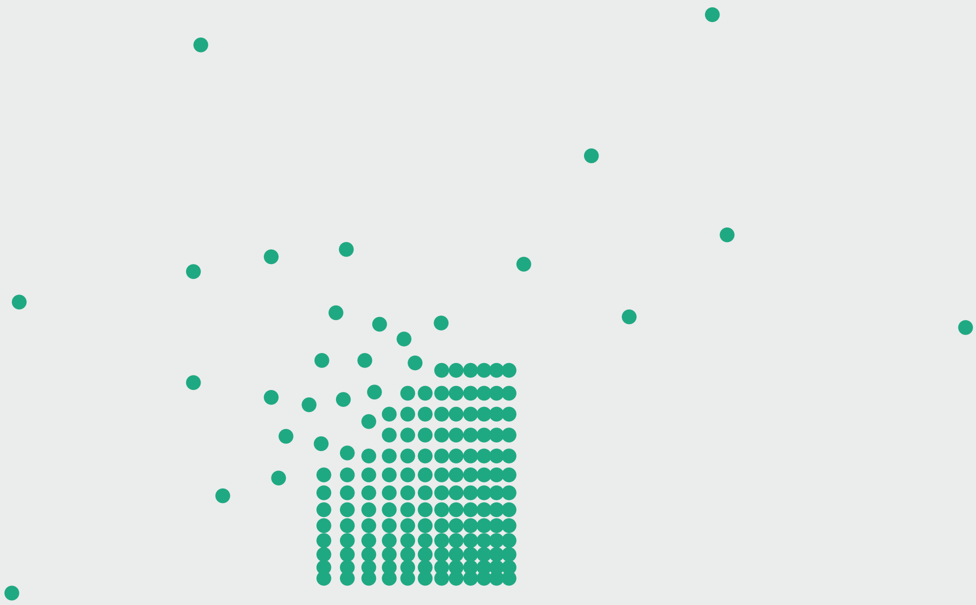
HESTER

Hester Biosciences Limited
37th Annual Report 2023-24

Unifying Our Mission, Leading Animal Health

HESTER

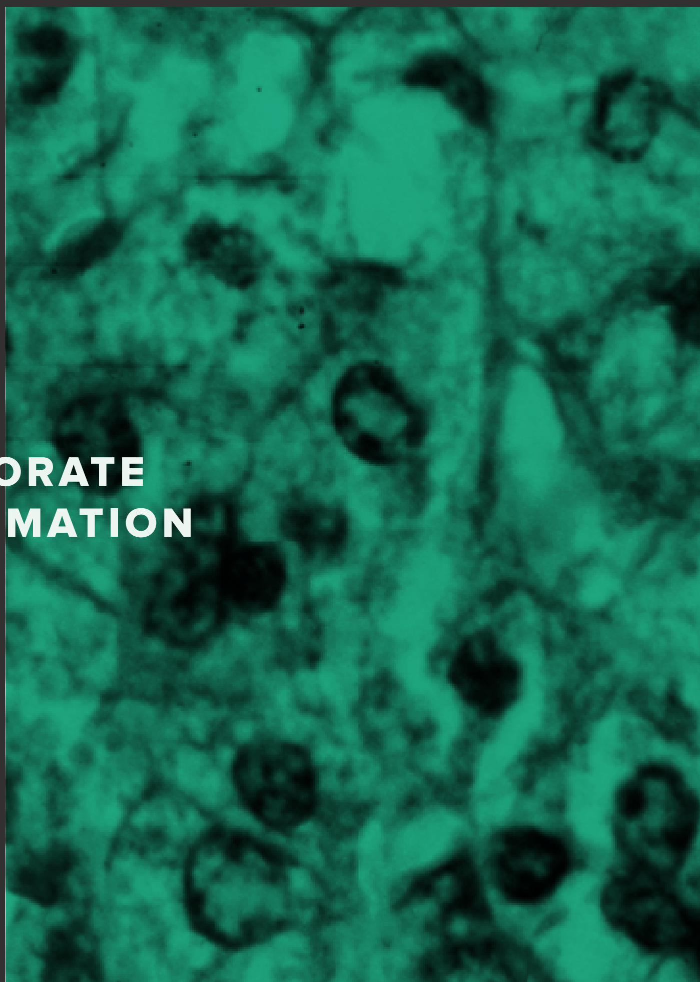


UNIFYING OUR MISSION, LEADING ANIMAL HEALTH

Hester Biosciences Limited

37th Annual Report 2023-24

CORPORATE INFORMATION



BOARD OF DIRECTORS

Dr. Bhupendra Gandhi	Chairman
Mr. Rajiv Gandhi	CEO & MD
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 RELATIONSHIP AND GRIEVANCES 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	

CHIEF FINANCIAL OFFICER

Mr. Nikhil Jhanwar

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Vinod Mali

REGISTERED & CORPORATE OFFICE

Pushpak, 1st Floor, Panchvati Circle, Motilal Hirabhai Road, Ahmedabad Gujarat - 380 006

MANUFACTURING UNIT

Village: Merda Adraj, Taluka: Kadi, District: Mehsana State: Gujarat - 382 721

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

REGISTRAR AND SHARE TRANSFER AGENTS

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, Ellisesbridge, Ahmedabad - 380 006

STOCK EXCHANGES

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

BANKER

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

ISIN INE782E01017

CIN L99999GJ1987PLC022333

FORWARD LOOKING STATEMENTS

From India's bustling markets to Africa's vibrant landscapes, Hester's reach is far and wide. Ground-breaking innovations and a steadfast commitment to animal health, mark the Company's journey to achieving consolidated revenues of ₹3 Billion. With each vaccine delivered, Hester is combating diseases and forging a safer, healthier world for all.

Hester embodies the theme 'Unifying Our Mission, Leading Animal Health,' showcasing its unwavering dedication to innovation and excellence in animal health. Through its efforts, the Company ensures safer and more reliable food sources and enhances both, animal and human health, demonstrating its extensive impact.

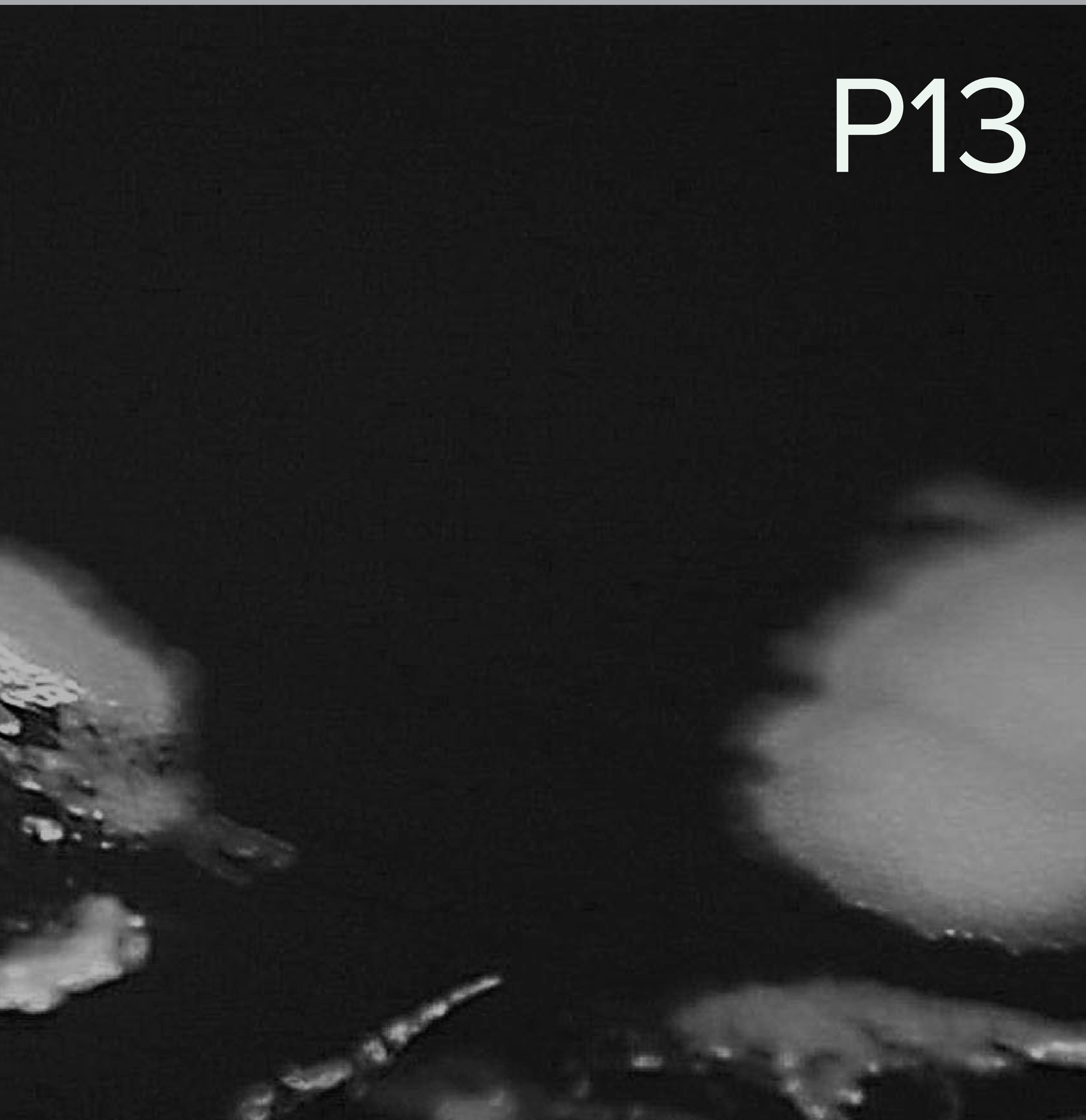
A key element of the Company's strategic initiatives is its commitment to supplying essential vaccines, such as Goat Pox and PPR, to the Government of India, supporting national immunisation programmes. This effort aligns with the Company's mission to safeguard animal health and contribute to public health security.

On the international front, Hester is making remarkable progress in markets like Africa, where it introduces vaccines specifically tailored for regional diseases. These initiatives not only enhance animal health but also bolster the economic stability and well-being of local communities.

Unified by a mission to lead in animal health, Hester continually pushes the boundaries of innovation. Hester's exceptional products and solutions contribute to a healthier, thriving world, reaffirming leadership in the field of animal healthcare.

CONTENTS

CORPORATE OVERVIEW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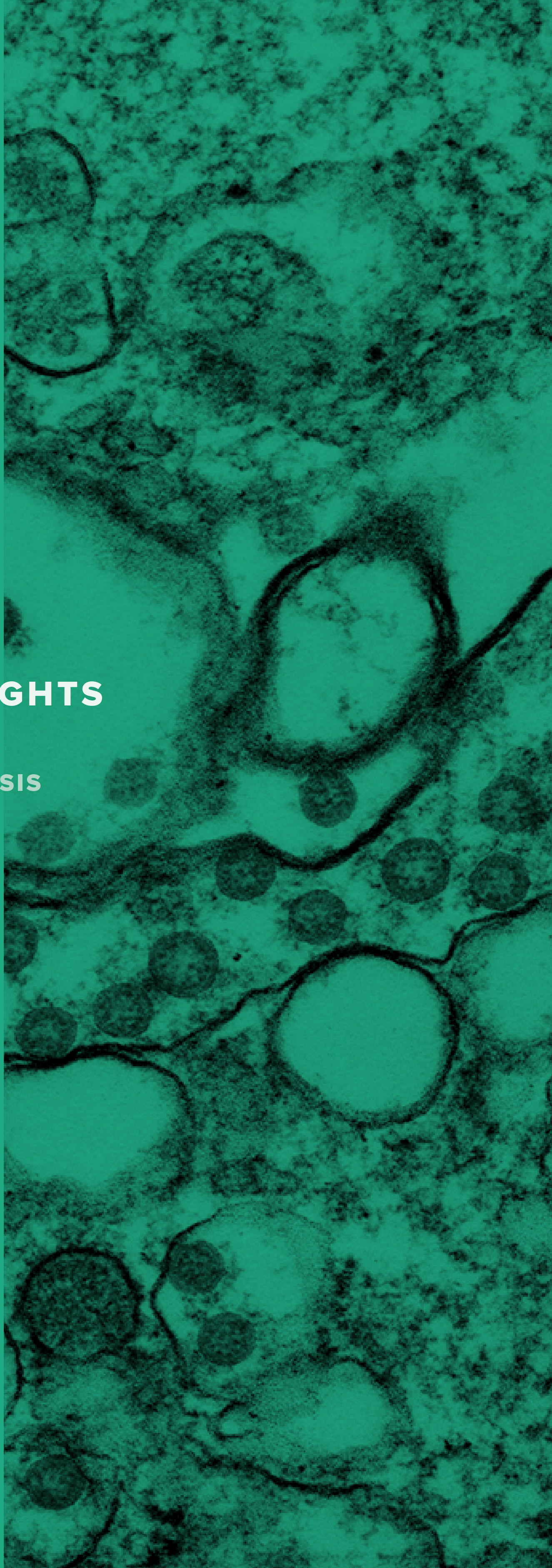
KEY HIGHLIGHTS OF FY24

STANDALONE BASIS



REVENUE FROM OPERATIONS ▲12%

₹2,851.55 MILLION

PROFIT AFTER TAX (PAT) 16% ▼

₹271.59 MILLION

EBIDTA ₹516.03 MILLION 14% ▼

RETURN ON EQUITY (ROE) 9%

DIVIDEND EQUITY RATIO 19%

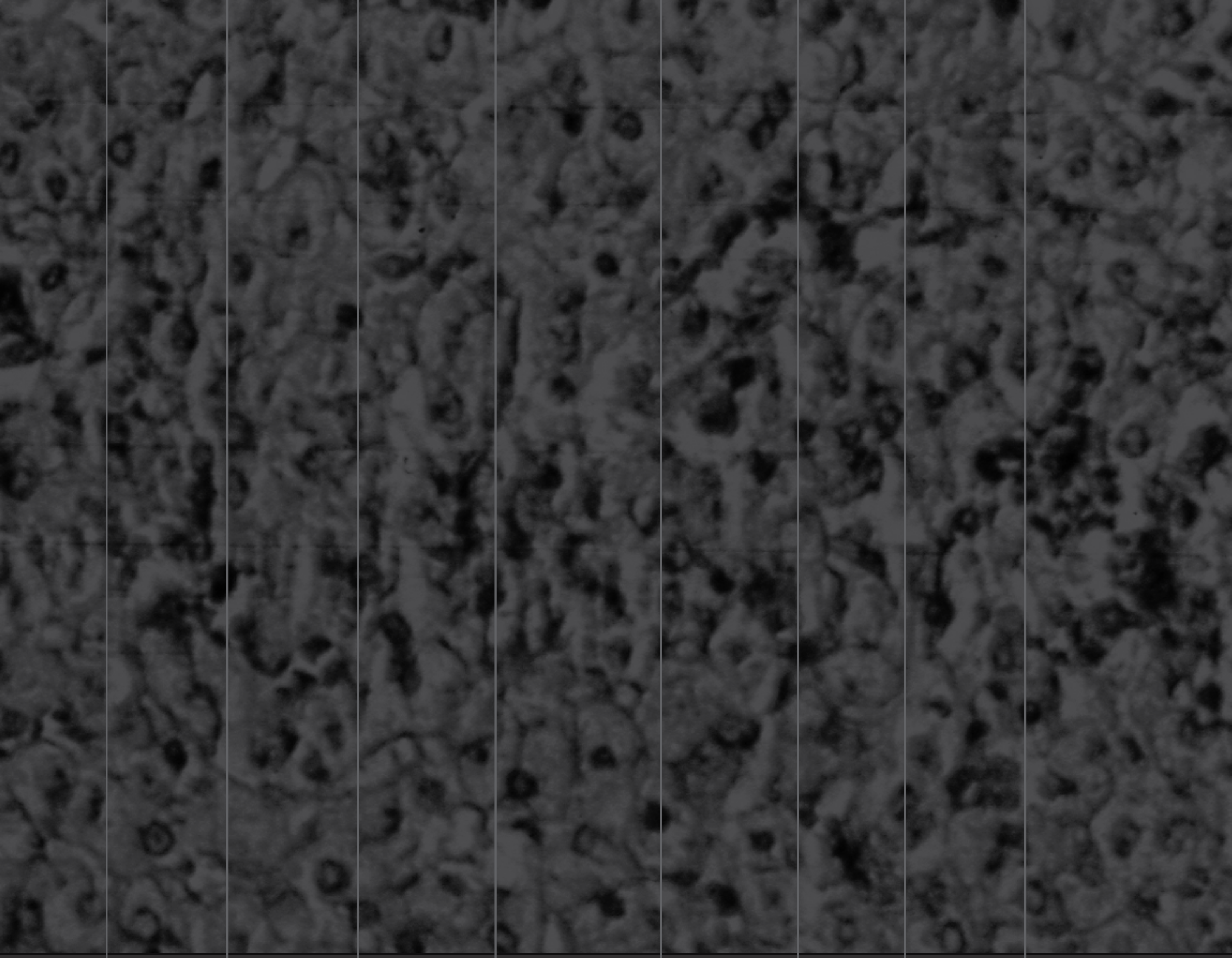
NET WORTH ₹3,127.12 MILLION

CSR SPENDINGS ₹10.38 MILLION

SIGNIFICANT MILESTONES

Charting a Visionary Path

1983	1987	1990	1994	1997	2007	2012
Commenced operations as a proprietary firm to distribute poultry medicines and feed additives, covering the districts of Thane and Raigadh in Maharashtra	Formed Hester Pharmaceuticals Private Limited, with the objective to acquire the exclusive marketing rights of overseas brands for the Indian market	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	Got listed on the Bombay Stock Exchange	Commenced the marketing of locally produced poultry vaccines	Expanded the manufacturing capacity fourfold	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 Livestock 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 ₹3 Billion in consolidated revenues

FROM THE LEADERSHIP DESK

RAJIV GANDHI
CEO & MD

PRIYA GANDHI
EXECUTIVE DIRECTOR

MESSAGE FROM THE CEO & MD

RAJIV GANDHI

DEAR ESTEEMED SHAREHOLDERS,

I am honoured to present to you the performance highlights of your Company for the financial year 2023-24.

This year has been about growth, transformation and new developments, driven by our commitment to innovation and respond to market dynamics. I am pleased to report a significant milestone in our financial performance this year, with our consolidated revenues reaching ₹3 Billion for the first time.

As part of our goal to become a comprehensive Animal Healthcare Company, we now have three divisions: poultry healthcare, animal healthcare and petcare, with petcare being the newest addition.

Last year, we focused on reducing our reliance on any single division, achieving a more balanced sales spread, enhancing our resilience to sector-specific downturns. While the pet division currently contributes the least, we are actively working to increase its contribution to match that of the poultry and animal divisions. We are now targeting local markets in India, Tanzania and Nepal across these three divisions.

PERFORMANCE OF HESTER INDIA

In the financial year 2023-24, on a standalone basis, Hester India achieved a net revenue from operations of ₹2,851.55 million, reflecting a notable growth of 12% compared to ₹2,540.00 million in the previous year.

Below is the analysis of the division-wise performance:

Poultry Healthcare Division on an Upswing

In the financial year 2023-24, the poultry healthcare division rebounded significantly. Last year, the industry faced challenges with high feed costs and low product prices, leading to fewer bird placements and longer collection cycles, which caused our sales to drop by 17%. This decline was reversed this year, with net revenues growing to ₹1,444.95 million, making it to 51% of our total sales. Our technical sales team has been key in supporting our customers on the ground, enhancing product usage and boosting customer satisfaction and loyalty.

The government's support in producing Avian Influenza vaccines, set to launch by Hester and other companies in the coming year, is a positive development for the poultry market. This, along with our strategic product launches tailored to market needs, has strengthened our position. We also prioritised technical sales services, including field performance monitoring, efficacy evaluation and vaccine administration.

We see significant growth opportunities in the poultry sector, supported by our focus on market trends and the development of improved poultry vaccines.

Animal Healthcare Division Stands Tall

Despite regulatory changes leading to the discontinuation of two key brands, the animal healthcare division has shown positive growth. The demand for Goat Pox Vaccine, due to the Lumpy Skin Disease outbreak in cattle and the PPR vaccine, under the National Immunisation Program, have driven this growth. The division's annual revenue increased by 10%, from ₹1,006.79 million in FY23 to ₹1,112.30 million in FY24, demonstrating our resilience.

Our commitment to innovation and quality has led to new product development and market expansion. Significant investment in R&D ensures our products meet high standards and evolving customer needs. Partnerships with veterinary institutions and active participation in industry forums have strengthened our market position.

We prioritise the Government of India's immunisation programs by consistently supplying Goat Pox and PPR vaccines. Acquiring tenders in the animal healthcare sector is crucial and we are actively engaged in this process.

Additionally, we have introduced three new specialised health products to broaden our portfolio. We aim to capitalise on growth opportunities in the dairy sector, expecting stable bottom-line growth alongside an increased top-line.

The Perseverant Petcare Division

Hester's Petcare division achieved a 49% growth in FY24 compared to FY23. The past year provided valuable insights for strategic planning and we see significant potential for exponential growth in petcare. We plan to introduce new products in pet food, supplements and prescription-based products to enhance our offerings.

The division has focused on expanding its distribution network and boosting marketing efforts to reach a wider audience. Collaborations with leading Petcare brands and participation in industry events have raised our profile and attracted new customers. We are committed to branding, product quality and introducing solutions that address unmet needs in the petcare segment.

FLOURISHING SUBSIDIARIES: OUR COHESIVE FORCE

Hester Nepal

In FY24, Hester Nepal achieved sustained growth, with revenues reaching ₹135 million. We have enough capacity to triple our current turnover.

The subsidiary has successfully executed various tenders for PPR vaccines and will continue to fulfil these commitments this year. Additionally, Hester Nepal plans to enhance poultry vaccine manufacturing to meet the export and domestic demands of middle and central Asian countries, specifically of smaller dose vaccine packs, thereby reducing the pressure on our Indian plant, in turn improving operational efficiency, across.

Hester Africa

In FY24, Hester Africa achieved a revenue of ₹52 million. Our focus products include vaccines for LSD (Lumpy Skin Disease), CBPP (Contagious Bovine Pleuropneumonia) and PPR (Peste De Petits Ruminants), which are significant to the African continent.

We are well-equipped to fulfill government orders, particularly in East and Central African countries and are actively developing a strong marketing & distribution network in these regions. Our strategic focus is on addressing region-specific animal diseases and strengthening our presence in African veterinary markets.

The Tanzanian Government is exploring disease immunisation programs and we are prepared to support these initiatives through a robust distribution network that serves both government and private sectors. Our distributors buy directly from us, ensuring supply to cattle and poultry farmers without sole reliance on government procurement or intermediaries.

GIVING IMPORTANCE TO ENVIRONMENT & SUSTAINABILITY

At Hester, we recognise the environmental impact of our operations and are committed to minimising our ecological footprint. We implement sustainable manufacturing practices, including water recycling and waste management. Our India plant now operates with a Zero Liquid Discharge (ZLD) mechanism and we have installed and commissioned a new 40 KLD Sewage Treatment Plant, replacing the old septic tanks.

We also collaborate with veterinary associations, non-profits and government bodies to advance animal health. Through vaccination camps and educational programs, we empower communities with the knowledge and resources to care for their animals.

ONWARDS AND UPWARDS FROM HERE...

We are excited about the future and the opportunities that lie ahead. Our stable performance provides valuable insights that guide our strategic focus as we move forward with meticulous mid-term and long-term strategies.

This year, we achieved significant milestones, including a 12% growth in standalone revenues for Hester India and substantial progress across our divisions. The poultry healthcare division rebounded with a 51% contribution to total sales, driven by our technical sales team's support and the anticipated launch of avian influenza vaccines. The animal healthcare division demonstrated resilience, achieving a 10% revenue increase despite regulatory challenges and we continue to prioritise innovation and partnerships to strengthen our market position. The petcare division saw a remarkable 49% growth, with plans to introduce new products along with expanding our distribution network.

Our subsidiaries, Hester Nepal and Hester Africa, also showcased growth and strategic advancements. Hester Nepal achieved sustained growth, increased its capacity for vaccine manufacturing to cater to regional and export markets.

