the quarter | | | | | | NIL |
| | Remaining unresolved at the end of the quarter | | | | | | NIL |

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| REPORT ON SEGMENT REVENUE, RESULTS AND CAPITAL EMPLOYED | | | | | | | Rs. In Million |
|---------------------------------------------------------|--------------------------------------------------------------------------------|---------------|---------------|---------------|-------------------|---------------|----------------|
| Sr. No. | Particulars | Quarter Ended | | | Nine Months Ended | | Year Ended |
| | | 31-12-2013 | 30-09-2013 | 31-12-2012 | 31-12-2013 | 31-12-2012 | 31-03-2013 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 | Segment Revenue | | | | | | |
| | a. Poultry Vaccine | 145.59 | 143.76 | 174.34 | 439.99 | 468.14 | 622.47 |
| | b. Large Animal Health Product | 13.04 | 9.19 | 12.67 | 32.02 | 12.67 | 28.57 |
| | Total Income from Operations(Net) | 158.62 | 152.95 | 187.01 | 472.01 | 480.81 | 651.04 |
| 2 | Segment Results(Profit before Finance Cost, Exceptional Items and Taxes | | | | | | |
| | a. Poultry Vaccine | 35.53 | 45.23 | 60.50 | 129.64 | 151.18 | 183.61 |
| | b. Large Animal Health Product | -0.86 | -6.06 | -0.69 | -10.26 | -0.69 | -1.16 |
| | Total | 34.67 | 39.17 | 59.81 | 119.37 | 150.49 | 182.45 |
| | a. Finance Costs | 9.20 | 10.10 | 8.34 | 28.52 | 23.14 | 32.18 |
| | b. Exceptional Items | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | c. Other unallocable expenditure/(income) [Net] | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Profit before Tax | 25.47 | 29.07 | 51.47 | 90.85 | 127.35 | 150.27 |
| 3 | Segment Capital Employed | | | | | | |
| | a. Poultry Vaccine | 686.41 | 649.22 | 718.29 | 686.41 | 718.29 | 650.09 |
| | b. Large Animal Health Product | 271.30 | 31.78 | 15.09 | 271.30 | 15.09 | 23.82 |
| | c. Unallocated Capital Employed | 37.28 | 34.04 | 31.86 | 37.28 | 31.86 | 30.83 |
| | Total | 994.99 | 715.04 | 765.24 | 994.99 | 765.24 | 704.74 |

Notes:

1. The Board of Directors have approved the aforesaid working result at their meeting held on 28th January, 2014 after reviewed by the Audit Committee of the Company.
2. Segment wise reporting as defined in Accounting Standard (AS-17) is given separately.
3. Provision for taxation includes Current Tax of Rs. 33.29 million including deferred Tax of Rs.(4.17) million for the nine months ended as per AS-22.
4. The Auditors of the Company have carried out a "Limited Review" for the said Financial Results.
5. During the quarter, Company has made further investment by way of equity in wholly owned Subsidiary company namely "Hester Biosciences (Mauritius) Ltd." to the extent of Rs. 2.81 million.
6. The company has terminated its Joint Venture agreement with Ubio Biotechnology Private Limited for the manufacture of veterinary diagnostic kits.
7. The figures have been re-grouped / rearranged wherever necessary.

By order of the Board

Rajiv Gandhi
Rajiv Gandhi
CEO & Managing Director

Place: Ahmedabad
Date: 28.01.2014

Hester Biosciences Limited

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**The Board of Directors
Hester Biosciences Ltd
Ahmedabad.**

LIMITED REVIEW REPORT

We have reviewed the accompanying statement of un-audited financial results of **Hester Biosciences Ltd.**, having its registered office at 1st floor, 'Pushpak', Panchvati cross-roads, C.G. Road, Ahmedabad-380 006 for the quarter ended 31-12-2013, as well as nine months' period ended 31-12-2013 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe the accompanying statement of un-audited financial results prepared in accordance with applicable Accounting Standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place : Ahmedabad

Date : January 28, 2014



**For Shah Narielwala & Co.
Chartered Accountants
FRN:109708W**

Naishadh M. Shah

**Partner
Mem. No. 042323**



Ahmedabad
28 January 2014

PRESS RELEASE

Q3 Results

Hester has reported a turnover of Rs. 158.62 million as compared to Rs. 152.95 million for Q2 ended 30.09.2013 and Rs. 187.01 million in Q3 ended 31.12.2012.

On a cumulative basis for 9 months, Hester reported a turnover of Rs. 472.01 million as compared to Rs. 480.80 for the corresponding period last year.

Hester's PBT for Q3 is recorded at Rs. 25.47 million as compared to Rs. 29.07 million for Q2 ended 30.09.2013 and Rs. 51.47 million in Q3 ended 31.12.2012.

Reason for lower sales and lower profitability:

Hester was dependent on imports of intermediates for a few vaccines. There was a sudden discontinuation of the supplies of the intermediates. This forced Hester to discontinue those vaccines, which gave revenue of Rs. 150 million as well as had a high contribution in the profitability in the last financial year.

Proposed Remedies

1. The dependency on the imports has been removed and Hester would prelaunch those vaccines in the next financial year, thereby hoping to recover the lost sales and the profitability.
2. Most of the lost revenues have been recovered by sales of other products. All other products put together have shown a sizable increase in revenues, thereby getting the revenues more or less up to the level of last year.
3. There has been a reduction in the financial cost of borrowing from this quarter.

The current rationalisation in the product mix as well as a reduction in the financial costs for borrowing will not only ensure a revenue growth of above 40%, but also the restoration of profitability in the next financial year.

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