Hester Africa focused on vaccines for critical diseases in the African continent, building a strong marketing network and distribution channels to serve both government and private sectors.

As we look to the future, we are focused on capturing local markets across India, Tanzania and Nepal, and expanding our presence in East and Central Africa. Our strategic initiatives include developing new products, enhancing operational efficiency and leveraging growth opportunities in sectors such as dairy and poultry.

I extend my heartfelt gratitude to our dedicated employees, loyal customers and valued shareholders for their unwavering support and trust in Hester Biosciences. Your confidence in us inspires our pursuit for excellence and innovation.

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

WARM REGARDS,
RAJIV GANDHI
CEO & MD

MESSAGE FROM THE EXECUTIVE DIRECTOR

PRIYA GANDHI

DEAR VALUED STAKEHOLDERS,

As we advance through another year of innovation and growth at Hester Biosciences, I am thrilled to share some key developments and our strategic vision for the future.

Our relentless pursuit of excellence in animal health continues to drive us forward, with significant progress in our research and development efforts. The development of our Lumpy Skin Disease (LSD) vaccine at the India plant is progressing well and we are optimistic about its imminent release. Currently, we supply our Goat Pox vaccine to combat LSD, but soon we will have a dedicated LSD vaccine that will play a crucial role in the immunisation programs led by the Government of India.

Looking ahead, we have identified several key areas for growth and development. In the realm of animal healthcare, we anticipate double-digit growth in the dairy sector and are prepared to capitalise on this trend by expanding our product offerings. Additionally, the small ruminant market is set to experience growth, prompting us to further extend our presence in this segment.

In poultry healthcare, we recognise the stabilising poultry industry as an opportunity for growth, driven by increasing demand for poultry products. We are focused on innovation, including the development of modified vaccines that will offer enhanced protection in poultry. Moreover, we are expanding our poultry division's product range by introducing feed supplements, which will strengthen our market position.

In the petcare sector, we are well-positioned to leverage our backend activities and anticipate significant benefits in the coming year. With an expected rise in pet adoption, we are ready to capture a substantial market share and address the evolving needs of pet owners. Our strategy includes launching prescription-based pet food specifically focusing on various health conditions such as mobility, obesity, renal and cardiac-related conditions for both dogs and cats. Being a healthcare company, we want to focus on healthcare-related solutions and this aligns perfectly with our strategy.

Your continued support and trust are vital to our success. As we move forward, we remain committed to exceeding expectations and building a future on a foundation of innovation and excellence.

WARM REGARDS,
PRIYA GANDHI
EXECUTIVE DIRECTOR

STANDALONE BASIS

Key Performance Indicators

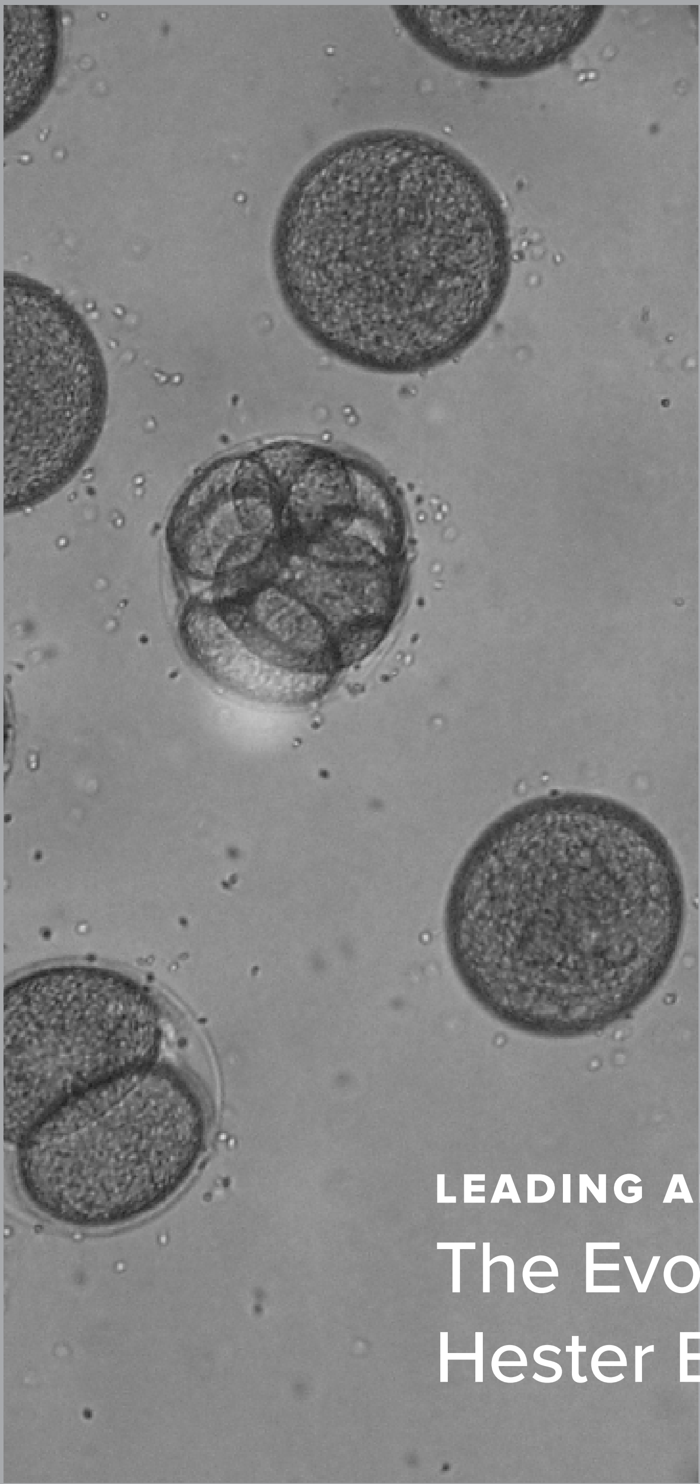
REVENUE FROM OPERATIONS (₹ MILLION)	FY20	FY21	FY22	FY23	FY24
▲ 10.74% CAGR	1,694.25	2,084.77	2,193.51	2,540.00	2,851.55

EBIDTA (₹ MILLION)	FY20	FY21	FY22	FY23	FY24
▼ -6.15% CAGR	556.47	683.63	652.26	602.09	516.03

DEBT EQUITY RATIO (IN TIMES)	FY20	FY21	FY22	FY23	FY24
	0.19	0.07	0.45	0.56	0.43

DIVIDEND PER SHARE (₹)	FY20	FY21	FY22	FY23	FY24
	6.60	10	10	8	6

RETURN ON EQUITY (%)	FY20	FY21	FY22	FY23	FY24
	16.33	18.11	15.62	11.53	8.98



LEADING ANIMAL HEALTH

The Evolution of Hester Biosciences

Hester is a fast-growing animal healthcare company globally and India's second-largest poultry vaccine manufacturer, headquartered in Ahmedabad, Gujarat. Established in 1987 as a small proprietary trading business, it has evolved into Asia's largest one-stop animal biological manufacturing facility. Today, Hester Biosciences is present in more than 30 countries.

Over the years, Hester has significantly expanded its capabilities and ventured into unexplored geographies, establishing a strong local presence in strategic regions. This expansion enables the Company to cater to a wide range of animal health needs, from poultry and livestock to pet animals.

The Company operates through five broad verticals: poultry vaccines, poultry health products, animal vaccines, animal health products and petcare products. Its comprehensive end-to-end solutions include mastitis control programmes for cattle, diagnostic labs and sero-profiling kits for poultry flocks, showcasing its unified approach to addressing diverse animal health challenges.

With a commitment to innovation and excellence, the Company continues leading the way in animal healthcare, ensuring a healthier future for animals and humans.

3

MANUFACTURING PLANTS

6.25

BILLION DOSES (INDIA)

1.24

BILLION DOSES (NEPAL)

1.50

BILLION DOSES (TANZANIA)

30+

COUNTRIES
(BUSINESS PRESENCE)

900+

DISTRIBUTORS

MISSION

Better health for human beings through healthier animals

VISION

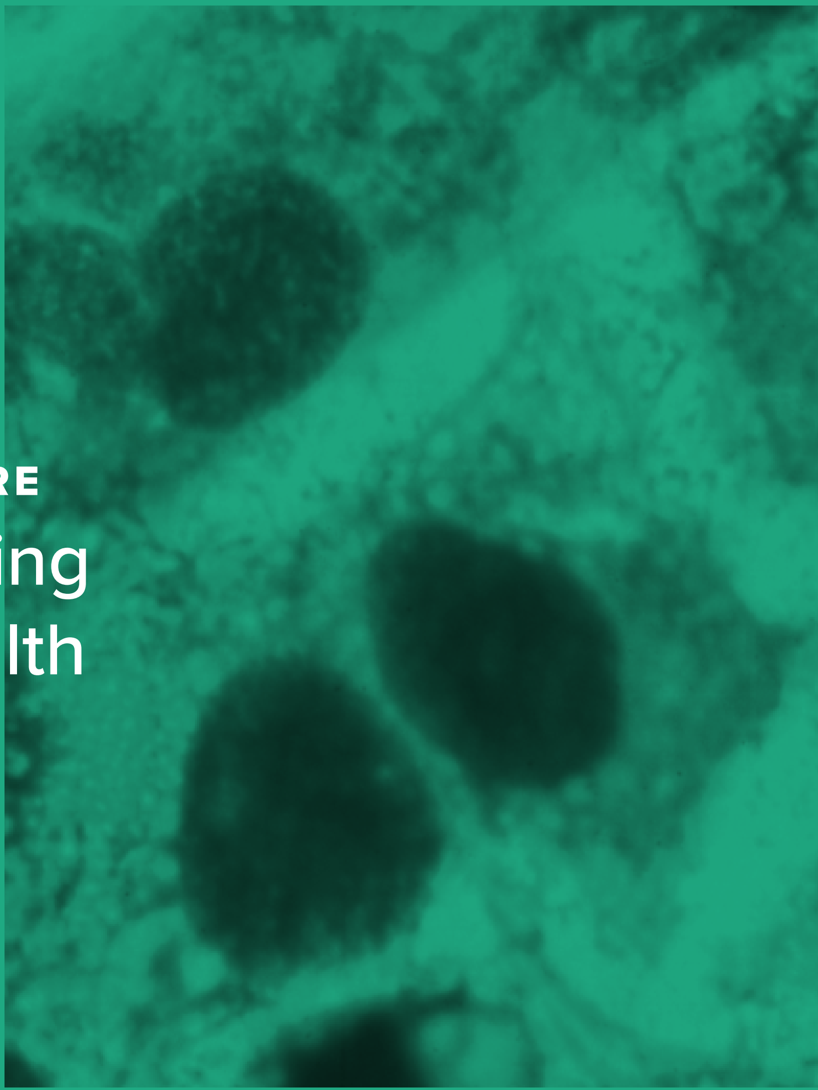
Building the future on a foundation of excellence

VALUES

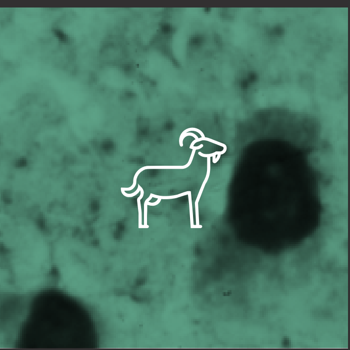
- INTEGRITY
- INNOVATION
- TRUST
- DISCIPLINE
- PASSION

PIONEERING
PROACTIVE CARE

Strengthening Animal Health



Over the years, Hester has developed an extensive portfolio that includes a variety of highly effective vaccines, cost-effective feed supplements and pharmaceutical medicines for the well-being of animals.



ANIMAL HEALTHCARE

Hester strives to develop solutions to combat diseases in animal healthcare on a large scale. Accordingly, the Company is positioned to participate globally in large-scale disease eradication programmes of organisations and governments.

The Animal Healthcare division offers a wide range of products, including vaccines, health products and diagnostic services.

VACCINES

Hester develops vaccines to protect large animals such as cattle, buffalo, sheep and goats from various diseases. Our extensive product range addresses critical diseases, enhancing livestock health and productivity, with a strong emphasis on quality and innovation. We support farmers and the livestock industry through reliable, effective vaccination solutions. Our portfolio includes six vaccines for livestock, covering diseases like Peste des Petits Ruminants (PPR), Goat Pox, Lumpy Skin Disease (LSD) etc.

HEALTHCARE PRODUCTS

Hester provides a diverse array of products to enhance animal health, focusing on disease management and overall vitality. 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 Feed Supplements.

DIAGNOSTIC SERVICES

Hester provides comprehensive diagnostic services for livestock, ensuring early and accurate disease detection. Our state-of-the-art laboratories offer a range of tests, including serological, molecular and microbiological diagnostics, aiding in effective disease management and prevention. By delivering precise and reliable results, Hester helps farmers maintain the health, productivity and profitability of their livestock, contributing to the overall sustainability of the agricultural sector.

VACCINES	HEALTHCARE PRODUCTS
PPR	PROTINC
GOAT POX	HIFCR
BRUCELLA ABORTUS	INOLIV PLUS
LSD (LUMPY SKIN DISEASE)	REPROPLUS GOLD
CBPP	ALLGONE
CCPP	CURX LA

POULTRY HEALTHCARE

India's vast poultry population is a source of food security and income for most farmers in the country. Hester's product portfolio addresses poultry disease outbreaks and nutritional gaps, given their impact on the economy and the farmers.

Poultry Healthcare division offers an extensive range of products including vaccines, heath products and diagnostic services.

VACCINES

Hester develops vaccines to combat various poultry diseases by utilising advanced platforms such as, Chick Embryo Origin, Continuous Cell Line, Tissue Culture and Fermentation-based live and inactivated vaccines.

With over 50 single and combination vaccines for poultry, Hester is the second-largest poultry vaccine manufacturer in India, with a significant market share. Our commitment to quality and innovation has established us as a trusted name in the global poultry health market.

HEALTHCARE PRODUCTS

Hester offers a comprehensive range of health solutions tailored for the poultry market. Renowned for quality and innovation, all the health products are designed to enhance poultry health, productivity and profitability, addressing key concerns like disease prevention and nutrition. Our commitment to research and development ensures the continuous improvement and expansion of product portfolio, making us a trusted partner for poultry farmers.

DIAGNOSTIC SERVICES

Hester supports farmers through a robust technical services department with specialised veterinarians at diagnostic laboratories in Kadi (Gujarat), Hyderabad (Telangana) and Kolkata (West Bengal). We offer comprehensive training on poultry diseases and farm management using advanced diagnostic facilities and sero-profiling for chicken flocks.

Our labs assess flock health, prescribe vaccines and create customised vaccination programs. We identify at-risk poultry, evaluate vaccination effectiveness, advise on immunisation strategies, confirm disease eradication and predict outbreaks; thereby enhancing biosecurity and sustainability. We offer feed and fodder analysis at no-cost to guide farmers and feeders, demonstrating our commitment to their success.

VACCINES	HEALTHCARE PRODUCTS
NEWCASTLE DISEASE	XESTER BH
INFECTIOUS BRONCHITIS	SHAKTIPRO P
INFECTIOUS BURSAL	HESTACHOLINE N
FOWL POX	TOXCINIL PLUS
MAREK'S DISEASE	HESTACOX SS
INFECTIOUS CORYZA	EFFIBOOST
FOWL CHOLERA	KLORCLEAN
INCLUSION BODY HEPATITIS	2XD3
FOWL TYPHOID (SALMONELLA)	ICEFT 4 G
AVIAN ENCEPHALOMYELITIS	HESTDOX N



PETCARE

The rise in awareness and education about petcare has significantly led to a rise in pet adoption rates. This increased awareness has also driven the trend of pet humanisation which has made pets integral family members. As a result, there is a growing demand for high-quality petcare products and services.

Awareness initiatives have played a crucial role in educating the public about responsible pet parenthood. These efforts have not only facilitated the distribution of essential pet products but has also emphasised the importance of proper petcare, further enhancing the bond between pets and their owners. This shift towards more informed and compassionate petcare practices continues to drive the growth of the petcare industry in India.

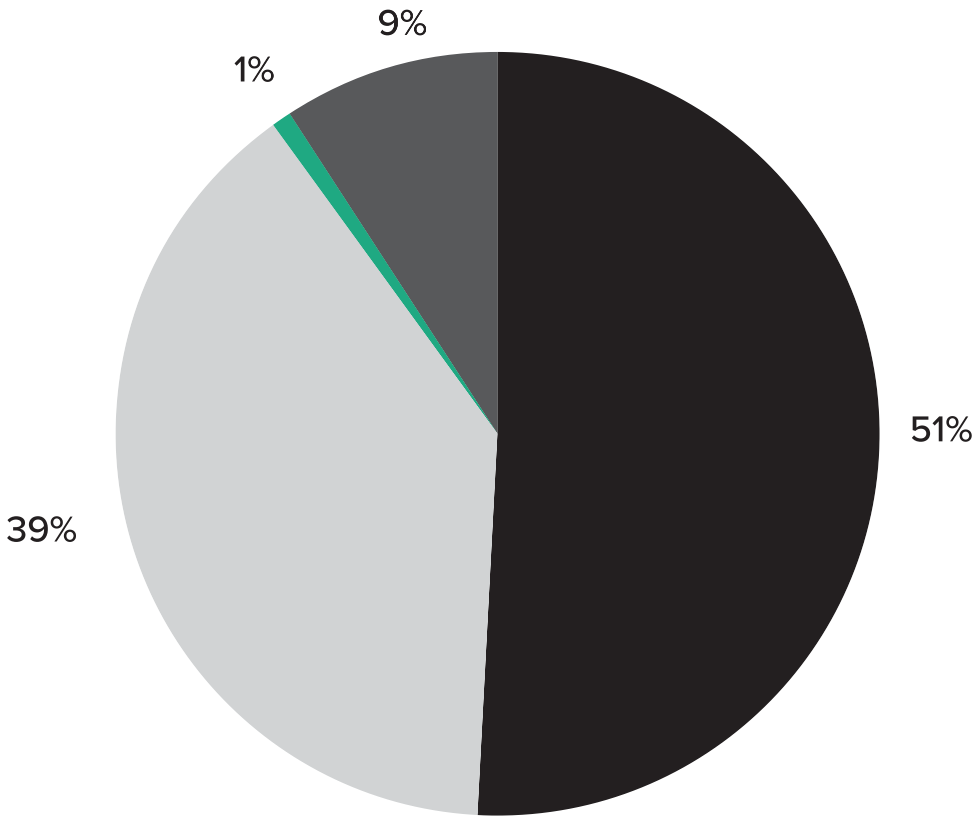
HEALTHCARE PRODUCTS

As a leader in animal healthcare, Hester extends its expertise to petcare, offering a wide range of products and services tailored to pets' needs. We focus on high-quality products, nutritional supplements and grooming essentials to ensure pet well-being and health. Committed to innovation and customer satisfaction, Hester enhances the lives of pets and their owners through reliable, effective solutions. Our diverse product line includes gut health solutions, NSAIDs, joint care formulations, parasiticides, coat nutrition, grooming aids and anti-infective formulations, showcasing our dedication to pet well-being.

HEALTHCARE PRODUCTS

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

SEGMENT-WISE REVENUE BREAKUP



POULTRY HEALTHCARE

₹1,444.95M

ANIMAL HEALTHCARE

₹1,112.30M

PETCARE

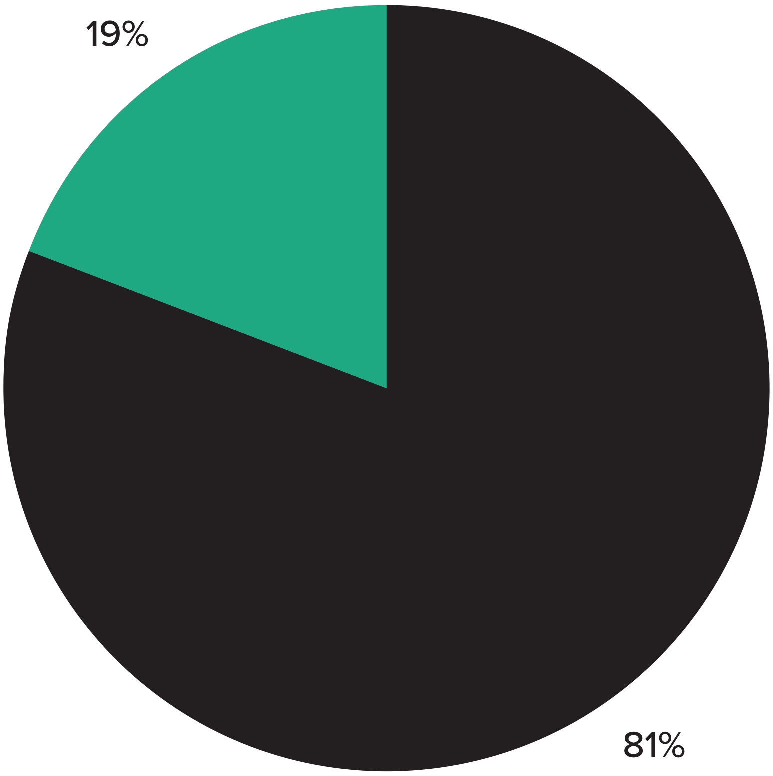
₹26.41M

OTHERS

₹267.89M

TOTAL **₹2,851.55M**

CUSTOMER-TYPE BASED REVENUE



TRADE

₹2,294.79M

GOVERNMENT

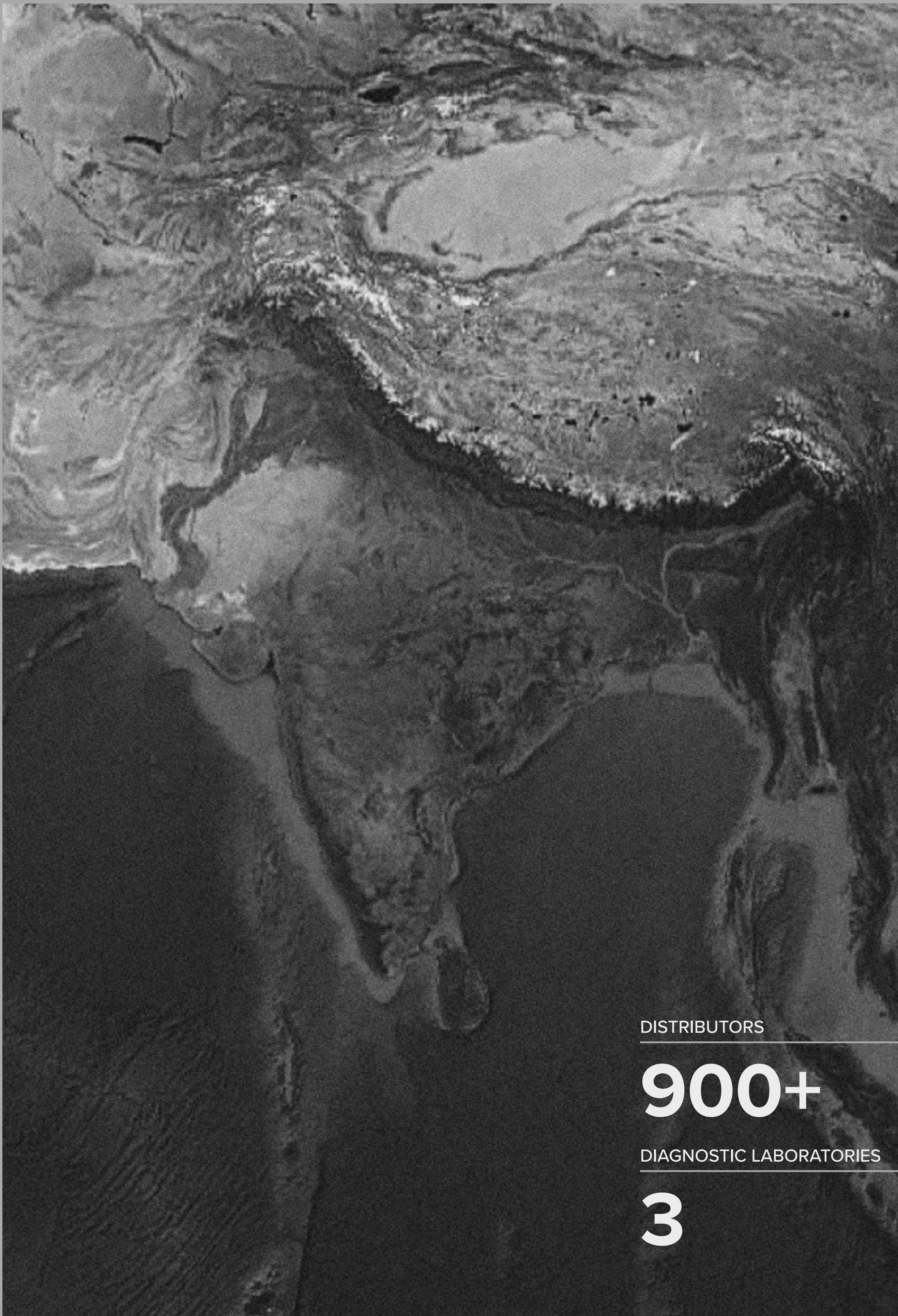
₹556.76M

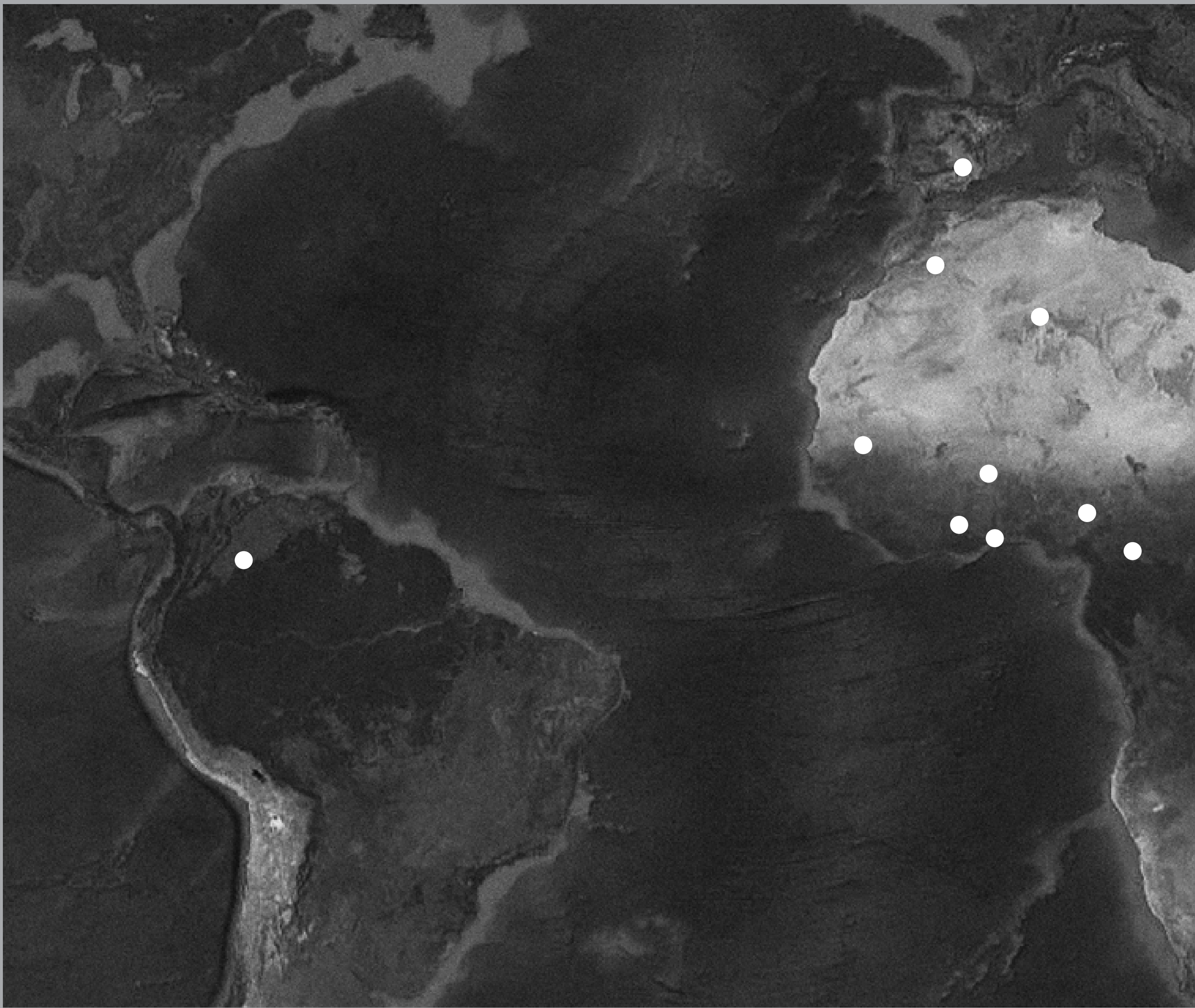
TOTAL **₹2,851.55M**

GEOGRAPHICAL FOOTPRINT

World-Class Animal Healthcare Spanning Continents

Hester has expanded its geographical presence in various countries, including Tanzania and Nepal, through its subsidiaries, mainly Hester Biosciences Africa Limited (HBAL) and Hester Biosciences Nepal Private Limited (HBNPL), complementing the Indian operations.


DISTRIBUTORS
900+
DIAGNOSTIC LABORATORIES
3



SUBSIDIARIES

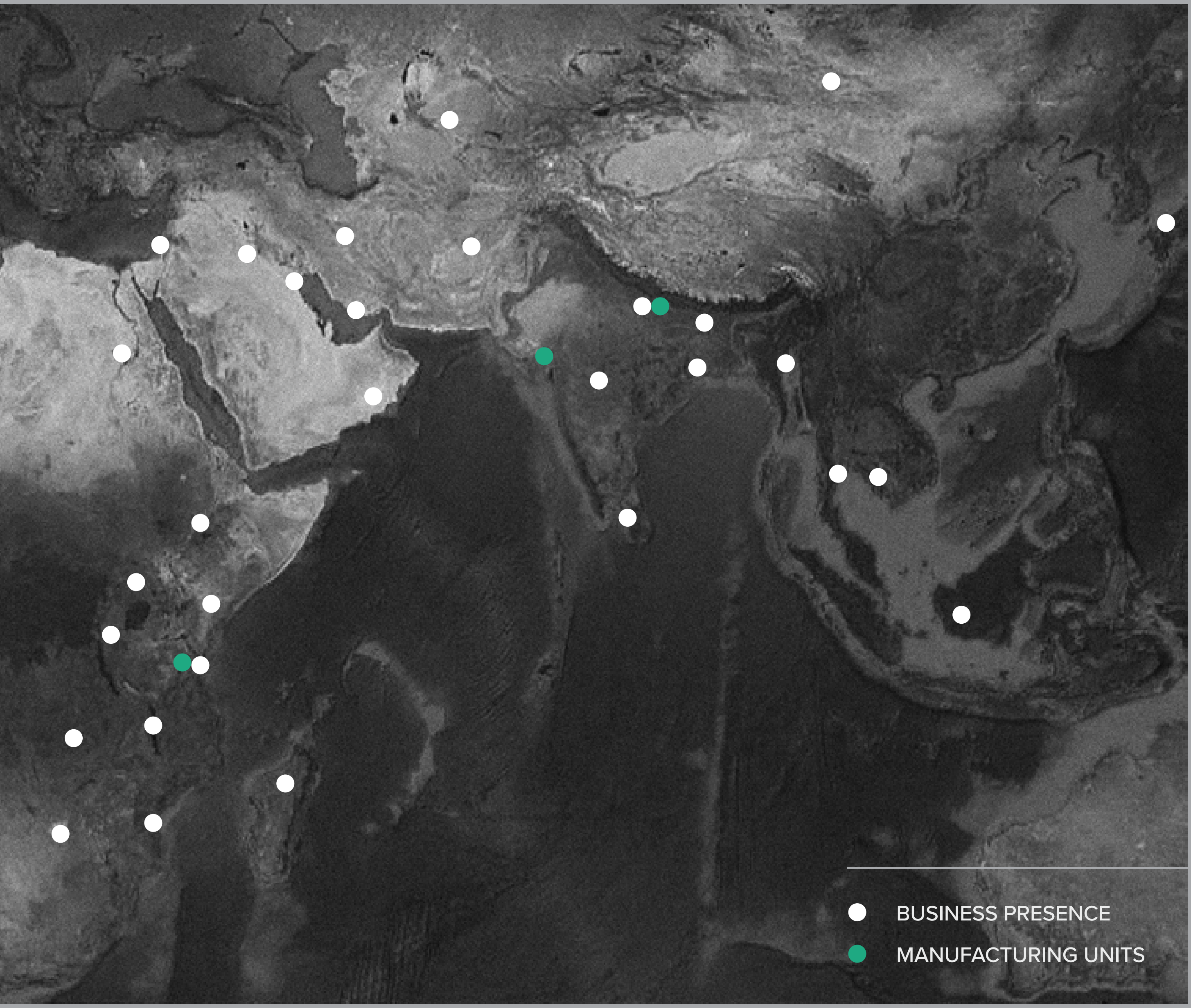
4

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



GEOGRAPHY-WISE REVENUE BREAKUP

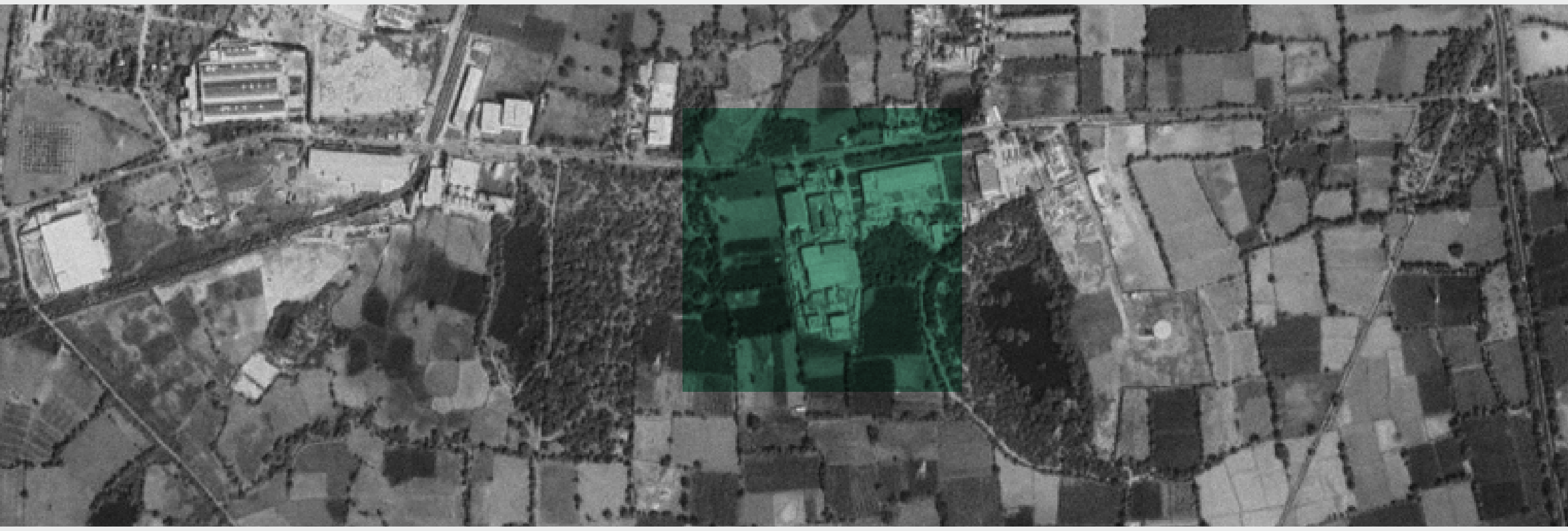
TERRITORIAL REVENUE

DOMESTIC		EXPORTS	
₹2,383.89M	84%	₹467.66M	16%

TOTAL **₹2,851.55M**

MANUFACTURING STRENGTHS

Hester ensures seamless delivery of comprehensive animal healthcare solutions across all markets. The Company integrates various facets of its supply chain to enhance efficiency, reliability and responsiveness. The primary components of the Company's efficient delivery practices include quality assurance & compliance and a robust logistics & distribution network.



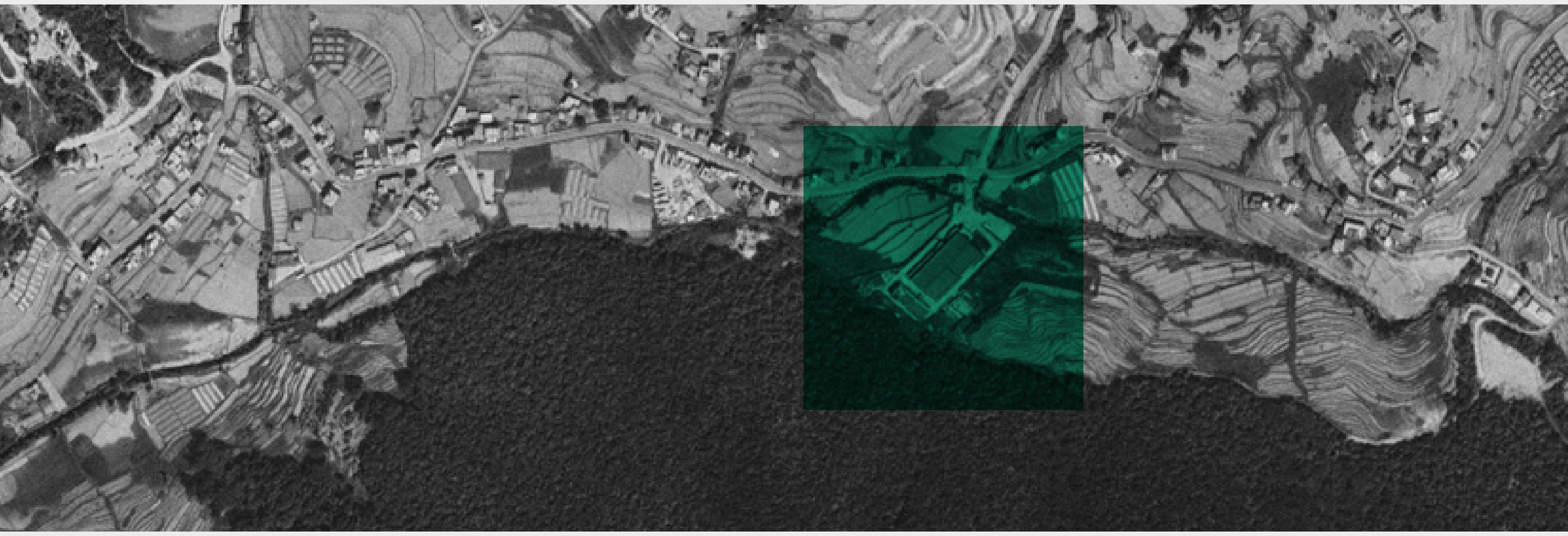
MANUFACTURING FACILITY IN
KADI (INDIA)

PLANT LOCATION

KADI (MEHSANA), GUJARAT

TOTAL EMPLOYEES

1,000+



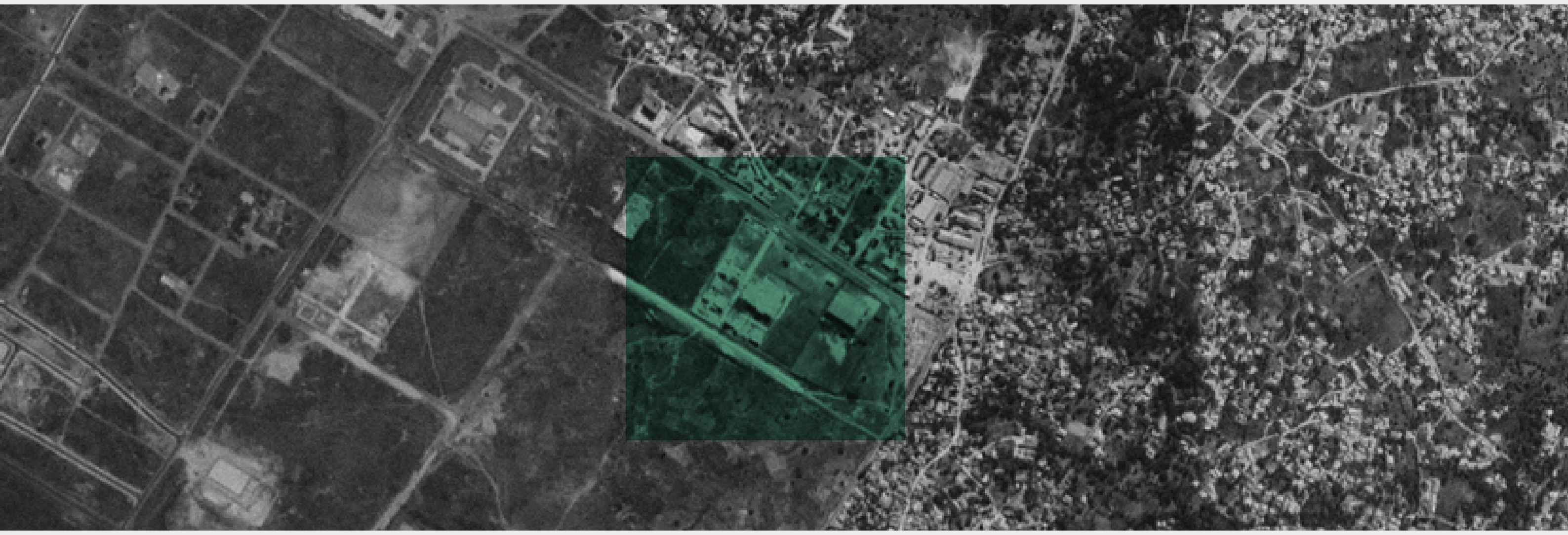
MANUFACTURING FACILITY IN
KATHMANDU (NEPAL)

PLANT LOCATION

NALA UGRACHANDI (NEAR KATHMANDU), NEPAL

TOTAL EMPLOYEES

40+



MANUFACTURING FACILITY IN
KIBAHA (TANZANIA)

PLANT LOCATION

KIBAHA (NEAR DAR ES SALAAM), TANZANIA

TOTAL EMPLOYEES

60+

UNITED WE STAND

PPR Eradication by 2030

Hester has joined forces with the World Organisation for Animal Health (OIE) as a PPR vaccines supplier to OIE's vaccine bank, aiming to eradicate PPR disease by 2030. This partnership positions the Company as a key player in enhancing the small ruminant economy and contributing to global economic development.

Healthy animals are crucial for economic growth, sustainable livelihoods and overall health. Through its vaccine banks and support from external funding agencies, the OIE facilitates vaccine access for countries. As a dedicated animal healthcare company, Hester is proud to be a vital part of this global initiative.

Hester is committed to the ONE HEALTH vision, working to improve animal health for the betterment of human health.

REVOLUTIONISING HEALTH

Initiatives That Shape Change

BRIDGING THE GAP BETWEEN DEMAND AND SUPPLY FOR ANIMAL VACCINES AND HEALTHCARE PRODUCTS IN AFRICA

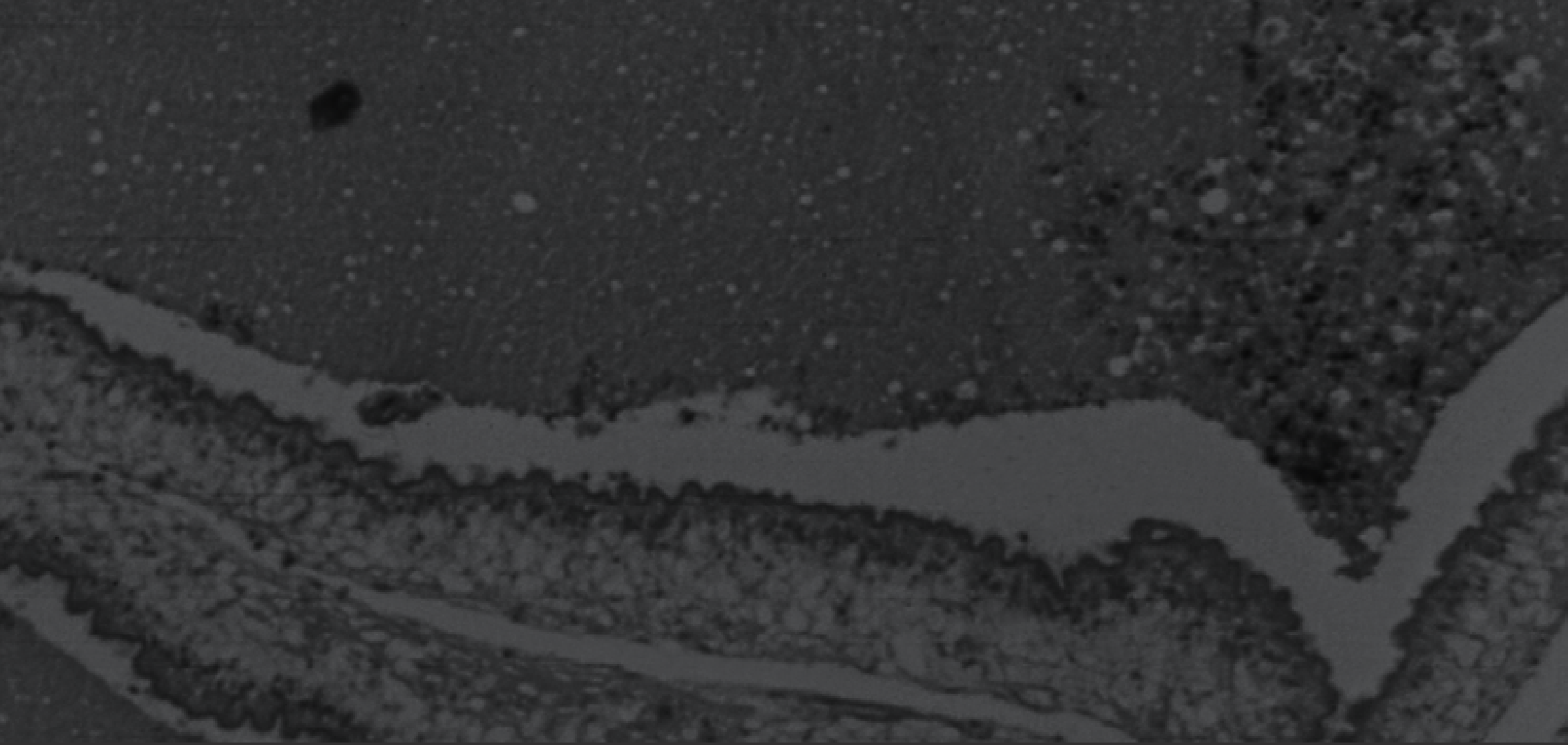
Tanzania boasts the third-largest herd of domestic livestock globally. Despite this, there are only a few vaccine manufacturers across the entire continent. Hester views this as both, a lucrative growth opportunity and a means to enhance human health through healthier animals. The Company has established a state-of-the-art manufacturing facility with the support of Bill and Melinda Gates Foundation, which is now operational. This facility is capable of producing 1.5 billion doses of animal vaccines, making it capable of serving the entire African continent.

PROTECTING LIVESTOCK: 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 Lumpy Skin Disease. The Company has maintained consistent sales of the Goat Pox vaccine, thereby supporting the preventive vaccination programme against Lumpy Skin Disease in cattle.

PIONEERING PPR VACCINE SUPPLY FOR NATIONAL AND GLOBAL HEALTH

Hester is the world's largest manufacturer and supplier of PPR vaccines, having approximately 75% of the world market. 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

In the animal healthcare segment, Hester will introduce six new specialised products to meet the growing market's evolving needs, address customer needs and expand its product portfolio.

In the poultry healthcare segment, the Company is expanding its product basket by introducing feed supplements, aiming to enrich its offerings and strengthen its market position.

In the petcare segment, the Company will introduce new products in the therapeutic, supplement and prescription pet food diet segments, distinguishing itself from its market offerings.

STRIVING TO BECOME A GLOBAL ANIMAL HEALTHCARE COMPANY

Hester is expanding its distribution network in Africa to distribute vaccines and health products from its plants in India, Nepal and Tanzania, focusing on the domestic market and East African countries.

With over 40 years of expertise in poultry and animal healthcare product development, supported by expert scientists at DSIR-recognised R&D laboratories and collaborations with global institutions, the Company continues to launch new products sustainably.

SUSTAINABILITY INITIATIVES

Empowering Communities, Enriching Ecosystems

Hester's emphasis on enhancing climate and ESG-specific initiatives strengthens long-term value creation and enables it to effectively address increasing stakeholder demands.

ENVIRONMENTAL INNOVATIONS AND ECO-FRIENDLY PRACTICES

Hester implemented a Zero Liquid Discharge (ZLD) mechanism at the Kadi (Mehsana), Gujarat plant. An Effluent Treatment Plant (ETP) with a capacity of 180 KLD (kiloliters per day) was commissioned and has been operational. Partially treated water from the ETP RO will be utilised for cooling towers and boiler feed water.

A new 40 KLD Sewage Treatment Plant (STP) has been installed and commissioned, replacing the previously used septic tanks. Treated water from the STP will be used for gardening on the plant premises. The generated solid waste will be disposed of through approved third-party agencies.

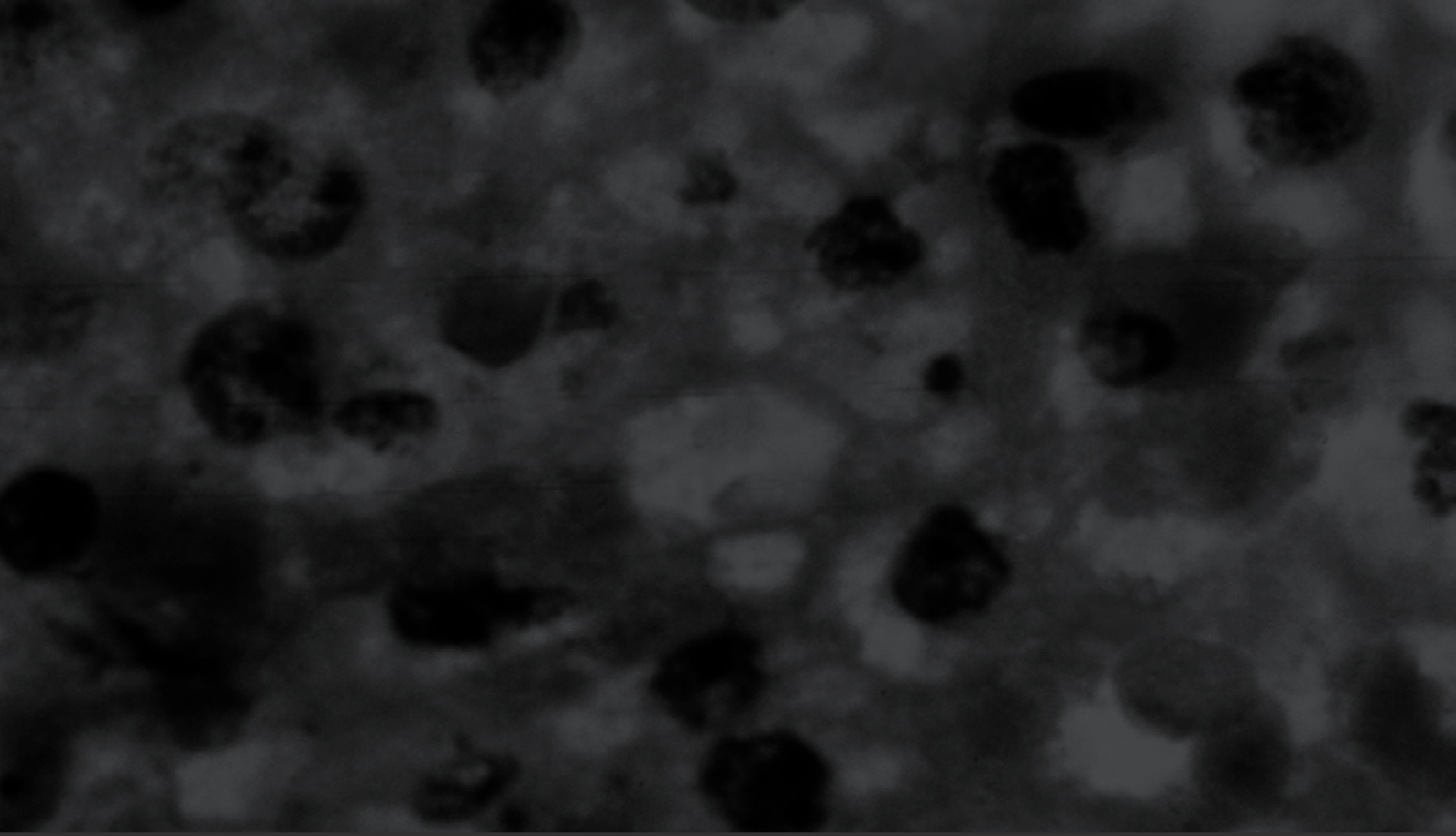
STEADY COMMITMENT TO EMPLOYEE WELL-BEING AND SAFETY

Hester prioritises employee well-being and safety through strict protocols, continuous training and personal protective equipment (PPE) provision. The Company ensures a secure environment and full compliance with health and safety regulations, providing the utmost protection for its valued workforce.

CONTINUAL COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY

Hester is dedicated to positively impacting society through its Corporate Social Responsibility (CSR) initiatives. Our CSR efforts focus on eradicating hunger, poverty, and malnutrition while actively promoting healthcare, preventive healthcare, sanitation, and educational programs.

For instance, through projects implemented by Madad Trust and



Dr. Jivraj Mehta Smarak Health Foundation, Hester aims to enhance access to healthcare services and emphasise preventive measures to reduce disease incidence.

Similarly, by partnering with Vivek Foundation and Divya Pratibha Trust, we empower individuals by enhancing educational opportunities and providing vocational skill training. Special focus is given to promoting education for children with disabilities through the Khodiyar Education Trust.

Additionally, Hester supports OGQ, which nurtures young talent and helps athletes achieve excellence in sports. With the Paris 2024 Olympics approaching, 49 OGQ supported athletes have qualified of which 9 are supported through OGQ's MoUs with National Sports Federations. 23 of the 49 athletes have been supported by OGQ's Junior Program (for ages 11-19) through the years.

Through these diverse initiatives, Hester continues to make a meaningful and lasting impact on society.

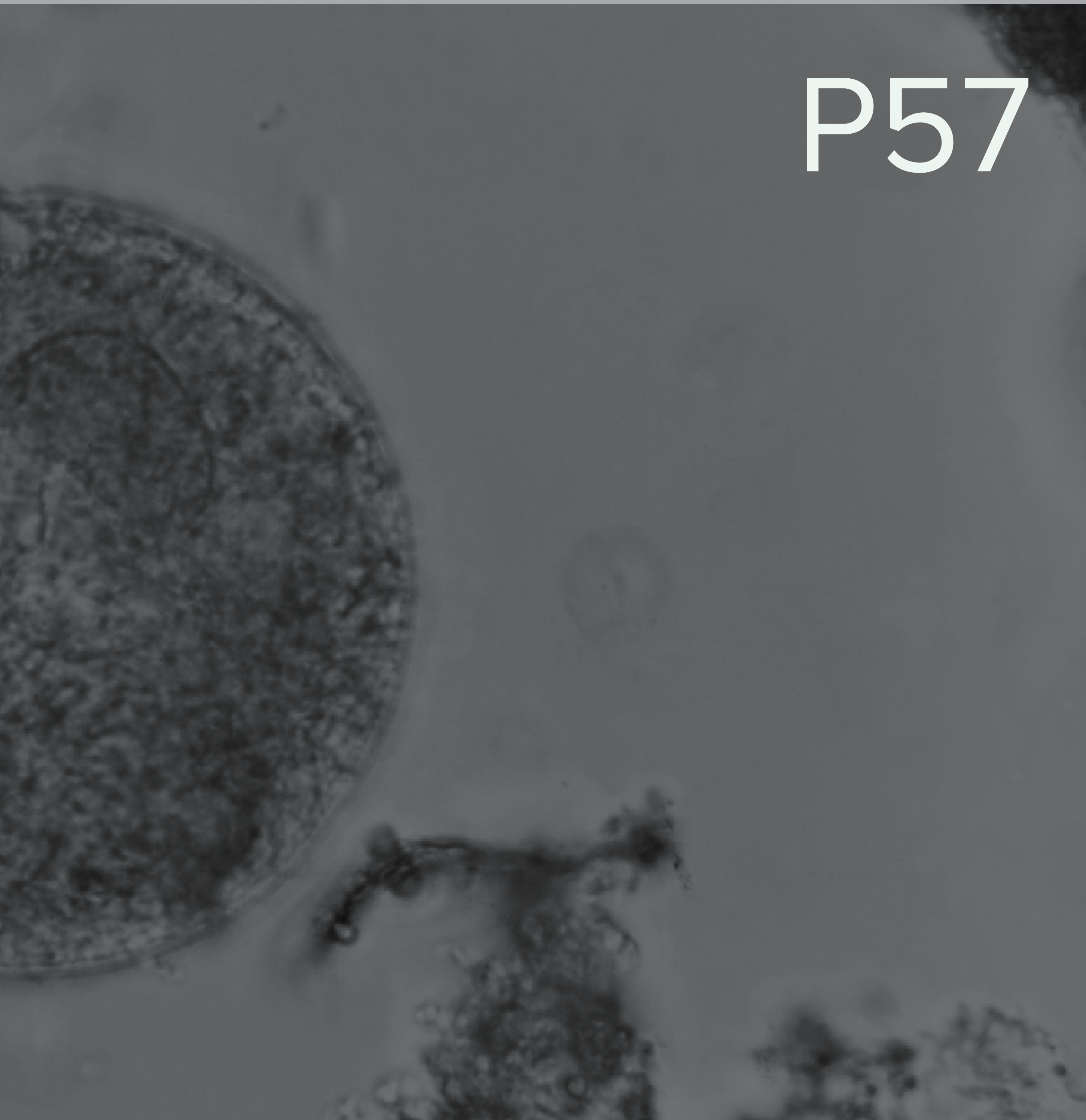
INTEGRITY IN EVERY ACTION: FOSTERING WOMEN LEADERSHIP

Hester implements various policies and practices to ensure effective governance, adhering strictly to all relevant laws and regulations. It establishes frameworks emphasising transparency, accountability and ethical behaviour.

The Company has consistently promoted women's leadership, diversity, inclusion and equality within its ranks.

Hester is dedicated to nurturing and grooming talented women leaders in a safe, supportive and conducive environment. By fostering a culture of integrity, diversity and empowerment, Hester not only enhances its organisational strength but also sets a benchmark for inclusive leadership in the industry.

STATUTORY REPORTS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BOARD'S REPORT

Your Directors are pleased to present the Thirty Seventh Annual Report and the Audited Financial Statements for the financial year ended on 31 March 2024.

FINANCIAL RESULTS

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Summary of the standalone and consolidated financial performance of the Company for the financial year ended on 31 March 2024 as below:

(Amounts in ₹ million)

Particulars	Standalone		Consolidated	
	For the year ended on 31 March 2024	For the year ended on 31 March 2023	For the year ended on 31 March 2024	For the year ended on 31 March 2023
Revenue from operations	2,851.55	2,540.00	3,045.46	2,660.91
Other income	42.62	53.23	106.38	151.51
Total Revenue	**2,894.17**	**2,593.23**	**3,151.84**	**2,812.42**
Profit before interest, depreciation and amortisation expenses, tax (PBIDT)	516.03	602.09	642.93	657.60
Less: Finance Cost	50.93	64.97	197.75	93.20
Less: Depreciation and Amortisation Expenses	97.78	97.88	171.74	206.95
Profit before Share of Profit in Joint Venture entity and Tax	**367.32**	**439.24**	**273.44**	**357.45**
Share of Profit in Joint Venture entity	-	-	46.09	44.09
Profit before tax	**367.32**	**439.24**	**319.53**	**401.54**
Less: Tax Expenses	95.73	115.82	107.87	121.19
Profit for the year (PAT)	**271.59**	**323.42**	**211.66**	**280.35**
Attributable to:				
Owners	271.59	323.42	188.89	266.27
Non-Controlling Interest	-	-	22.77	14.08
Other Comprehensive Income /(Loss)	**(0.24)**	**1.13**	**(0.33)**	**16.25**
Attributable to:				
Owners	(0.24)	1.13	(0.22)	16.26
Non-Controlling Interest	-	-	(0.11)	(0.01)
Total Comprehensive Income	**271.35**	**324.55**	**211.33**	**296.60**
Attributable to:				
Owners	271.35	324.55	188.67	282.53
Non-Controlling Interest	-	-	22.66	14.07
Earnings Per Share (Basic and Diluted) (Face Value of Share ₹ 10 each)	**31.93**	**38.02**	**24.88**	**32.96**

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 ₹ 2,851.55 million, as compared to ₹ 2,540.00 million in the previous year. The consolidated revenue from operation was ₹ 3,045.46 million in the financial year ended on 31 March 2024, as compared to ₹ 2,660.91 million in the previous year.

Profitability

The Company achieved a standalone profit before tax of ₹ 367.32 million, as compared to ₹ 439.24 million in the previous year. The consolidated profit before tax was ₹ 319.53 million in the financial year ended on 31 March 2024, as compared to ₹ 401.54 million in the previous year.

Earnings per share

The EPS on the standalone financials was ₹ 31.93 for the year ended on 31 March 2024 as against ₹ 38.02 as on 31 March 2023. The EPS on consolidated financials was ₹ 24.88 for the year ended on 31 March 2024 as against ₹ 32.96 as on 31 March 2023.

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 2024 stood at ₹ 85.07 million.

Net Worth

The Company's net worth on standalone basis as on 31 March 2024 was ₹ 3,127.12 million as compared to ₹ 2,923.82 million as on 31 March 2023. The Company's net worth on consolidated basis as on 31 March 2024 was ₹ 2,917.93 million as compared to ₹ 2,797.30 million as on 31 March 2023.

DIVIDEND

Your Directors have recommended a dividend of ₹ 6 per equity share (60%) on 8,506,865 equity shares of ₹ 10 each fully paid-up for the financial year 2023-24, amounting to ₹ 51.04 million. This dividend, subject to approval by the members at the ensuing Annual General Meeting ("AGM"), will be disbursed to shareholders whose names are recorded in the Register of Members on the cut-off date. The Dividend Pay-out Ratio for the current year stands at 19% of standalone profits, aligning with the Company's Dividend Distribution Policy. Further details on the Company's Dividend Distribution Policy, as per Regulation 43A of SEBI (LODR) Regulations, 2015 (as amended), can be found at the following web link: **https://www.hester.in/corporate-governance**

BORROWINGS

The Company's outstanding long-term borrowings amounted to ₹ 1,050.69 million as on 31 March 2024.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated total income from operations is ₹ 3,045.46 million and total comprehensive income attributable to owners' equity after non-controlling interest is ₹ 188.67 million for the financial year 2023-24 as compared to the consolidated total income from operations of ₹ 2,660.91 million and total comprehensive income attributable to owners' equity after non-controlling interest of ₹ 282.53 million for the previous financial year 2022-23. 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 2024, 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 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 and animal health products in Tanzania.

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 of the Company on the Company's website. The Consolidated Financial Statements provided by the Company includes financial statements of subsidiary 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.

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 nor the secretarial auditor had reported to the Audit Committee any instances of fraud committed against the Company by its officers or employees, as provided by section 143(12) of the Act, the details of which would need to be mentioned in the Board's Report.

RELATED PARTY TRANSACTIONS

All Related Party transactions are carried out in compliance with the provisions of law and the Policy on Related Party Transactions. These transactions are reviewed and approved by the Audit Committee, Board and Shareholders as applicable.

The details of material contracts and agreements with related parties, as per the Company's Related Party Transaction Policy and in compliance with Section 188(1) of the Companies Act, 2013, along with Rule 8(2) of the Companies (Accounts) Rules, 2014, are annexed herewith as Annexure-2. The Related Party Transactions for the financial year 2023-24 have been disclosed in Notes to the Financial Statements of the Company.

The policy on Related Party Transactions, including material related party transactions, is available on the website and can be accessed via the web link **https://www.hester.in/corporate-governance**

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

Appointment of Directors

During the year, at the meeting held on 26 June 2023, the Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, recommended the appointment of Mr. Anil Jain (DIN: 00805735) and Mr. Jatin Trivedi (DIN: 01618245) as independent directors for their first term of five years, effective from 26 June 2023, subject to members approval.

Members of the Company have approved the appointment of Mr. Anil Jain (DIN: 00805735) and Mr. Jatin Trivedi (DIN: 01618245) as Independent Directors of the Company at the 36th Annual General Meeting held on 20 September 2023.

Retirement by Rotations

In compliance with Section 152(6) of the Companies Act, 2013, as well as Listing Regulations and the Articles of Association of the Company, Mr. Ravin Gandhi (DIN: 00438361), Non-Executive Director, is due to retire by rotation at the ensuing Annual General Meeting and being eligible, Mr. Ravin Gandhi has expressed his willingness for re-appointment. The Board recommends his re-appointment.

Declaration of Independence

The Company has received declarations of independence as required by sections 149(6) and 149(7) of the Companies Act, 2013 and regulations 16(1)(b) and 25 of the Listing Regulations from Independent Directors, confirming their eligibility to continue serving as Independent Directors. There have been no changes in the circumstances affecting their status as independent directors of the Company.

Profile of Directors seeking Appointment/Re-appointment

As per Regulation 36(3) of the SEBI (LODR) Regulations, 2015, details of Directors seeking appointment or re-appointment at the ensuing Thirty-Seventh Annual General Meeting are enclosed with the notice convening the meeting.

Key Managerial Personnel

The following persons are designated as Key Managerial Personnel (KMP) in accordance with the provisions of the Companies Act, 2013, as of 31 March 2024:

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

Board Evaluation

During the year, the evaluation of individual directors, including the Chairman of the Company and Independent Directors, as well as the Board and its Committees, was conducted in accordance with the provisions of the relevant Act, Rules and corporate governance standards outlined in Regulation 17 of the Listing Regulations. Additionally, guidelines from the Guidance Note on Board Evaluation were followed. The evaluation process for the board and its committees with the use of questionnaires.

Independent Directors held a separate meeting to assess the performance of Non-Independent Directors and the overall performance of the Board. They also conducted an evaluation of the Chairman of the Company, taking into consideration feedback from both Executive and Non-Executive Directors.

The Board of Directors reviewed individual directors' performance following established standards. The functioning of the Board, its Committees and the performance of individual Directors were rated good. The Corporate Governance Report outlines how the evaluation was carried out.

Nomination and Remuneration Policy

The Board, upon the recommendation of the Nomination and Remuneration Committee, has established a policy governing the selection and appointment of Directors, Senior Management Personnel and their remuneration. The Remuneration Policy is detailed in the Corporate Governance Report, which is a part of this Annual Report.

Pecuniary Relationship

During the year under review, except those disclosed in the audited financial statements, the non-executive directors of the Company had no pecuniary relationships or transactions with the Company.

Board of Directors Meetings

The Board of Directors met 5 (Five) times during the financial year 2023-24, ensuring that there was no interval exceeding 120 days between consecutive meetings. The information on meetings of the Board of Directors is given in Corporate Governance Report, forming a part of this Annual Report.

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 2024, 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 2024 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 several Committees which have been established as part of best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company has following Committees of the Board:

- ☐ Audit Committee
- ☐ Nomination and Remuneration Committee
- ☐ Stakeholder's Grievances and Relationship Committee
- ☐ Corporate Social Responsibility Committee
- ☐ Risk Management Committee
- ☐ Management Committee

A detailed note on the committees with respect to composition, meetings, powers and terms of reference is provided under the Corporate Governance Report section in this Annual Report.

RECOMMENDATION OF COMMITTEES

The Board has accepted the recommendations of all the committees constituted by the Board.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Pursuant to section 135 of the Act and 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 ₹ 10.38 million on CSR activities. The Disclosures with respect to CSR Activities forming part of Board's Report as Annexure-3.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has in place a stringent vigil system to report unethical behaviour in order to promote professionalism, fairness, dignity and ethical behaviour in its employees.

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. 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 whistle blower has been denied access to the Audit Committee of the Board.

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

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under.

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 2023-24, no complaints were received with regards to sexual harassment at any location of the Company.

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 2024 has been uploaded on the Company's website and can be accessed at **https://www.hester.in/shareholders/reports-certificates**

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 2024. 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 2023-24. 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 2024-25 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 2023-24, on the remuneration terms as approved by the members at the previous Annual General Meeting. The Cost Audit report for the financial year 2022-23 was filed within the due date. The due date for submission of the Cost Audit Report for the year 2023-24 is within 180 days from 31 March 2024.

The Board has re-appointed Kiran J. Mehta & Co., Cost Accountants, Ahmedabad for the FY 2024-25 as a Cost Auditor to audit the cost records of the Company on a remuneration up to ₹ 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 37th 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 had re-appointed Mr. Tapan Shah, Practicing Company Secretary to undertake the Secretarial Audit of the Company for the FY 2023-24. The Secretarial Audit Report for the FY 2023-24 is annexed to this Board's Report as Annexure-4. The Board has duly reviewed the Secretarial Auditors' Report for the year ended on 31 March 2024. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

Further, as per regulation 24A(1) of the Listing Regulations, the secretarial audit reports of Texas Lifesciences Private Limited, unlisted material subsidiary company is annexed herewith as Annexure-4a.

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 ended on 31 March 2024. The Report, presented at the Board meeting held on 10 May 2024, 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 an elaborate Risk Management procedure covering various risks including Business, Operational, Financial, Sectorial, Market, Regulatory and Compliance, Sustainability, Human Resources, Information and Cyber Security and Strategic Risks and its assessment, measurement and mitigation processes. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis within the risk appetite as approved from time to time by the Board of Directors. The risk management framework is reviewed periodically by the Board and the Audit Committee. Discussion on risks and concerns are covered in the Management Discussion and Analysis Report, which forms a part of this Annual Report.

Pursuant to the provisions of section 134(3)(n) of the Act and regulation 21 of Listing Regulations, the Company has constituted a Risk Management Committee. The details of the Committee and its terms of reference are set out in the Corporate Governance Report, which forms a part of this Annual Report.

INTERNAL FINANCIAL CONTROL SYSTEMS AND ITS ADEQUACY

The Company has a formal framework of Internal Financial Control ("IFC") in alignment with the requirement of Companies Act, 2013 and has also laid down specific responsibilities on the Board, Audit Committee, Independent Directors and Statutory Auditors with regard to IFC.

Accordingly, the Company has a well-placed, proper and adequate IFC system, which ensures:

- The orderly and efficient conduct of its business,
- 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.

The Board reviews the effectiveness of controls documented as part of IFC framework and take necessary corrective and preventive actions wherever weaknesses are identified as a result of such reviews. This review covers entity level controls, process level controls, fraud risk controls and Information Technology environment.

Based on this evaluation, no significant events had come to notice during the year that have materially affected, or are reasonably likely to materially affect, our IFC. The management has also come to a conclusion that the IFC and other financial reporting was effective during the year and is adequate considering the business operations of the Company. The Statutory Auditors of the Company have audited the adequacy of Internal Financial Controls over Financial Reporting and the operating effectiveness of such controls and their Audit Report is annexed as Annexure B and Annexure A to the Independent Auditors' Report under Standalone Financial Statements and Consolidated Financial Statements respectively.

CREDIT RATINGS

During the year, CARE Ratings Limited has re-affirmed the credit rating of "CARE BBB+/Stable" for long-term bank facilities and "CARE A2" for short-term bank facilities to the Company.

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 Center

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. 3,063 equity shares of 33 (Thirty Three) members whose dividend has remained unclaimed / unpaid for a consecutive period of seven years to IEPF.
ii. ₹ 0.94 million being the unclaimed dividend, pertaining to the dividend for the financial year 2015-16 (Interim & Final) and 2016-17 (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 Companies (Management and Administration) Rules, 2014, the copy of the Annual Return of the Company for the Financial Year ended on 31 March 2024 in Form MGT-7 is uploaded on website of the Company 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 state that the Company has made disclosures in this report for the items prescribed in section 134 (3) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014, to the extent the transactions took place on these items during the year.

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

ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation for the continued co-operation and support extended to the Company by Bank. Your Directors also thank the Medical Professional, the Traders and Consumers for their patronage to the Company's products. Your Directors also place on record sincere appreciation of the continued hard work put in by the employees at all levels. The Directors also thank the Company's vendors, investors, business associates, Stock Exchanges, Government of India, State Governments and various departments and agencies for their support and co-operation. Your Directors appreciate and value the contribution made by every member of the Hester Biosciences.

For and on behalf of Board of Directors

Rajiv Gandhi	**Priya Gandhi**	**Date**	10 May 2024
CEO & Managing Director	Executive Director	**Place**	Ahmedabad
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 - AOC-1)

PART "A" - SUBSIDIARIES

(Amount in ₹ 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 2024	31 March 2024	31 March 2024	31 March 2024	31 March 2024
Reporting currency	NPR	₹	TZS	KSH	TZS
Exchange rate as on the last date of financial year	0.625	1	0.032	0.625	0.032
Average exchange rate	0.625	1	0.033	0.555	0.033
Equity Share capital	167.63	49.39	294.00	10.06	40.44
Other Equity	1.57	64.92	(373.49)	49.20	(22.43)
Total Assets	393.85	177.33	1,081.98	59.47	88.63
Total Liabilities	224.65	63.02	1,161.47	0.21	70.62
Investments	-	-	-	19.22	-
Turnover	135.70	255.53	52.32	-	50.82
Profit before Taxation	58.52	26.25	(182.95)	1.21	1.14
Provision for Taxation	4.45	7.28	-	-	-
Profit after Taxation	54.07	18.97	(182.95)	1.21	1.14
% 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 Balance Sheet Date	31 March 2024*
Shares of Joint Ventures held by the Company on the year ended 31 March 2024	
Number of Shares	1,674
Amount of Investment in Joint Venture	₹ 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	₹ 174.69 million
Profit / (Loss) for the period ended 31 March 2024	
Considered in Consolidation	₹ 46.09 million
Not Considered in Consolidation	Not Applicable

* The statutory financial year end of Thrishool Exim Limited is December 31 and the above stated figures are based on unaudited financial statements for the year ended 31 March 2024

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Date 10 May 2024
Place Ahmedabad

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	:	Texas Lifesciences Private Limited Subsidiary
Nature of contract / arrangement or transaction	:	Purchase of health products
Duration of contract / Arrangement or transaction	:	On-going
Salient terms of the contract / arrangement or transaction, including value, if any	:	Pricing of purchase of products based on relevant guidelines of transfer pricing
Dates of approval by the Board of Directors	:	17 May 2023
Amount paid as advance, if any	:	Nil

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Date 10 May 2024
Place Ahmedabad

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	3	3
2	Mr. Sanjiv Gandhi	Member/ Non-Executive Director	3	3
3	Ms. Sandhya Patel	Member/ Independent Director	3	3

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)	₹ 517.49 million
7	a) Two percent of average net profit of the company as per section 135(5)	₹ 10.35 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)	₹ 10.35 million
8	a) CSR amount spent or unspent for the financial year	Total ₹ 10.38 million as a CSR amount spent during the Financial Year 2023-24
	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 (₹ million)	Mode of Implementation - Direct	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Reg. No.
1	Promoting Healthcare	Healthcare	No	Gujarat	Amreli	2.00	No	Madad Trust	CSR00018608
2	Promoting Education	Education and vocational skill training	Yes	Gujarat	Ahmedabad	4.50	No	Vivek Foundation	CSR00032172
3	Promoting Education	Healthcare and preventive Healthcare	Yes	Gujarat	Ahmedabad	1.00	No	Dr. Jivraj Mehta Smarak Health Foundation	CSR00003117
4	Promoting Education	Promoting education and sports	No	Gujarat	Valsad	0.50	No	Divya Pratibha Trust	CSR00052876
5	Setting up old age homes and other facilities	Setting up old age homes and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward group	Yes	Gujarat	Ahmedabad	1.80	No	Karmaputra Charitable Trust	CSR00022403
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 Healthcare	Healthcare and preventive Healthcare	Yes	Gujarat	Mehsana	0.05	Yes	-	-
8	Promoting Healthcare	Promoting Education for Children with Disabilities	Yes	Gujarat	Mehsana	0.03	Yes	Khodiyar Education Trust	CSR00030644
Total						**10.38**			

	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)	₹ 10.38 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 10 May 2024
Place Ahmedabad

ANNEXURE-4

SECRETARIAL AUDIT REPORT OF HESTER BIOSCIENCES LIMITED

For the financial year ended 31 March 2024

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
Pushpak, 1st Floor,
Panchvati Circle, Motilal Hirabhai Road,
Ahmedabad - 380 006

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 2024, 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 2024 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, as 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. The changes in the composition of the Board of Directors/ KMP that took place during the period under review were 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 decision 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. The Company has appointed Mr. Anil Jain and Mr. Jatin Trivedi as Independent Directors of the Company for five years with effect from 26 June 2023.
ii. The Company has also re-appointed M/s. Chandulal M. Shah & Co., Chartered Accountant as the Statutory Auditor of the Company for the second consecutive term of five years, from the conclusion of this 36th Annual General Meeting till the conclusion of the 41st Annual General Meeting.
iii. Members of the Company through postal ballot process have re-appointed Ms. Sandhya Patel and Mr. Ashok Bhadakal as Independent Directors of the Company for second terms of five years with effect from 1 April 2023 and Mr. Rajiv Gandhi, as CEO & Managing Director of the Company for another period of 3 years, with effect from 1 April 2023.

Name of Company Secretary in practice: **Tapan Shah**
FCS No. : **4476**
C P No. : **2839**
PR No. : **673/2020**
UDIN: **F004476F000313774**

Date 10 May 2024
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
Pushpak, 1st Floor,
Panchvati Circle, Motilal Hirabhai Road,
Ahmedabad - 380 006

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. : **673/2020**
UDIN: **F004476F000313774**

Date 10 May 2024
Place Ahmedabad

ANNEXURE-4A

SECRETARIAL AUDIT REPORT OF TEXAS LIFESCIENCES PRIVATE LIMITED

For the financial year ended 31 March 2024

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,
Texas Lifesciences Private Limited
CIN: U24304GJ2017PTC097758
Pushpak, 1st Floor,
Panchvati Circle, Motilal Hirabhai Road,
Ahmedabad - 380 006

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Texas Lifesciences Private 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 2024 generally complied with the material 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 2024 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. Secretarial Standards (SS-1 & SS-2) issued by the Institute of Company Secretaries of India

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

Further being a manufacturing Company, there are no specific applicable laws to the Company, which requires approvals or compliances under any Acts or Regulations which are relating to the manufacturing Industry.

During the Period under review, provisions of the following regulations were not applicable to the Company:

i. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;

ii. Various regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015, as the Company is Private Unlisted Company.

I further report that, based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit, 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 compliance by the Company of applicable financial laws, like direct and indirect tax laws and name of the 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, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors.

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. Majority decision is carried through, while the dissenting members' views are captured and recorded as part of the minutes.

I further report that, during the audit period there were no specific events/ actions in pursuance of the above referred laws, rules, regulations, standards, etc. having a major bearing on the Company's affairs.

Name of Company Secretary in practice: **Tapan Shah**
FCS No. : **4476**
C P No. : **2839**
PR No. : **673/2020**
UDIN: **F004476F000313611**

Date 6 May 2024
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 OF TEXAS LIFESCIENCES PRIVATE LIMITED

To,
The Members,
Texas Lifesciences Private Limited
CIN: U24304GJ2017PTC097758
Pushpak, 1st Floor,
Panchvati Circle, Motilal Hirabhai Road,
Ahmedabad - 380 006

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. : **673/2020**
UDIN: **F004476F000313611**

Date 6 May 2024
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 2023-24:

Sr.	Name	Designation	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	100.46	(10%)
2	Ms. Priya Gandhi	Executive Director	14.64	-
B	NON-EXECUTIVE DIRECTORS **			
1	Dr. Bhupendra Gandhi	Chairperson	0.68	N. A.
2	Mr. Sanjiv Gandhi	Director	0.75	N. A.
3	Mr. Ravin Gandhi	Director	Nil	N. A.
4	Ms. Nina Gandhi	Alternate Director	0.41	N. A.
5	Ms. Sandhya Patel	Independent Director	1.36	N. A.
6	Mr. Ashok Bhadakal	Independent Director	1.29	N. A.
7	Mr. Ameet Desai	Independent Director	0.41	N. A.
8	Mr. Anil Jain	Independent Director	0.27	N. A.
9	Mr. Jatin Trivedi	Independent Director	0.41	N. A.
C	KEY MANAGERIAL PERSONNEL			
1	Mr. Nikhil Jhanwar	Chief Financial Officer	N. A.	1%
2	Mr. Vinod Mali	Company Secretary & Compliance Officer	N. A.	67%

**Sitting fees

b) The percentage increase in the median remuneration of employees in the financial year was 8.69%.

c) There were 642 permanent employees on the rolls of the Company as on 31 March 2024.

d) The average annual increase in the salaries of the employees, other than managerial personnel was 4.26%, whereas average decrease in the managerial remuneration was 10% 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 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.

g) 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 CEO & Managing Director DIN: 00438037	**Priya Gandhi** Executive Director DIN: 06998979	**Date** **Place**	10 May 2024 Ahmedabad

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
1	Replacement of CFL lights with LED lights	₹ 0.10 million
2	Installation of 180 KLD Effluent Treatment Plant (ETP)	₹ 37.86 million
3	Establishment of an In-House ETP Laboratory	₹ 0.40 million
4	Installation of 40 KLD Sewage treatment Plant (STP)	₹ 4.31 million

   b. **Impact on conservation of energy:**
   Replacing CFL lights with LED lights significantly improves energy efficiency, extends product lifespan and enhances environmental sustainability while reducing maintenance requirements. ETP and STP processes treat waste water, enabling its reuse for gardening and utility processes, thus reducing strain on freshwater sources and promoting sustainable water management. By utilising efficient biofilm carriers, fine bubble diffusers and optimised aeration controls, energy consumption is significantly reduced, enhancing biological processes and minimising sludge production. These advanced technologies also maximise treatment efficiency within a compact design, saving space and minimising land use, supporting sustainable waste management.

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 at its factory premises and the generated energy is being utilised in its operations. Additionally, the Company is exploring options to reduce its electricity bill by purchasing power from power traders.

B. TECHNOLOGY ABSORPTION

i. **The effort made towards technology absorption;**
We have invested a lot in a modern manufacturing facility, quality control systems and advanced analytical tools. Our research and development team works closely with top technology institutions to stay ahead in innovation. This proactive approach ensures our manufacturing processes are efficient, scalable and meet the highest safety and effectiveness standards. By adopting new technologies, we improve the precision and reliability of our products, which ultimately benefits animal health.

ii. **The benefit derived like product improvement, cost reduction, product development or import substitution;**
Process improvement is a regular activity in the company, which has positively impacted our financial performance. Our ongoing goal is to further enhance our operating margins through sustained efforts.

iii. **Imported technology (imported during the last three years reckoned from the beginning of the financial year);**
We have not acquired any technology from international sources during the year.

iv. **Expenditure incurred on Research and Development:**
The Company has incurred expenditure of ₹ 46.65 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 ₹ 390.08 million, whereas the foreign exchange in terms of actual outflows was ₹ 21.55 million from the operations of the Company.

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Date 10 May 2022
Place Ahmedabad

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC OVERVIEW

GLOBAL ECONOMY

The global economic growth is anticipated to stabilise at 2.6% this year, marking the first steady year in three despite rising geopolitical tensions and high interest rates, as per World Bank projections. Growth is expected to slightly increase to 2.7% in FY26, driven by modest trade and investment gains. Additionally, global inflation is projected to moderate, although more slowly than previously expected, with an average of 3.5% this year. Due to ongoing inflationary pressures, central banks in both advanced economies and emerging markets and developing economies (EMDEs) are likely to remain cautious in easing monetary policy. Consequently, average benchmark policy interest rates over the next few years are expected to stay roughly double the 2000 to 2019 average.

Even though near-term growth prospects have improved, the outlook remains subdued compared to historical standards in both advanced economies and EMDEs. Global growth over the forecast horizon is expected to be nearly half a percentage point below its average pace from 2010 to 2019. In FY25, growth is projected to underperform its 2010 to 2019 average in nearly 60% of economies, which together represent more than 80% of the global population and world output. EMDE growth is forecast to moderate from 4.2% in 2023 to 4% in both 2024 and 2025.[1]

INDIAN ECONOMY

Despite uncertainties from adverse geopolitical developments and expansionary fiscal measures during the COVID-19 pandemic, the Indian economy has shown resilience and maintained strong macroeconomic fundamentals. According to the First Advance Estimates of National Income for FY24, India's Real GDP is projected to grow at 7.3%, as noted in the Macro-Economic Framework Statement 2024-25.[2]

During this period, India has achieved the highest growth among major advanced and emerging market economies. The IMF projects that India will become the third-largest economy in USD terms by 2027 at market exchange rates and estimates that India's contribution to global growth will increase by 200 basis points over the next five years.

This optimistic economic outlook is supported by robust GDP growth forecasts, manageable inflation levels, political stability at the central government level and signs that the central bank has concluded its monetary tightening policy.

OUTLOOK

India has emerged as the world's fastest-growing major economy. It is projected to become one of the top three economic powers within the next 10-15 years, supported by its effective democracy and strong partnerships. The country's attractiveness as an investment destination has increased amid global uncertainty, evidenced by record funds raised for India-focused investments in 2022, highlighting investor confidence in the "Invest in India" narrative.

In the first quarter of FY23, India surpassed the UK to become the fifth-largest economy, recovering strongly from the COVID-19 pandemic. For FY24, India's nominal GDP is estimated at ₹293.90 Lakh Crore ($3.52 trillion), up from ₹269.50 Lakh Crore ($3.23 trillion) in FY23. This reflects a growth rate of 9.1%. Key drivers of this growth include strong domestic demand for consumption and investment alongside significant government capital expenditure.

From January to March 2024,[3] India's exports totalled $ 119.10 billion, led by Engineering Goods (25.01%), Petroleum Products (17.88%) and Organic and Inorganic Chemicals (7.65%). Rising employment and private consumption, supported by improving consumer sentiment, are expected to sustain GDP growth in the coming months.

[1] https://openknowledge.worldbank.org/server/api/core/bitstreams/88d04f90-2597-488e-a693-1246cbfeb06b/content
[2] https://pib.gov.in/PressReleasePage.aspx?PRID=2001124#
[3] https://www.ibef.org/economy/indian-economy-overview

India's economy is primarily driven by domestic demand, with consumption and investments accounting for 70% of economic activity. As the country recovers from the pandemic, substantial investments and developments have been made across various sectors. The World Bank emphasises that India should reduce inequality while implementing growth-oriented policies.

Recent achievements include India being ranked 40th among 132 economies in the Global Innovation Index 2023, up from 81st in 2015 and securing the third position globally in scientific publications. According to the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI)- based retail inflation reached 5.69% in December 2023.

This robust economic performance underscores India's potential to play a pivotal role in the global economy in the coming years.

INDUSTRY OVERVIEW

VETERINARY HEALTHCARE

GLOBAL VETERINARY HEALTHCARE INDUSTRY

Veterinary health companies have adeptly navigated the challenges of raising animals in a rapidly evolving world, demonstrating resilient growth over the past decade. They increasingly provide disease prevention products and invest in R&D, particularly in diagnostics and digital technologies. These advancements are essential for fostering a sustainable relationship with animals, allowing companies to innovate and build on current progress.

The Organisation for Economic Co-operation and Development (OECD) and the Food and Agriculture Organisation of the United Nations (FAO) project a 14% increase in livestock and fish production from 2020 to 2030, largely driven by productivity improvements in existing herds to meet sustainable production goals. Effective health management is crucial to reducing livestock losses and enhancing efficiency, which is integral to this sustainable approach.[4]

As global pet populations rise, owners are investing more in petcare. The veterinary healthcare sector is extending the lives of pets and protecting households from hazards like fleas, ticks and illnesses. Concurrently, animal disease's economic and societal costs are significant, prompting increased investment and public support for animal health. Achieving the global Sustainable Development Goals by 2030 will significantly depend on the role of animal health.

Economic and Social costs of disease examples

Foot and Mouth Disease (annually)

US $21 billion

Salmonella (annually)

80.3 million food-borne cases

African Swine Fever (2019 outbreak)

US $112.5 billion

Zoonotic Disease (annually)

2.2 million human deaths

Source: HealthforAnimals

Post-COVID, governments recognise the 'One Health' approach, which links human, animal and environmental health. This approach boosts public awareness and investment in animal health, streamlines regulatory processes and enhances disease prevention, leading to better health outcomes across all domains.

Furthermore, the veterinary diagnostics market is rapidly growing, driven by trends in wellness care, especially for pets. Increased diagnostics testing helps track health trends and detect issues early, promoting overall animal health. Recognising diagnostics as a preventive tool rather than just for acute issues will improve animal health.

Sustainable livestock production necessitates better animal health, as disease increases emissions and environmental footprints. Sick animals require more resources and losses to disease mean raising more livestock to maintain food supplies, further increasing production emissions. In this regard, addressing billions of animals' health needs presents significant challenges and opportunities. The resultant success will lead to sustainable food systems, improved public health and companionship from pets.

[4] https://healthforanimals.org/animal-health-in-data/parasites-diseases/global-trends-in-the-animal-health-sector/

INDIAN VETERINARY HEALTHCARE INDUSTRY

The Indian veterinary healthcare market is witnessing significant growth, fuelled by increasing government initiatives and rising awareness about animal health. The National Livestock Mission (NLM) plays a key role in enhancing livestock production.

Notably, veterinary hospitals are expanding their services. For example, in August 2022, DCC (Dogs Cats & Companions) Animal Hospital, a leading multi-speciality petcare chain, opened a new full-service medical and grooming centre in New Delhi.

India faces the highest burden of zoonotic diseases among developing countries, prompting further government focus on livestock health. Key programmes supporting this growth include Assistance to States for Control of Animal Diseases (ASCAD), the National Animal Disease Reporting System (NADRS), Establishment & Strengthening of Veterinary Hospital and Dispensaries (ESVHD) and the Foot and Mouth Disease Control Programme (FMD-CP).[5]

These initiatives and the increasing activity in the veterinary sector underline the robust growth trajectory of India's veterinary healthcare market.

GROWTH DRIVERS

Thriving Vaccine Segment

India is home to the world's largest livestock population – 535.78 million – according to the 20th Livestock Census 2020.[6] The country faces a significant challenge with the increasing burden of animal diseases. This has prompted a proactive response from global pharmaceutical and biotech organisations, which are innovating to cure and prevent diseases. Similarly, pharmaceutical companies are developing new treatments, while biotech firms focus on advancing vaccines to prevent outbreaks.

Leading Indian companies like Hester Biosciences Limited are at the forefront of these efforts. They collaborate with premier research and academic institutions in India and internationally, including the USA, UK and Australia, to develop new vaccines for complex diseases. These collaborations extend to global partnerships to create vaccines tailored for domesticated animals, including pets, cattle, pigs, goats and sheep. This cooperative approach ensures India remains a pivotal player in the global fight against animal diseases, continuously working to improve animal health and safeguard livestock, which is essential for the country's economy and food security.

Tech Advancements

Technological advancements in the Indian veterinary healthcare market significantly enhance animal health and productivity. Key developments include implementing precision livestock farming techniques that utilise sensors and data analytics to monitor animal health and optimise breeding and feeding practices.[7] Adopting telemedicine platforms has improved access to veterinary care, particularly in rural areas, allowing remote consultations and diagnosis. The growth of the veterinary healthcare market in India is being driven by various technological advancements, including the integration of the Internet of Things (IoT) with animal health monitoring solutions.

POULTRY HEALTHCARE

INDIAN POULTRY HEALTHCARE INDUSTRY

Over the past four decades, India's poultry sector has experienced the fastest growth among livestock species, becoming a key supplier of affordable protein by developing efficient value chains.

This growth is driven by rising disposable incomes and changing food habits. Consumers are shifting from traditional diets reliant on pulses to protein-rich foods like meat, eggs and dairy products. Increasing health and wellness awareness further boosts the demand for these products.

According to the Economic Survey (2022-23), the livestock sector, which includes dairy, poultry, meat, eggs and fisheries, achieved a compound annual growth rate (CAGR) of 7.9% from FY15 to FY21. Its contribution to total agricultural gross value added (GVA) rose from 24.3% in FY15 to 30.1% in FY21.[8]

[5] https://www.giiresearch.com/report/moi1444082-india-veterinary-healthcare-market-share-analysis.html
[6] https://vikaspedia.in/agriculture/agri-directory/reports-and-policy-briefs/20th-livestock-census
[7] https://markwideresearch.com/india-veterinary-healthcare-market/
[8] https://www.thepoultrysite.com/articles/the-expanding-landscape-of-indias-poultry-sector

The Department of Animal Husbandry and Dairying's annual report (2022-23) highlights that India's poultry production has advanced significantly, transitioning from traditional farming to commercial production with advanced technological interventions. At present, broiler meat production in India stands at around 5 million tonnes annually.

GROWTH DRIVERS

Surging Population

India's rapidly growing population is driving a continuous demand for poultry products. With more people to feed, affordable and nutritious protein sources like chicken and eggs are in high demand. Rising incomes and evolving lifestyles lead to increased protein consumption, with chicken meat and eggs seen as healthier alternatives to red meat. Additionally, poultry products are generally more affordable than other protein sources, making them accessible to a larger portion of the population.

Rising Use of Technologies & Analytics

Advanced data analytics tools now empower Indian poultry producers to forecast demand and supply by analysing historical data, market trends and consumer behaviour. These tools help farmers make informed decisions on production volumes and timing. Given India's diverse climate, seasonal variations impact poultry production. To address these challenges, farmers adjust breeding and hatching schedules to match market demand. For instance, in regions with extreme temperatures, production is often reduced during the summer to prevent stress on the birds.

ANIMAL HEALTHCARE

INDIAN ANIMAL HEALTHCARE INDUSTRY

The Indian animal healthcare industry, valued at $950 million, represents 2.5% of the global market and is expected to grow at a 6% compound annual growth rate. The industry has evolved from focusing solely on preventive medications to a comprehensive approach that includes productivity-enhancement treatments and overall animal healthcare. The sector is segmented into various products such as medicines, parasiticides and disinfectants, vaccines, medical devices and nutritional supplements. This development is driven by government initiatives and regulatory frameworks for animal welfare.

The Information Network for Animal Productivity and Health (INAPH) has created a digital infrastructure to provide real-time access to animal health data and monitor vaccination drives nationwide.
In collaboration with the World Organisation for Animal Health (WOAH), the Department of Animal Husbandry & Dairying organised a workshop on managing wildlife-origin disease risks. This workshop aimed to enhance stakeholder knowledge, conduct a gap analysis of risk assessment and management, simulate disease spillover scenarios and foster stakeholder communication.

Hester Biosciences Limited is part of a ₹13,343 Crore programme to immunise India's cattle, buffalo, sheep, goat and pig populations over five years. This programme includes the cost of vaccines and the execution of the immunisation plan.[9]

GROWTH DRIVERS

Rising Incidences of Zoonotic Diseases

The rapid spread of zoonotic diseases in India presents significant challenges for healthcare practitioners. Demographic changes, land encroachment and agricultural practices contribute to the increasing prevalence of these diseases. According to a National Centre for Disease Control (NCDC) newsletter, zoonotic disease outbreaks have been reported across all regions of India, with 29 states experiencing outbreaks in the past decade. Notably, the incidence of Scrub typhus has surged, with 2023 recording 29 outbreaks, the highest in a year.[10]

Zoonotic diseases, including bovine encephalopathy and various foodborne, vector-borne and waterborne infections, are also impacting animal health and growth in India. The government is implementing preventive measures to control these diseases and protect the human population.

[9] https://www.businesstoday.in/industry/pharma/story/inside-india-animal-healthcare-the-vaccine-makerseyeing-rs-13343-crore-programme-258943-2020-05-21
[10] https://ncdc.mohfw.gov.in/wp-content/uploads/2024/03/Newsletter-Volume-12-Issue3-July23-to-Sep23_Ver6.pdf

Efforts by market stakeholders to raise awareness about zoonotic diseases and preventive measures are fostering growth in the animal healthcare market. Increased awareness and the availability of various treatment options are expected to drive demand for animal healthcare services in the coming years.

Increasing Government Support to Boost Animal Healthcare

Stringent laws and regulations by the Indian government are driving the animal health market in the country. The Indian government has implemented several initiatives to bolster the animal healthcare market. These include the National Livestock Mission (NLM) to improve livestock production, the Rashtriya Gokul Mission (RGM) to conserve indigenous bovine breeds and the Pashu Sanjivni Scheme, which provides Animal Health Cards and promotes traceability.[11]

The Department of Animal Husbandry and Dairying, under the Ministry of Fisheries, Animal Husbandry and Dairying, is actively working to contain the spread of Lumpy Skin Disease (LSD) in the country. This effort includes providing both financial and technical support. Financial assistance has been extended to states and Union Territories (UTs) as requested under the Assistance to State for Control of Animal Diseases (ASCAD) for the procurement of Goat Pox Vaccine doses for LSD vaccination. Additionally, guidelines and advisories on LSD control, including vaccination, treatment and surveillance, have been distributed to the states and Uts to ensure the disease is controlled within a specified timeline.

Moreover, the government is heavily investing in R&D to develop effective vaccines to combat rising zoonotic and foodborne diseases. Financial grants are being allocated to various veterinary research laboratories to help control disease spread. Additionally, enhanced vaccination facilities, veterinary healthcare services and improved treatment facilities are being established to promote better animal health in India.

PETCARE

INDIAN PETCARE INDUSTRY

The Indian petcare industry has grown significantly over the past decade, transitioning from pet ownership to responsible pet parenthood. This shift has improved the quality of life for pets and enhanced the role of caregivers. The sector's retail value increased from $347.23 million in 2019 to $498.44 million in 2021 and is projected to grow at a CAGR of over 19% by 2025.[12]

The rise in pet adoption has underscored the need for greater awareness about pet healthcare and innovative solutions to ensure a comfortable experience for pets and their owners. The pandemic further accelerated pet adoption, with many nuclear families in India and the US turning to pets for companionship. This trend boosted dog adoption and purchases and increased pet parents' awareness of their pets' healthcare needs.

GROWTH DRIVERS

Growing Pet Adoption and Humanisation

Recently, the number of pet-owning households in India has increased, reflecting a strong trend toward pet adoption. The shift to remote work during the COVID-19 pandemic has impacted mental health, leading many to adopt pets for companionship and support.

This growing trend has seen Indian families increasingly adopting dogs and treating them as family members. Annually, over 600,000 new dogs are adopted, driven by the rise of nuclear families, the need for companionship among seniors and the emotional bonds children form with pets.

Millennials, in particular, view pets as integral family members and are willing to spend a substantial portion of their income on care. This includes ensuring a healthy lifestyle for their pets through annual vaccinations, grooming, interactive therapy, a nutritious diet and even pet parties. Enhanced awareness and technology have further contributed to this holistic approach to petcare.

Personalised Petcare Centres

Grooming centres, spas, daycare facilities and pet-friendly fine dining establishments in India offer personalised sessions tailored to the pet's skin, fur, size and condition. These services often include custom blankets, toys and leashes to enhance the animal's comfort and security.

[11] https://www.transparencymarketresearch.com/india-animal-health-care-market.html
[12] https://www.ibef.org/research/newstrends/new-trends-in-animal-health-sector

Additionally, numerous start-ups provide innovative services such as online platforms for pet ownership, veterinary advice and pet-friendly vacation planning. These services ensure pets are not left alone and engage in various activities. Apps are also available to help pet parents train and track their pets' health.
This combination of personalised care and innovative services reflects a growing trend in India's petcare industry aimed at improving pets' overall well-being.

Pet Insurance Policies
Pet parents can receive financial assistance for veterinary expenses, life protection and even coverage for their pets' deaths from companies like New India Insurance, United India Insurance and Oriental Insurance.

Pet Healthcare Advancement
Diabetes, obesity, kidney and thyroid issues can affect pets at various life stages, but recent advances in diagnostics, treatment and management have significantly improved their management, potentially extending pets' lifespans. Additionally, various apps now help pet owners keep track of their pets' health and locate veterinarians.

Pets have become integral to many families, offering emotional support and joy. This bond has spurred growth in industries related to pet food, medications, cleaning products and petcare items, all aimed at enhancing pets' quality of life.

GOVERNMENT INITIATIVES

Livestock Health and Disease Control (LH & DC) Scheme
The scheme aims to enhance the animal health sector through prophylactic vaccination programmes, capacity building, disease surveillance and strengthening veterinary infrastructure.[13]

Objectives:
- Eradicate Peste des Petits Ruminants (PPR) by 2030
- Control Classical Swine Fever (CSF)
- Provide Veterinary Services
- Support State/UT Disease Control (ASCAD)

Animal Health System Support for One Health
In April 2023, Ministry of Fisheries, Animal Husbandry and Dairy, launched the Animal Pandemic Preparedness Initiative along with the World Bank-funded Animal Health System Support for One Health. These initiatives aim to enhance India's readiness and response to potential animal pandemics, focusing on zoonotic diseases that threaten animal and human health, aligning with the One Health approach.

Furthermore, the government will develop a comprehensive programme to support dairy farmers. Efforts are already underway to control foot-and-mouth disease. Although India is the world's largest milk producer, it faces low productivity among milch animals. This new programme will build on the success of existing schemes such as the Rashtriya Gokul Mission, National Livestock Mission and Infrastructure Development Funds for dairy processing and animal husbandry. In the interim budget for FY25, the government has increased the allocation for the Ministry of Animal Husbandry and Dairying to ₹4,521 Crore.[14]

[13] https://dahd.nic.in/schemes-programmes/lh-dc
[14] https://www.livemint.com/budget/news/budget-increases-outlay-for-ministry-of-fisheries-animal-husbandry-dairying-11706783936496.html

ABOUT HESTER BIOSCIENCES

COMPANY OVERVIEW

Hester Biosciences Limited, founded by Rajiv Gandhi in 1987 and headquartered in Ahmedabad, Gujarat, is one of India's leading animal healthcare companies and the country's second-largest poultry vaccine manufacturer. The Company has vaccine manufacturing plants in India, Nepal and Tanzania. The Company exports products to Asia, Africa, Europe and South America, maintaining a strategic presence in over 35 countries, focusing on India, Nepal and Africa. It has collaborated with Organisations such as the Bill & Melinda Gates Foundation, GALVmed and the Golchha Organisation.

Operating through three main verticals—Vaccines, Healthcare Products and diagnostics services—the Company offers over 50 vaccines and 70 healthcare products. Additionally, it provides sero-profiling kits, diagnostic labs for poultry flocks and mastitis control programmes for cattle. As India's first commercial manufacturer of the Goat pox vaccine, the Company also produces PPR vaccines from Nigerian and Sungri strains. The Company is dedicated to researching, developing, manufacturing and marketing veterinary biologicals and pharmaceuticals, aiming to improve animal health and prevent diseases.

The Company has the capacity to deliver 6.25 billion doses in India, 1.24 billion doses in Nepal and 1.50 billion doses in Tanzania. It operates diagnostic labs in Kadi (Gujarat), Hyderabad (Telangana) and Kolkata (West Bengal), offering free diagnostic services and encouraging potential customers to contact their sales or technical services teams.

With its market knowledge, cutting-edge R&D capabilities and strategic insights, the Company is poised to unlock the potential of the growing global markets for poultry, petcare products and animal vaccines.

STRATEGIC FOCUS AND INITIATIVES

- **Closing the Demand and Supply Gap for Animal Vaccines and Healthcare Products in Africa**
  Given its status as the country with the third largest herd of domestic livestock globally, Tanzania is poised to become one of the largest markets for animal vaccines in the next decade. Despite this, only a few vaccine manufacturers across the continent present a significant growth opportunity and a chance to improve human health through healthier animals. Hester Biosciences Limited has established a wholly owned subsidiary in Tanzania, named Hester Biosciences Africa Limited, to set up an animal vaccine manufacturing unit and distribution network.

  Hester Biosciences Limited's expertise in animal healthcare will help reduce livestock mortality and morbidity by producing and distributing low-cost, high-quality vaccines tailored to African livestock diseases. This initiative is set to bridge the gap between demand and supply in the animal health sector in Africa.

  Hester Africa has got 6 vaccines registered and is in process of developing other vaccines related to Africa continent, thereby significantly enhancing animal healthcare for smallholder farmers through locally produced vaccines and healthcare products.

- **Fostering One Health**
  Human and animal health are intrinsically linked to the health of their ecosystems. Hester Biosciences Limited is committed to enhancing animal health, human health and the overall resilience of livelihoods globally. This initiative aims to understand threats to human, domestic and wild animal health and the environment. According to the World Animal Health Organisation (WOAH), 60% of human infectious diseases are zoonotic and at least 75% of emerging infectious diseases originate from animals. Addressing zoonotic infections at their animal source is the most effective and economical approach. The Company is well-positioned to contribute significantly to this global effort

KEY DEVELOPMENTS IN FY24

- Holds 75% of the global market share for the PPR vaccine
- Serves as a supplier to the PPR OIE vaccine bank
- Ranks as the second-largest poultry vaccine manufacturer in India with a 35% market share
- Supplies the Goat Pox vaccine in India to protect cattle against Lumpy Skin Disease.
- Currently developing a next-generation Brucella vaccine
- Provides LSD vaccines to African countries and Central Asia

BUSINESS STRENGTHS

1. **Diversified Product Portfolio**
   Hester Biosciences Limited has broadened its product portfolio to include vaccines, biologics and health products across poultry, large animals and petcare segments. To mitigate dependency on a single product, division, or region, the Company has strategically increased sales of health products, which, despite lower gross margins, are expected to enhance long-term profitability. The Company is also pursuing global manufacturing and distribution opportunities for animal health products and biologicals.

2. **Dedicated Research & Development**
   With over four decades of experience, Hester Biosciences Limited has a dedicated research and development team focused on creating innovative products for the evolving animal healthcare industry. The Company has earned GMP certification for its India, Nepal and Tanzania facilities. Additionally, the Company's scientists work in DSIR-recognised R&D laboratory, advancing the development of poultry and animal vaccines.

3. **A Key Player in Africa**
   Africa represents a largely untapped market for animal immunisation and is projected to become one of the largest markets for animal vaccines within the next decade. With the third-largest herd of domestic livestock globally, Tanzania is a significant focus. Hester Biosciences Africa Limited has initiated the production of vaccines in Tanzania for PPR (Nigerian strain), LSD and CBPP for ruminantsand Newcastle disease vaccine for poultry.

4. **Global Market Penetration**
   Hester Biosciences Limited is enhancing its African distribution network to supply vaccines and health products from its facilities in India, Nepal and Tanzania, particularly targeting the domestic market and East African countries. Additionally, the Company is establishing a specialised animal vaccine manufacturing facility in Africa.

   Furthermore, Hester Biosciences Nepal Private Limited (HBNPL) secured a contract from the World Animal Health Organisation (WOAH) to create a vaccine bank for the PPR vaccine. Hester Biosciences Limited acquired a 50% stake in Thrishool Exim Limited (TEL). TEL is a Tanzanian distribution company that provides animal health and nutrition products from reputable international suppliers.

BUSINESS OUTLOOK

Hester Biosciences Limited has established itself as a key player in the animal healthcare sector by expanding its portfolio from poultry vaccines to a wide range of veterinary vaccines and healthcare products.

The Company received regulatory approval for a Biosafety Level-III (BSL-3) facility, initially intended for human vaccine development and production which is in process of being repurposed for veterinary vaccine development and production. Also, the Company offers natural and herbal products for livestock and poultry to align with the global trend of reducing antibiotic use and enhance animal health.

Additionally, the government contract to supply PPR vaccines contributes significantly to the Company's revenue growth. These efforts are part of the Atmanirbhar Bharat mission to make India self sufficient in vaccine production and reduce livestock industry losses.

Whereas with regulatory approvals for manufacturing PPR, CBPP and LSD vaccines for ruminants as well as ND and IBD vaccines for poultry, Hester Biosciences Africa Limited's plant holds a GMP certification from Tanzanian drug authorities.

FINANCIAL OVERVIEW

The Company's sales increased by 12% to ₹2,851.55 Million in FY24, as compared to ₹2,540.00 Million in FY23.

The Poultry healthcare segment produced revenues of ₹1,444.95 Million in FY24, up by 1% from ₹1,426.85 million in the prior financial year. The sector provided 51% of the Company's total revenues in FY24 as compared to 55% in FY23. The poultry industry continues to be under pressure due to high feed costs and low product realisations, leading to significantly lower new bird placements and poor collection cycles. Nonetheless, considering that we have been able to recover in the last quarter compared to the yearly degrowth, we hope to see positive trends in the coming quarters.

Animal Healthcare segment sales increased by 12% to ₹1,112.30 Million in FY24, compared to ₹992.81 Million in the prior fiscal year. The division produced 39% of the Company's total revenues in FY24, as compared to 40% in FY23. The sales of the Animal Healthcare division got a big boost due to the demand for Goat Pox vaccines, which was consequent to the outbreak of Lumpy Skin Disease (LSD) in cattle. It was also supplemented with good growth in the sales of health products.

Petcare segment sales produced revenue of ₹26.41 Million in FY24. The Petcare division, launched during FY23, is gaining traction. To date, since the inception of this segment, ten products have been launched in 15 sales territories. The market response has been very encouraging and this division is set to grow in geometric progression. This growth reflects the culmination of substantial efforts in building a robust foundation, implementing best practices and delivering high-quality products.

Revenue from the others, which are not from the above-stated three major segments of ₹267.89 million in the year. License & services fees Income of ₹10.63 million in FY 2023-24 from ₹49.13 million in the prior financial year.

Overall gross profit margin was reduced by 3% to 65% in FY 2023-24 as compared to 68% in FY 2022-23, which is mainly due to the change in product mix between vaccines and health products.

The Company's operating EBITDA decreased by 14%, from ₹548.86 million in FY 2023-24 to ₹473.41 million in FY 2022-23. The reduction in EBITDA margin was due to the reduction in Gross Profit margin, accompanied by higher market development costs in the animal health division and the new pet division.

The Company's Net Profit decreased by 16%, from 13% of sales in FY 2022-23 to 10% of sales in FY 2023-24. Reduction in net profit due to an increase in selling and distribution expenses along with an increase in employee costs.

For FY 2023-24, the Company has recommended a dividend of ₹6 per share, i.e., 60% of face value per share. This is in accordance with the Company's dividend policy of distributing at least 18% of net income as dividends.

Significant financial ratios

Sr.	Ratio	Current Period (2023-24)	Previous Period (2022-23)	% Variance	Reason for variance
1	Current Ratio	2.09	1.58	32%	Reduction in short-term borrowing has resulted in a reduction in current liabilities.
2	Debt-Equity Ratio	0.43	0.56	-24%	Reduction in overall borrowing resulted in a lower debt-equity ratio.
3	Debt Service Coverage Ratio	1.48	2.47	-40%	Reduction in net profit resulted in a lower debt service coverage ratio.
4	Trade Payables Turnover Ratio	5.79	7.96	-27%	Reduction in trade payable turnover ratio due to increase in trade payable.
5	Return on Net Worth (%)	8.98%	11.53%	-22%	Reduction in net profit resulted in a lower return on net worth.
6	Net Profit Margin (%)	9.52%	12.73%	-25%	Reduction in net profit due to increasing selling & distribution expenses alongside increased in employee costs.

KEY RISKS AND MITIGATION STRATEGIES

Key Risks	Particulars	Mitigation Strategy
Economic Risks	The Company's products are essential for producing affordable animal proteins like milk, eggs and meat. However, these products are highly sensitive to economic fluctuations. An economic slowdown could reduce demand for these commodities, potentially leading to decreased sales and adversely affecting the Company's overall performance.	The Company regularly monitors the business and economic environment as part of its risk mitigation strategy, allowing it to stay ahead of trends, risks and opportunities. It adopts new technologies to optimise operations, reduce costs and improve efficiency. Additionally, the Company seeks to expand market penetration by exploring new markets, developing new products and enhancing its brand image. Strategically, it aims to diversify its product lines to mitigate the impact of any potential incidents, maintaining its market leader position.
Regulatory Risks	The Company operates in a highly regulated and competitive global environment. Constant regulation changes require vigilance and compliance to avoid negative impacts, such as license revocation, fines, or criminal penalties. Thus, the Company prioritises adherence to all relevant regulations and standards to protect its operations and reputation.	The Company prioritises compliance with laws and regulations, regularly seeking legal advice to stay current with changes. It maintains thorough documentation to manage risks effectively. These measures aim to minimise regulatory risks and support sustained growth.
Peer Risks	The Company's manufacturing and geographical expansion require complex registration processes. New market entrants using superior technology may streamline these processes, posing a threat to the Company's operations. Additionally, competitors adopting effective marketing strategies could capture a larger market share, posing a significant risk to the business.	Hester Biosciences Limited has demonstrated unmatched competency and technical expertise in the sector, allowing the Company to retain its position as a leading player in Asia. Besides, the Company has built a strong reputation among its clientele, extensive reach and diversified product portfolio to stay ahead of the curve.
Product Development Risks	Changes to the current product development process could disrupt the Company's operations due to established procedures and resources supporting its current approach. New developments may require different investments, technologies and talent, which might not be easily integrated. Consequently, the Company could face challenges adapting to changes and maintaining its competitive edge.	The Company adheres to a well-structured procedure for creating new products. Moreover, it places significant emphasis on creative thinking, allocates resources toward enhancing technology and infrastructure, cultivates a proficient and varied workforce and consistently evaluates and enhances the process of creating new products.
Foreign Exchange Risks	The Company has operations in varied geographies and is, therefore, exposed to risks related to currency fluctuations. Any unfavourable fluctuation in the exchange rate can negatively impact the Company's finances.	The Company employs hedging instruments, diversifies currency exposure, monitors currency risk and maintains adequate cash reserves to mitigate currency risk and enhance financial stability. Apart from its foreign exchange borrowings, in FY2023-24, 16% of revenue came from exports and raw materials were partly imported. Hester Biosciences Limited maintains a continuous evaluation of the risk associated with exchange rates that arise from transactions involving foreign currencies. To effectively manage these risks, the Company employs a stringent hedging strategy.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

The Company's CSR initiatives primarily focus on eradicating hunger, poverty and malnutrition and actively promote healthcare, including preventive healthcare and sanitation, as well as educational programmes. Moreover, the Company is dedicated to employment and vocational skill development, supporting differently-abled individuals and enhancing livelihoods. It believes in promoting gender equality and empowering women through the establishment of homes, hostels, old age homes, orphanage houses and daycare centres. It also extends its support to senior citizens by providing necessary facilities. Environmental sustainability is a key priority for the Company. The Company actively contributes to ecological balance, flora and fauna protection, animal welfare, agroforestry and natural resource conservation. Rural development and slum development projects are also undertaken to uplift communities and make a positive impact.

The Company's robust CSR policy allows it to embrace sustainability through tangible actions. From plantation drives to inoculation programmes, the Company firmly believes in contributing to society and the environment.

In accordance with the Companies Act, 2013 and the CSR rules notified by the Ministry of Corporate Affairs, the Company's CSR Committee creates and recommends a CSR Policy to the Board. The committee oversees the implementation of CSR operations and proposes the amount of money to be spent on these initiatives. Through its CSR outreach drives, the Company understands the challenges faced by emerging economies. It aims to bring about positive change through various initiatives, especially animal husbandry and poultry farming.

The Company has allocated ₹2.00 million to the Madad Trust in Amreli, Gujarat, to support healthcare initiatives. Additionally, ₹1.00 million has been allocated to the Dr. Jivraj Mehta Smarak Health Foundation in Ahmedabad for healthcare and preventive healthcare efforts. In Mehsana, Gujarat, the Company has spent ₹0.05 million on healthcare and preventive healthcare initiatives.

To support education and sports, ₹0.50 million has been allocated to the Divya Pratibha Trust in Valsad. The Company also spent ₹0.03 million to promote education for children with disabilities through the Khodiyar Education Trust in Mehsana.

To set up old age homes and facilities for senior citizens and to reduce inequalities faced by socially and economically backward groups, the Company has spent ₹1.80 million through the Karmaputra Charitable Trust in Ahmedabad.

Lastly, to promote Paralympic and Olympic sports across India, the Company has allocated ₹0.50 million to the Foundation for Promotion of Sports and Games.

Moreover, the Company's commitment to creating educated, healthy, sustainable and culturally vibrant communities is commendable. The Company's CSR initiatives exemplify their dedication to making a positive difference in society.

HUMAN RESOURCES POLICY

The Company's human capital is vital to its success. The Human Resources (HR) team has developed a comprehensive plan for recruiting, training, retaining and recognising employees. The Company fosters a professional work environment that supports collaboration and high performance, empowering its employees.

In promoting women's leadership, the Company has appointed women as executive directors and heads of its plants in India, Nepal and Tanzania. Additionally, the human vaccines division recruits young talent to infuse fresh perspectives into the organisation, using effective selection tools to ensure that applicants possess the necessary skills for their roles.

To further support employee development, Hester Biosciences Limited provides opportunities for employees to enrol in learning programs aimed at bridging skill gaps and reaching their full potential. The Company values meritocracy and recognises individual achievements through various reward programs.

Performance is periodically evaluated against predefined standards using an industry-leading performance management process. As part of its Talent Management Philosophy, the Company is developing an organised talent development procedure, focusing on performance, behaviour, differentiation, accountability, transparency and career growth.

A structured and digitalised performance management system has been established, emphasising performance-based remuneration tied equally to both Company and individual performance. Furthermore, the Company prioritises structured Compliance Management, Learning & Development and cadre development for succession planning.

Overall, Hester Biosciences Limited remains committed to building a high-performance culture that prioritises employee engagement, productivity and talent development.

1000+ Total Employees (As of 31 March 2024)

INTERNAL CONTROLS

Hester Biosciences Limited has implemented a robust system of internal control to preserve all of its assets and maintain operational excellence. In addition, the process scrupulously documents every transaction detail and assures regulatory compliance. The Company also employs a team of internal auditors to monitor the effectiveness of internal controls in order to provide the Audit Committee and the Board of Directors with independent and reasonable assurance regarding the organisation's risk management, internal control and governance processes. The framework is proportional to the business's type, size, scope and complexity of activities. The organisation's systems of internal financial controls ensure that all transactions are properly authorised, recorded and reported. Regular internal audits and inspections guarantee that responsibilities are carried out successfully. It is the responsibility of the audit committee to implement and maintain effective internal financial controls to ensure the orderly and efficient conduct of the Company.

Periodically, the Audit Committee reviews significant concerns and material weaknesses reported by the Internal and Statutory Auditors. Timely and adequate efforts are made to ensure that the risk is effectively minimised with the necessary corrective procedures.

CAUTIONARY STATEMENT

The following statement is in the Management Discussion and Analysis of this report and pertains to the Company's objectives, projections, estimates, expectations, or predictions, which may be considered "forward-looking statements" under applicable security laws or regulations. These statements are based on specific assumptions and expectations of future events. However, actual results may differ from those expressed or implied. Several important factors, including global and domestic estimates, changes in government regulations, tax laws and other statutes and force majeure, may affect actual results and may differ from the director's anticipated future performance and outlook.

REPORT ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) has stipulated Corporate Governance Standards for Listed Companies in Regulations 17 to 27 and 46 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended from time to time.

Corporate governance is corporate discipline, extended transparency, integrity and accountability towards all stakeholders. Corporate governance helps to achieve excellence to enhance stakeholder's value by focusing on long-term value creation without compromising integrity, social obligations and regulatory compliance.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Hester Biosciences Limited has always been committed to the principle of continuous good corporate governance and always strives to improve performance at all levels by adhering to corporate governance practices such as managing its affairs with diligence, transparency, responsibility and accountability. We have, therefore, designed our systems and action plans to enhance performance and stakeholders' value in the long run. To create a culture of good governance, your Company has adopted practices that comprise performance accountability, effective management control, the constitution of Board Committees as a part of the internal control system, fair representation of professionally qualified, non-executive and independent directors on the Board, adequate and timely compliance, disclosure of information on performance, ownership and governance of the Company and payment of statutory dues. The Compliance Report on Corporate Governance herein signifies compliance with all mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

The Company's continued endeavour is to achieve good governance, which ensures our performance rules with integrity, thereby ensuring truth, transparency, accountability and responsibility in all our dealings with our employees, shareholders, consumers and the community at large. Apart from compliance with the statutory provisions of Company Law, allied acts and SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, our disclosure seeks to attain best practices in corporate governance. We believe that good corporate governance is critical to enhancing and retaining stakeholders' trust.

GOVERNANCE STRUCTURE

The governance structure of the Company comprises the Board of Directors and the Committees of the Board at the top level and the internal governance structure at the operational level. The responsibility of the Board is to determine the overall corporate objectives and give direction and freedom to the management to achieve those objectives within a given framework. The organisational and governance structures enable an environment for value creation through sustainable and profitable growth. The governance structure is based on the principles of freedom for the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibility. The primary role of the Board is to protect the interests of and enhance the value of all stakeholders. It conducts the overall strategic supervision and control by setting policies, reporting mechanisms, accountability and decision-making processes to be followed. The CEO & Managing Director is in overall control and responsible for the overall functioning of the Company. He gives strategic directions, lays down the policy guidelines and ensures the implementation of the decisions of the Board and its committees. The governance system encourages entrepreneurship, risk taking and growth orientation with the objective of enabling full accountability through appropriate empowerment.

BOARD OF DIRECTORS

The Executive Directors look into the day-to-day business affairs of the Company and the Board of Directors reviews the overall business operations atleast once a quarter based on updates on the Company's performance provided by the CEO & Managing Director. The Board provides strategic guidance and independent views to the Company's senior management while discharging its fiduciary responsibilities. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholder's aspirations and societal expectations.

A) Composition of the Board

The Composition of the Board of Directors, with reference to the number of Executive and Non-Executive Directors, meet with the requirements of the Code of Corporate Governance and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. As on 31 March 2024, the Board is headed by Dr. Bhupendra Gandhi, Non-Executive Chairman and who is a part of promoters and promoters group of the Company. Pursuant to Regulation 17A of Listing Regulations, the Company has obtained the approval of members through special resolution for attaining age of 75 Years and more. As on 31 March 2024, your Company's Board comprises of ten Directors (excluding one Alternate Director); which includes two Executive Directors and eight Non-Executive Directors (including five Independent Directors), who have considerable experience and expertise in their respective fields. The composition of the Board is in conformity with the Regulation 17 of the SEBI Listing Regulations read with Section 149 of the

Companies Act, 2013. Non-Executive and Independent Directors have expert knowledge in the fields of business strategy and planning, finance, taxation, legal, industry and information technology. Thus the Board represents a balanced mix of professionals, who bring the benefits of their knowledge and expertise and enables the Board to discharge its responsibilities for effective leadership to the business.

Independent Directors are non-executive directors as defined under regulation 16(1)(b) of the Listing Regulations read with section 149(6) of the Act along with rules made thereunder. The maximum tenure of the independent Directors is in compliance with the Companies Act, 2013. In terms of Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impact or impair their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board has confirmed that they meet the criteria of independence as mentioned 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 is a Member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees (Committees being, Audit Committee and Stakeholders' Grievances and Relationship Committee) across all the companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than 10 (ten) public companies as on 31 March 2024.

During the year, based on the recommendation of the Nomination and Remuneration Committee at the meeting held on 26 June 2023, has approved and recommended the appointment of Mr. Anil Jain (DIN: 00805735) and Mr. Jatin Trivedi (DIN: 01618245) as independent directors for the term of five years with effect from 26 June 2023, subject to the approval of members.

Members of the Company have approved the appointment of Mr. Anil Jain (DIN: 00805735) and Mr. Jatin Trivedi (DIN: 01618245) as Independent Directors of the Company at the 36th Annual General Meeting of the Company held on 20 September 2023.

Notes:

The composition of the Board of Directors and the number of Directorships and Committee positions held by them as on 31 March 2024 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)	5	1	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	-	-	-	-	-
Ms. Sandhya Patel	Independent & Non - Executive Director	1	1	1	-	-
Mr. Ashok Bhadakal	Independent & Non - Executive Director	-	1	-	-	-
Mr. Ameet Desai	Independent & Non - Executive Director	6	-	2	Ambuja Cements Limited	Independent Director
Mr. Anil Jain[3]	Independent & Non - Executive Director	1	-	-	-	-
Mr. Jatin Trivedi[3]	Independent & Non - Executive Director	1	-	-	Dev Information Technology Limited	Independent Director

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 Stakeholders' Grievances and Relationship Committee as per Regulation 26 of the SEBI Listing Regulations.
3. Appointed as Independent Director with effect from 26 June 2024.
4. As on 31 March 2024, 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.

The Board has identified the core skills / expertise / competencies in the context of the business and the sector in which the Company is operating in an effective manner: Managerial, Marketing & Distribution, Finance & Audit, Environment Sustainability, Compliance & Governance, Business Strategy & Planning, Merger & Acquisition, Technology & Innovation. The Directors appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted. 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 structured agenda. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Company Secretary in consultation with the senior management prepares the detailed agenda for the meetings.

Agenda papers and notes on agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information is being circulated along with Agenda papers for facilitating meaningful and focused discussions at the meeting. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted. In order to transact some urgent business, which may come up after circulation agenda papers, the same is placed before the Board by way of table Agenda or Chairman's Agenda.

Detailed presentations are made at the Board/ Committee meetings covering Finance, major business segments and operations of the Company, global business environment, all business areas of the Company including business opportunities, business strategy and the risk management practices during the discussion on the quarterly/ half yearly/ annual financial results of the Company. The required information as enumerated in Part A of Schedule II to SEBI Listing Regulations is made available to the Board of Directors for discussions and consideration at every Board Meeting. The Board periodically reviews compliance reports as required under Regulation 17(3) of the SEBI Listing Regulations. The important decisions taken at the Board / Committee meetings are communicated to departments concerned promptly. Action taken report on the decisions taken at the meeting(s) is placed at the immediately succeeding meeting of the Board/ Committee for noting by the Board/ Committee.

Minimum four pre-scheduled Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific business requirements of the Company. In case of business exigencies or urgency of matters, resolutions are also passed by way of circulation.

In compliance with regulation 17 of the Listing Regulations and as required under the Act, the Board meets at least once in each quarter and the gap between any two Board meetings was not more than 120 days. During the year under review, five board meetings were held on 17 May 2023, 26 June 2023, 8 August 2023, 7 November 2023 and 2 February 2024.

The Companies Act, 2013 read with the relevant rules made thereunder, now facilitates the participation of a Director in Board/Committee Meetings through video conferencing or other audio visual mode. Accordingly, the option to participate in the Meeting through video conferencing was made available for the Directors except in respect of such Meetings / Agenda Items that are not permitted to be transacted through video conferencing.

The details of attendance of Directors at the Board Meetings and at the last Annual General Meeting of the Company for the year ended 31 March 2024 are as under:

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	5	5	Yes	399,100
Mr. Rajiv Gandhi	5	5	Yes	890,397
Mr. Sanjiv Gandhi	5	5	Yes	697,820
Mr. Ravin Gandhi	5	-	-	403,320
Ms. Nina Gandhi**	5	3	Yes	696,340
Ms. Priya Gandhi	5	5	Yes	-
Ms. Sandhya Patel	5	4	Yes	-
Mr. Ashok Bhadakal	5	5	Yes	-
Mr. Ameet Desai	5	3	No	-
Mr. Anil Jain*	3	2	Yes	-
Mr. Jatin Trivedi*	3	3	Yes	-

* Appointed as Independent Director with effect from 26 June 2023.

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

During the year, the Board of Directors accepted all recommendations of the Committees of the Board, which were statutory in nature and required to be recommended by the Committee and approved by the Board of Directors. Hence, the Company is in compliance of condition of clause 10(j) of schedule V of the SEBI Listing Regulations.

During the year under review, the Board of Directors of the Company has reviewed various Policies to comply with the recent amendments in the Companies Act, 2013 and SEBI Regulations; and also other statutory policies. All these policies are uploaded on website of the Company at **www.hester.in**

C) Disclosure regarding appointment/re-appointment of Directors
The information as required by regulations 26 and 36(3) of the SEBI (LODR) Regulation, 2015, in relation to appointment/re-appointment of Directors of the Company are provided in the ensuing Annual General Meeting Notice of the Company.

D) Confirmation as regards independence of Independent Directors
In the opinion of the Board, all existing Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and the Companies Act, 2013 and are independent of the Management.

E) Directors Familiarisation Programme
At the time of appointment of an Independent Director, a formal letter of appointment is given to him/her, which inter alia explains the role, functions, duties and responsibilities expected from him/her as a Director of the Company. All our Directors are aware and also updated, whenever required, of their role, responsibilities, liabilities and obligations under the provisions of the Companies Act, 2013 and Rules made there under and regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All new Independent Directors are taken through a detailed induction and familiarisation programme when they join the Board of your Company. The induction program is an exhaustive one that covers the history and culture of Hester Biosciences, background of the Company and its growth, various milestones in the Company's existence since its incorporation, the present structure and an overview of the businesses and functions. Familiarisation programme is posted on the website of the Company and any member can visit the Company's website by clicking the link: **https://www.hester.in/corporate-governance**

F) Evaluation of Board of Directors
During the year, the performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of various criteria such as structure and diversity of the Board, experience of Director, strategy and performance evaluation, secretarial support, evaluation of risk, evaluation of performance of the management and feedback, independence of the management from the Board etc. The Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as knowledge and competency, fulfillment of functions, availability and attendance, initiative integrity contribution and commitment, independence, independent views and judgment etc.

Further, the Board of Directors have carried out the evaluation of the Independent Directors, which included the performance of the IDs and fulfillment of the independence criteria as specified in the Listing Regulations and their independence from the management. The Directors who were subject to evaluation did not participate in the proceedings of the meeting.

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 website of the Company at **www.hester.in** All Board Members and Senior Management Personnel have affirmed compliance of the Code of Conduct. A declaration signed by the Managing Director to this effect is part of this report. The Board has also an adopted separate code of conduct with respect to duties of Independent Directors as per the provisions of the Companies Act, 2013.

COMMITTEES OF THE BOARD

The Committees of Board play a vital role in ensuring effective Corporate Governance practices. The Committees are constituted to handle specific activities and to ensure speedy resolution of diverse matters. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles that are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all the Committees are placed before the Board for review.
As on date the Board has established the following Committees:

a) Audit Committee
b) Nomination and Remuneration Committee
c) Stakeholders' Grievances and Relationship Committee
d) Corporate Social Responsibility (CSR) Committee
e) Risk Management Committee
f) Management Committee

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

A) AUDIT COMMITTEE

The Company has constituted the Audit Committee with the primary objective to monitor and provide effective supervision of the Management's financial reporting process with the view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

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

As of 31 March 2024, Audit Committee comprises of three members which includes, Mr. Ashok Bhadakal as Chairperson and Ms. Sandhya Patel and Ms. Priya Gandhi as Members of the Committee. The composition of the Committee meets all the requirements of 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 17 May 2023, 8 August 2023, 7 November 2023 and 1 February 2024. 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 statutory, internal and cost auditors.

Details of the attendance of the members of the committee at the meetings of the Committee are as under:

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

The Chairman of the Audit Committee has attended the 36th Annual General Meeting held on 20 September 2023.

Invitees at the Audit Committee Meetings

The representatives from Statutory Auditor and Internal Auditors are regularly invited and has attended all the Audit Committee meetings held during the year. The Chief Financial Officer was invited to attend and participate in these meetings. Mr. Vinod Mali, Company Secretary and Compliance Officer, acts as a Secretary to the Committee.

The Company continues to derive benefits from the deliberations of the Audit committee meetings as the members are experienced in the areas of finance, accounts, taxation, corporate laws and industry. It ensures accurate and timely disclosures that maintain the transparency, integrity and quality of 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 has reviewed each area that it is required to review under the terms of reference. Every quarter, the Audit Committee is presented with a summary of audit observations and follow up actions thereon.

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 2024. The Audit Committee also granted omnibus approval for the related party transactions proposed to be entered into by the Company during the Financial Year ending on 31 March 2025.

As prescribed under the Listing Regulations, only the independent directors participated and approved the related party transactions. The Audit Committee also took a note of the material subsidiary of the Company.

B) NOMINATION AND REMUNERATION COMMITTEE

In compliance with the provisions of section 178 of the Companies Act, 2013 and regulation 19 of the Listing Regulations 2015, the Board has constituted a "Nomination and Remuneration Committee" (NRC).

The Nomination and Remuneration Committee as a committee of the Board has been constituted mainly to determine and recommend to Board, the Company's policies on remuneration packages for Executive and Non-Executive Directors and policies on Nomination for appointment of Director, Key Managerial Personnel and Senior Management Personnel.

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

As of 31 March 2024, 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 member of Committee are Non-executive Directors. The composition of the committee meets all 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 met on 26 June 2023.

Details of the attendance of the members of the committee at the meetings of the Committee are as under:

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 review the minutes of the Nomination and Remuneration Committee Meetings at subsequent Board Meetings. The Company Secretary acts as a Secretary to the Committee.

The Chairman of the Nomination and Remuneration Committee has attended the 36th Annual General Meeting held on 20 September 2023.

Terms of Reference

The Terms of reference of the said NRC is specified in clause A of Part D of Schedule II of the Listing Regulations which are mentioned hereunder:

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. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on diversity of board of directors;
4. 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;
5. 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.
6. 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.
7. 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 2024:
The Board of Directors approved the Nomination and Remuneration Policy on the recommendation of Nomination and Remuneration Committee. The terms of reference of the Committee are in line with the requirements of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II to the Listing Regulations. The salient 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 ₹ 0.05 million as sitting fees for attending meeting of Board of Directors and Audit Committee and ₹ 0.025 million for attending meeting of Stakeholders' Grievances and Relationship Committee, Nomination and Remuneration Committee & actual reimbursement of expenses incurred for attending each meeting of the Board and Committees. Normally, the sitting fees is paid immediately after the board or committee meetings, to those who have attended the meetings.

Details of the sitting fees paid to the Non-Executive Directors for the year 2023-24 areas under:

(Amount in ₹ million)

Name of the Non-Executive Directors	Board Meetings	Audit Committee Meetings	NRC and SRC Committee Meetings	Total Amount
Dr. Bhupendra Gandhi	0.25	-	-	0.25
Mr. Sanjiv Gandhi	0.25	-	0.02	0.27
Ms. Nina Gandhi	0.15	-	-	0.15
Ms. Sandhya Patel	0.20	0.20	0.10	0.50
Mr. Ashok Bhadakal	0.25	0.20	0.03	0.48
Mr. Ameet Desai	0.15	-	-	0.15
Mr. Anil Jain	0.10	-	-	0.10
Mr. Jatin Trivedi	0.15	-	-	0.15
Total	**1.55**	**0.40**	**0.15**	**2.05**

Apart from the above, there are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors except those disclosed in the financial statements for the financial year ended on 31 March 2024.

iii) Remuneration to Executive Director:
Mr. Rajiv Gandhi is the CEO & Managing Director and Ms. Priya Gandhi is Executive Director of the Company. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors decides and approves the remuneration payable to Mr. Rajiv Gandhi and Ms. Priya Gandhi, as approved by shareholders of the Company.

The details of remuneration paid to executive directors during the financial year 2023-24 are as under:

(Amount in ₹ million)

Sr.	Name of Director	Gross Salary	Commission	Total
1	Mr. Rajiv Gandhi	19.07	18.00	37.07
2	Ms. Priya Gandhi	5.40	-	5.40

The Company has entered into agreement with executive directors for their respective employment. Either party to an agreement is entitled to terminate the agreement by giving notice in writing to the other party.

The Board and the NRC reviewed the performance of individual directors on the basis of criteria fixed by the Board / NRC.

iv) Remuneration to Senior Management Employees:
The CEO & Managing Director with the help of the Human Resources Department, carry out the individual performance review based on the standard appraisal matrix and after taking into account the appraisal score card and other factors like - Key Performance Area v/s initiatives, balance between fixed and variable pay, fixed components and perquisites and retirement benefits, criticality of roles and responsibilities, industry benchmarks and current compensation trends in the market. Further, any promotion at a senior level management is approved by the Management based on a predetermined process and after accessing the candidates' capability to shoulder higher responsibility.

v) Stock Option:
The Company does not have any stock option scheme for its Directors or employees. Moreover, there is no separate provision for payment of severance fees to the Directors.

C) STAKEHOLDER'S GRIEVANCES AND RELATIONSHIP COMMITTEE

In compliance with the provisions of section 178 of the Companies Act, 2013 and the regulation 20 of the Listing Regulations, the Board has formed a "Stakeholder's Grievances and Relationship Committee". The Stakeholders' Grievances and Relationship Committee as a committee of the Board has been constituted specifically look into various aspects of interest of shareholders, debenture holders and other security holder pertaining to the requests/complaints of the shareholders related to transfer of shares, dematerialisation of shares, non-receipt of annual accounts, non-receipt of dividend or revalidation of expired dividend warrants, recording the change of address, nomination, etc.

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

As of 31 March 2024, Stakeholder's Grievances and Relationship Committee comprises three members. Ms. Sandhya Patel as Chairperson and Ms. Priya Gandhi and Mr. Rajiv Gandhi as Members of the Committee. The composition of 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 17 May 2023, 8 August 2023, 7 November 2023 and 2 February 2024.

Details of the attendance of the members of the committee at the meetings of the Committee are as under:

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

The Company Secretary acts as the Secretary to the Committee, who is designated as Compliance Officer pursuant to regulation 6 of the Listing Regulations. The Committee ensures that the shareholders'/investors' grievances and correspondence are attended and resolved expeditiously.

The Chairman of the Stakeholder's Grievances and Relationship Committee has attended the 36th Annual

General Meeting held on 20 September 2023.

Number of complaints
During the year under review, the Company has received 4 (four) complaints and had no pending unresolved complaints at the end of the year. The Company regularly reviews the various requests received by the Company/RTA from shareholders and takes all the necessary steps to smooth the processing of requests within the time frame laid down by SEBI.

Terms of Reference
The role of the Stakeholders' 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. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

D) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE
The terms of reference of CSR Committee includes, to frame the CSR Policy and review it from time to time to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act and Rules made thereunder and to provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

As of 31 March 2024, 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 committee meets all the requirements of Section 135 of the Companies Act, 2013, read with rules made thereunder.

During the year under review, CSR committee meeting was held on 15 May 2023, 10 July 2023 and 29 February 2024.

The composition of CSR Committee and 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	3	3
Mr. Sanjiv Gandhi	Non-Executive/ Non-Independent	3	3
Ms. Sandhya Patel	Non-Executive/ Independent	3	3

The CSR Policy, as recommended by the CSR Committee is approved by the Board. The details with regard to CSR, its composition, Policy, Projects, etc. are provided in the Board's Report. CSR policy also uploaded on the website of the Company.

E) RISK MANAGEMENT COMMITTEE
In compliance with the provisions of regulation 21 of the Listing Regulations, the Company has constituted a Risk Management Committee at Board of Directors and the members of the Committee are Directors of the Company. The Company has a well-defined risk management framework to identify, recognise, monitor and mitigate risks as also identify business opportunities. Business risk evaluation and its management is a continuous process within the organisation.

Composition, meetings held and attendance at the meetings during the year
The Risk Management Committee comprises of three members. 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.

During the year under review, Risk Management committee meetings held on 6 September 2023 and 29 February 2024.

The composition Risk Management Committee and 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
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

F) MANAGEMENT COMMITTEE

As of 31 March 2024, 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.

Management Committee reviews and review the operational transaction and business of operations of the Company. The Management Committee makes decision within the authority delegated by the Board of Directors. All decisions/ recommendations of the Committee are placed before the Board of Directors for information and/or their approval. The Company Secretary acts as the Secretary to the committee.

During the year under review, Management Committee meeting was held on 18 October 2023. All the members of committee have attended all the Meetings.

INDEPENDENT DIRECTOR'S MEETING

During the year under review, a separate meeting of Independent Directors was held on 15 March 2024 under the chairmanship of Mr. Ashok Bhadakal, inter alia, to discuss:

1. Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole,
2. Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors and
3. Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary to effectively and reasonably perform its duties.

The details of Independent Directors meeting attended by the members are as under:

Name of the Member	Position	Number of meetings held during tenure	Number of meetings attended
Mr. Ashok Bhadakal	Chairman	1	1
Ms. Sandhya Patel	Member	1	1
Mr. Ameet Desai	Member	1	1
Mr. Anil Jain	Member	1	1
Mr. Jatin Trivedi	Member	1	-

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.

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 2024 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.

SUBSIDIARY COMPANIES:

As on 31 March 2024, the Company has four subsidiary companies, namely, Hester Biosciences Nepal Private Limited, Texas Lifesciences Private Limited, Hester Biosciences Africa Limited and Hester Biosciences Kenya Limited and one step-down subsidiary, namely, Hester Biosciences Tanzania Limited, which is a subsidiary of Hester Biosciences Kenya Limited.

Pursuant to the provisions of Regulation 24(1) of the SEBI Listing Regulations, Texas Lifesciences Private Limited, an Indian subsidiary of the Company, was an unlisted material subsidiary for the financial year

2023-24. Additionally, the Company is not required to nominate an independent director on the Board of any subsidiary company, as the turnover or net worth of the material subsidiary is less than 20% of consolidated income or net worth. For the FY 2024-25, Texas Lifesciences will cease to be an unlisted material subsidiary of the Company, as its turnover or net worth is below the 10% threshold of consolidated income or net worth.

The Audit Committee of the Company reviews the financial statements and investments made by unlisted subsidiary companies and the minutes of the unlisted subsidiary companies are placed periodically at the Board Meeting of the Company. The Company has a policy for "Determining Material Subsidiaries" which is uploaded on the company's website at **https://www.hester.in/corporate-governance**

WHISTLE BLOWER POLICY

As per the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has a whistle-blower policy to deal with any instance of fraud or mismanagement and to report instances of leakage of unpublished price-sensitive information. Under this policy, the employees of the Company are free to report violations of any laws, rules, or regulations and concerns about unethical conduct to the Audit Committee. No personnel have been denied access to the Audit Committee pertaining to whistleblower policy. 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 said policy is uploaded on the website of the Company at **https://www.hester.in/corporate-governance** During the year under review, there were no cases or concerns raised or received from the whistle blower.

DIVIDEND DISTRIBUTION POLICY

As per Regulation 43A of the SEBI Listing Regulations, the Board of Directors has formulated and implemented a dividend distribution policy set out the parameters and circumstances that will be taken into account in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The Dividend Distribution Policy of the Company is available on the website of the Company at **https://www.hester.in/corporate-governance**

RELATED PARTY TRANSACTIONS

All Related Party transactions are entered in compliance to the provisions of law, the Policy on Materiality of and dealing with Related Party Transactions ("Related Party Policy") and were entered with the approval of Audit Committee, Board and Shareholders if and as applicable.

The particulars of material contracts and arrangements entered into with the related parties in accordance with the Related Party Policy of the Company and pursuant to the provisions of Section 188(1) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 are annexed herewith as Annexure-2. The Related Party Transactions for the financial year 2023-24 have been disclosed in Notes to the Financial Statements of the Company.

The Board has approved a policy for related party transactions, which is uploaded on the website of the Company at **https://www.hester.in/corporate-governance**

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

As per the provisions of Sections 124 and 125 of the Act read with the Rules made thereunder, dividends, if not claimed for a period of 7 (seven) consecutive years from the date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred to IEPF.

Further, all the shares in respect of which dividends have remained unclaimed for 7 (seven) consecutive years or more from the date of transfer to the Unpaid Dividend Account shall also be transferred to IEPF. The said requirement does not apply to shares in respect of which there is a specific order of a court, tribunal, or statutory authority restraining any transfer of the shares.

In the interest of members, the Company had sent reminders to the members to claim their dividends or shares before the transfer of dividends or shares to IEPF. A notice in this regard was also published in the newspapers and the details of unclaimed dividends and members whose shares are liable to be transferred to IEPF are uploaded on the website of the Company.

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

i) 3,063 equity shares of 33 (Thirty Three) members whose dividend has remained unclaimed / unpaid for a consecutive period of seven years to IEPF.
ii) ₹ 0.94 million, being the unclaimed dividend, pertaining to the dividend for the financial year 2015-16 (Interim & Final) and 2016-17 (Interim) was transferred to IEPF after giving notice to the members to claim their unpaid / unclaimed dividend.

As of 31 March 2024, 81,897 (eighty one thousand eight hundred ninety seven only) equity shares were lying with IEPF.

For all the transferred unclaimed dividends up to and including the Financial Year 2016-2017 (Interim), shareholder can claim from the IEPF Authority by filling the online Form No. IEPF-5 and sending the said form to the Nodal Officer of the Company at the Registered Office with complete documents. Upon application, the IEPF authority to pay the claimed shares and/or dividend amount based on the e-verification form filed by the Company and the documents submitted by the member.

Further, all the members are requested to claim the dividend amount lying in the respective unclaimed dividend accounts for the financial years 2016-17 to 2022-23 by application to the Company or Registrar and Transfer Agent along with KYC documents.

Details of the date of declaration of dividends and the due date of transfer to IEPF are provided in the notes to the notice convening the Thirty Seventh AGM.

OTHER DISCLOSURES

1. 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 2024 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 2024 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
CEO & Managing Director
DIN: 00438037

Date 10 May 2024
Place Ahmedabad

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 37th 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 2023-24 under review, total fees for all services paid by the Company to the statutory auditors i.e. M/s. Chandulal M. Shah & Co., Chartered Accountant, Ahmedabad and statutory auditors of the Company is not appointed as an auditor for any subsidiary company:

Payment to Statutory Auditors	Amount (₹ million)
Audit Fees*	1.40
Other Services*	0.14

*Excluding GST

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. During the year under review, the Company received and approved one claim for 400 shares based on the documents submitted by the applicant. Additionally, 50 equity shares were transferred to the IEPF Suspense Account in accordance with IEPF rules. As of 31 March 2024, there is a balance of 2,100 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. The Company is exposed to risk from market fluctuations of foreign exchange on imports, foreign currency loans, project imports etc. The Company manages such short term and long term foreign exchange risk within the framework laid down by the Board. The company's risk management activities are subject to the management direction and control under the framework of Risk Management Policy as approved the Board of Directors of the Company. The objective of the Policy is to mitigate the currency risk of foreign currency payables / receivables thereby protecting operating margin of business and achieving greater predictability to earnings.

MEANS OF COMMUNICATION

1. The Company has 13,164 shareholders as on 31 March 2024. 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.hetser.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 newly launched 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
2020-21	34th AGM on 17 August 2021 at 10:00 a.m. (IST)	Through Video Conferencing (VC) /Other Audio Visual Modes (OVAM)
2021-22	35th AGM on 23 August 2022 at 11:00 a.m. (IST)	
2022-23	36th AGM on 20 September 2023 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		

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 resolutions, stated in the below table by requisite majority, by means of Postal Ballot through Electronics Voting (e-voting). The Postal Ballot Notice dated 27 March 2023 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 Wednesday, 29 March 2023 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 Saturday, 1 April 2023 at 9:00 a.m. (IST) and ended on Sunday, 30 April 2023 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, 24 March 2023.

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 passed on Monday, 1 May 2023.

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

Special Resolutions passed through Postal Ballot	Votes in favour of the resolution (%)	Votes against the resolution (%)
Re-appointment of Ms. Sandhya Patel (DIN: 02215022) as Independent Director	100.00	-
Re-appointment of Mr. Ashok Bhadakal (DIN: 00981201) as Independent Director	100.00	-
Re-appointment of Mr. Rajiv Gandhi as CEO and Managing Director	99.45	0.55

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**
   Pushpak, 1st Floor, Panchvati Circle, Motilal Hirabhai Road, Ahmedabad, Gujarat 380006, India

3. **37th Annual General Meeting**
   Day, Date and Time: Thursday, 29 August 2024 at 10:30 A.M. (IST)
   Mode of AGM/ Venue: Through Video Conferencing Mode / Other Audio Visuals Means
   Book Closure Date: Friday, 23 August 2024 to 29 August 2024

4. **Tentative Financial Calendar**

First quarter financial results	On or before 14 August 2024
Half yearly financial results	On or before 14 November 2024
Third quarter financial results	On or before 14 February 2025
Audited financial results for the year 2024-25	On or before 30 May 2025

   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 400001 and The National Stock Exchange of India Limited (NSE) at Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400051. Annual listing fee for the financial year 2023-24 has been paid by the Company to BSE and NSE

6. **Payment of Depositories Fee**
   Annual Custody/ Issuer fee for the financial year 2024-25 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

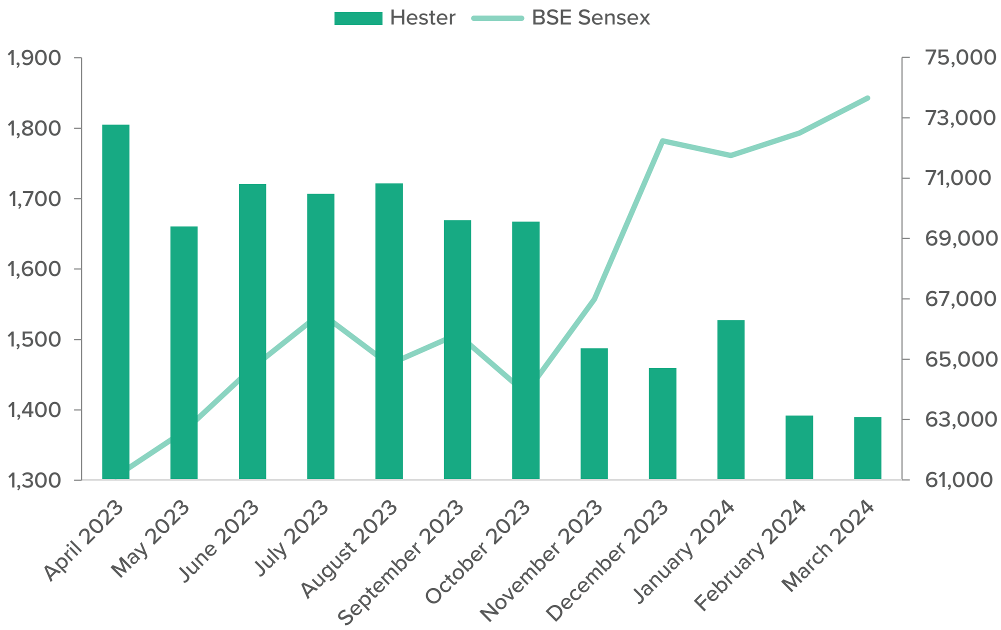
   b) Stock Code, Closing Price, Market Capitalisation and Rank based on Market Capitalisation:

Name of the Stock Exchanges	Stock Code	Closing Price as on 31 March 2024 (₹)	Market Capitalisation as on 31 March 2024 (₹ in million)	Rank based on Market Capitalisation as on 31 March 2024
BSE Limited	524669	1,389.25	11,818.16	1174
The National Stock Exchange of India Limited	HESTERBIO	1,372.30	11,673.97	1129

8. Stock Price Data

Month (FY 2023-24)	BSE Sensex	BSE Limited			National Stock Exchange of India Limited		
		High (₹)	Low (₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No. of Shares)
April	61,112.44	1,829.80	1,530.00	3,277	1,830.00	1,515.35	81,430
May	62,622.24	1,870.00	1,588.00	5,048	1,874.00	1,588.05	89,718
June	64,718.56	1,750.00	1,601.30	7,913	1,763.85	1,610.00	1,03,789
July	66,527.67	1,799.00	1,665.60	7,148	1,805.00	1,666.55	72,326
August	64,831.41	1,928.45	1,672.25	14,142	1,939.95	1,675.00	2,47,361
September	65,828.41	1,820.05	1,645.00	9,475	1,824.85	1,643.50	1,27,865
October	63,874.93	1,744.00	1,606.00	5,296	1,750.45	1,600.00	58,512
November	66,988.44	1,712.45	1,483.00	8,161	1,720.10	1,480.00	98,658
December	72,240.26	1,517.45	1,443.75	11,133	1,510.00	1,435.00	1,43,234
January	71,752.11	1,616.00	1,445.00	19,658	1,617.00	1,449.90	2,28,754
February	72,500.30	1,538.35	1,386.00	11,789	1,550.00	1,384.50	1,51,974
March	73,651.35	1,451.95	1,292.90	30,151	1,488.00	1,292.85	2,35,534

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 99.05% of the Company's share capital are dematerialised as on 31 March 2024.

The Company's shares are regularly traded on the 'BSE Limited' and 'National Stock Exchange of India Limited'. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE782E01017.

11. Distribution of Shareholding as on 31 March 2024

a) On the basis of shares held:

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	12,559	95.40	683,343	8.03
501 to 1000	266	2.02	194,842	2.29
1001 to 2000	133	1.01	190,511	2.24
2001 to 3000	46	0.35	115,271	1.36
3001 to 4000	31	0.24	109,520	1.29
4001 to 5000	19	0.14	86,011	1.01
5001 to 10000	34	0.26	240,248	2.82
Above 10001	76	0.57	6,887,119	80.96
Total	**13,434**	**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	2,834,659	33.02
3	Hindu Undivided Family	191,118	2.10
4	Non-Resident Individual	457,945	5.43
5	Investors Education and Protection Fund (IEPF)	81,897	0.93
6	Foreign Portfolio Investor	36,396	0.45
7	Domestic Companies and LLPs	270,435	3.59
8	Unclaimed Shares	2,100	0.03
9	Clearing Members and others	61,371	0.72
	Total	**8,506,865**	**100.00**

12. Share Transfer Procedure

Applications for transfer of shares in the physical form are processed by the Companys' Registrar & Transfer Agent, Link Intime India Private Limited. The Share Transfer Committee constituted for transfer/transmission of shares, issue of duplicate shares and allied matters considers and approves the share transfer within the stipulated time limit, subject to transfer instrument being valid and complete in all respects.

As per the requirements of regulation 40(9) of the Listing Regulations, a Company Secretary in practice has certified due compliance of share transfer formalities on yearly basis.

13. 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.

14. 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.

15. 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, Link Intime India Private Limited, as per the address mentioned below.

16. 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.

17. Registrar and Share Transfer Agent

Link Intime India Private Limited (Link Intime) 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:

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, Ellisebridge, Ahmedabad 380006
Phone: +91 79 26465179 /86 / 87
E-mail: **ahmedabad@linkintime.co.in**

18. 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.

19. Details of non-compliance

There was no non-compliance during the financial year ended 31 March 2024 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 NSE and BSE along with the annual report to be filed by the Company.

20. 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.

21. 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 2024 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
Ahmedabad

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 2024 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	**Nikhil Jhanwar**	**Date**	10 May 2024
CEO & Managing Director	Chief Financial Officer	**Place**	Ahmedabad
DIN: 00438037			

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

To,
The Members of
HESTER BIOSCIENCES LIMITED
CIN: L99999GJ1987PLC022333
Ahmedabad

I have examined the compliance of conditions of corporate governance by HESTER BIOSCIENCES LIMITED, for the year ended on 31 March 2024 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. : **673/2020**
UDIN: **F004476F000313829**

Date 10 May 2024
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
Pushpak, 1st Floor,
Panchvati Circle, Motilal Hirabhai Road,
Ahmedabad 380006

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 Pushpak, 1st Floor, Panchvati Circle, Motilal Hirabhai Road, Ahmedabad 380006 (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 2024 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

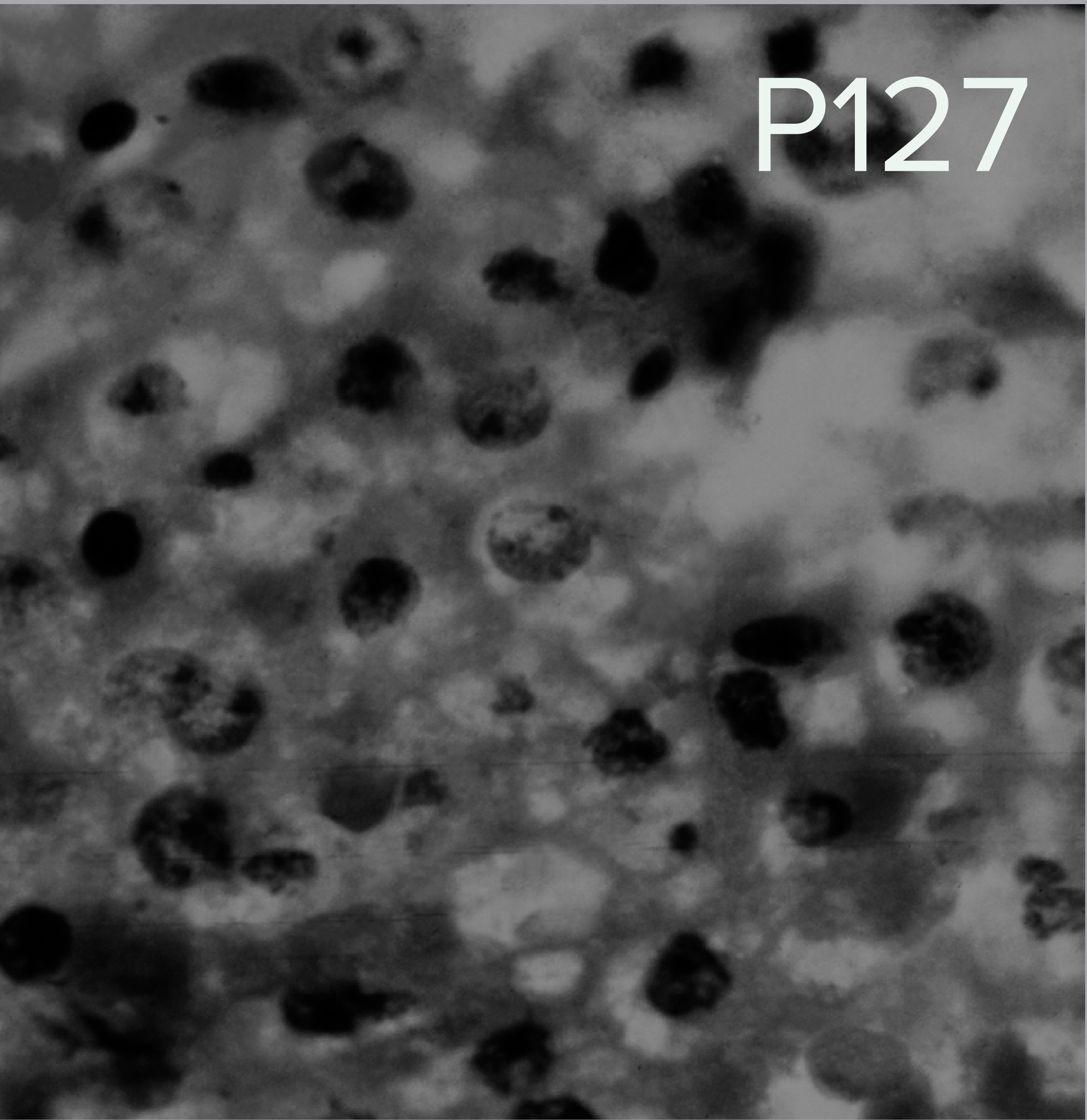
* Date of appointment is as per the MCA portal
** Appointed with effect from 26 June 2023
# Appointed as an Alternate Director for Mr. Ravin Gandhi

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. : **673/2020**
UDIN: **F004476F000313939**

Date 10 May 2024
Place Ahmedabad

FINANCIAL STATEMENTS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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 2024, 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 2024, 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	**Valuation of Inventories**	
	The Company has an Inventory carrying value ₹ 685.26 million, which is around 24% 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 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 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, actual selling price prevailing around and subsequent to 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. • We have considered the process of periodical physical verification of Inventory carried out by the management. • have evaluated the design and operating effectiveness of controls as established by the management in determination of slow moving, expired and obsolete inventory. • Considered the completeness and accuracy of the disclosures.
2	**Carrying Value of Trade Receivables**	
	The Company has Trade Receivables of carrying value ₹ 857.76 million and the ascertainment of allowance for expected credit loss of trade receivables require 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 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 recognising provisions and compared the Company's provisioning against historical collection data. • 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 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 Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015.
      e) On the basis of the written representations received from the directors of the Company for the financial year 2023-24, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024, 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 -

(i) Based on our examination, which includes test checks and other generally accepted audit procedures performed by us, we report that the Company has used an accounting software for maintaining its books of accounts which has a feature of recording audit trails (edit log) facility. Further, based on the information provided to us by the management, we report that there was no instance wherein the audit trail (edit log) feature was tampered with.

(ii) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

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

Arpit D. Shah
Partner
M. No. 135188
UDIN: 24135188BKCXLZ1388

Date 10 May 2024
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 2024:

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 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii.

a) The inventories were 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 material discrepancies were noticed on such verification.

b) The Company has been sanctioned working capital limits in excess of Rs. 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 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 ₹ Million)

Particulars	Guarantees	Loans
Aggregate amount granted/provided during the year		
Subsidiaries	-	-
Others	-	-
Balance Outstanding as at balance sheet date		
Subsidiaries	1,167.67	-
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 the case of loans, schedule of repayment of principal and payment of interest have been stipulated. However, the borrowers have not repaid the principal amount as stipulated and have made payment of interest to the Company for the financial year 2023-24 within its due date. Further, the borrowers have also repaid the outstanding interest amount (net of TDS), during the financial year 2023-24, amounting to ₹ 9.76 million in aggregate for previous two financial years 2021-22 & 2022-23 with a delay of 754 days & 361 days respectively.

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 explanation provided to us, following loan granted has fallen due during the year and has been renewed or extended to existing parties:

(Amount in ₹ Million)

Name of the Parties	Aggregate amount of overdue of existing loans renewed or extended or settled by fresh loans	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Tamboli Trading LLP	55 million	100.00%

f) According to the information explanation 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 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 2024, 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 (₹ 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)
Income Tax Act, 1961	Income Tax	3.45	A.Y. 2020-21	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 explanation 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

Arpit D. Shah
Partner
M. No. 135188
UDIN: 24135188BKCXLZ1388

Date 10 May 2024
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 2024, 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 2024, 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

Arpit D. Shah
Partner
M. No. 135188
UDIN: 24135188BKCXLZ1388

Date 10 May 2024
Place Ahmedabad

BALANCE SHEET

AS AT 31 MARCH 2024

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

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
(a) Property, Plant & Equipment	3	1,028.91	1,078.46
(b) Capital Work-in-Progress	3	1,681.13	1,461.38
(c) Other Intangible Assets	4	5.66	3.71
(d) Intangible Assets under Development	4	32.89	24.69
(e) Financial Assets			
(i) Investments	5	646.89	646.89
(ii) Other Financial Assets	7	37.37	45.29
(f) Other Non-current Assets	8	18.49	37.25
Total Non-current Assets		**3,451.34**	**3,297.67**
Current assets			
(a) Inventories	9	685.26	792.16
(b) Financial Assets			
(i) Trade Receivables	10	857.76	823.60
(ii) Cash and Cash Equivalents	11	24.08	43.01
(iii) Bank Balances other than (ii) above	12	25.56	16.61
(iv) Loans	6	56.87	58.47
(v) Other Financial Assets	7	184.06	190.39
(c) Other Current Assets	8	210.53	236.24
Total Current Assets		**2,044.12**	**2,160.48**
Total Assets		**5,495.46**	**5,458.15**
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	13	85.07	85.07
(b) Other equity	14	3,042.05	2,838.75
Total Equity		**3,127.12**	**2,923.82**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	790.70	833.97
(ii) Other Financial Liabilities	16	7.03	7.03
(b) Non Current Provision	17	22.56	17.16
(c) Deferred Tax Liabilities (Net)	30	70.85	71.47
(d) Other Non-Current Liabilities	18	500.00	240.00
Total Non-current Liabilities		**1,391.14**	**1,169.63**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	544.94	809.25
(ii) Trade Payables	20		
- Total outstanding dues of micro enterprises and small enterprises		49.08	4.56
- Total outstanding dues of creditors other than micro enterprises and small enterprises		252.13	282.55
(iii) Other Financial Liabilities	16	89.21	130.39
(b) Other Current Liabilities	18	15.13	99.66
(c) Provisions	17	6.70	4.42
(d) Current Tax Liabilities	21	20.01	33.87
Total Current Liabilities		**977.20**	**1,364.70**
Total Liabilities		**2,368.34**	**2,534.33**
Total Equity and Liabilities		**5,495.46**	**5,458.15**

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

Arpit D. Shah
Partner
Membership No.: 135188

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Nikhil Jhanwar
Chief Financial Officer

Vinod Mali
Company Secretary

Date 10 May 2024
Place Ahmedabad

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

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

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
Revenue from operations	22	2,851.55	2,540.00
Other income	23	42.62	53.23
Total Income		**2,894.17**	**2,593.23**
Expenses			
Cost of raw material and components consumed	24	326.86	292.81
Purchase of stock-in-trade	25	565.95	553.71
Changes in inventories of finished goods, traded goods and work-in-progress	26	103.64	(47.71)
Employee benefits expense	27	567.20	479.17
Finance cost	28	50.93	64.97
Depreciation and amortisation expense		97.78	97.88
Other expenses	29	814.49	713.16
Total Expenses		**2,526.85**	**2,153.99**
Profit before tax		**367.32**	**439.24**
Tax expense:	30		
Current tax		96.35	107.27
Deferred tax		(0.62)	8.55
Total tax expense		**95.73**	**115.82**
Profit after tax		**271.59**	**323.42**
Other Comprehensive Income			
Items that will not to be reclassified to profit or loss			
Remeasurement gain/(loss) of defined benefit plans		(0.32)	1.51
Income Tax Impact		0.08	(0.38)
Net other comprehensive income / (loss) that will not be reclassified to profit or loss		**(0.24)**	**1.13**
Total Comprehensive Income		**271.35**	**324.55**
Earnings Per Equity Share (EPS)			
Basic and Diluted (Face Value ₹ 10 Per Share) (₹)	34	31.93	38.02

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

Arpit D. Shah
Partner
Membership No.: 135188

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Nikhil Jhanwar
Chief Financial Officer

Vinod Mali
Company Secretary

Date 10 May 2024
Place Ahmedabad

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cash Flow from operating activities		
Profit Before Tax	367.32	439.24
Adjustments for:		
Depreciation and amortisation Expense	97.78	97.88
Provision for doubtful debt	6.90	1.85
Bad debts written off	0.22	3.43
(Profit) / Loss on sale of property, plant & equipment	(0.28)	(0.16)
Interest expense	48.90	62.63
Unrealised foreign exchange loss / (gain)	(1.21)	0.81
Interest income	(19.07)	(20.90)
Operating profit before working capital changes	**500.56**	**584.78**
Adjustments for:		
Trade receivables	(40.07)	(260.58)
Inventories	106.90	(84.82)
Other assets	25.71	(83.30)
Trade payables	14.10	176.89
Other current liabilities	(84.53)	85.85
Provisions	7.68	8.42
Loans	1.60	0.29
Other financial liability	(0.69)	1.52
Other financial assets	7.17	(14.78)
Cash Generated from Operations	**538.43**	**414.27**
Income tax paid (net)	(110.31)	(80.65)
Net cash generated from operating activities (A)	**428.12**	**333.62**
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	(223.76)	(726.44)
Proceeds from Sale of Property, Plant and Equipment	0.55	0.25
Interest received	18.94	4.27
Bank / margin money deposits withdrawn / (Investment) (Net)	(2.06)	2.28
Net cash used in investing activities (B)	**(206.33)**	**(719.64)**
C. Cash flow from financing activities		
Proceeds from long term borrowings	202.01	282.57
Repayment of long term borrowings	(228.17)	(165.58)
Proceeds/(Repayment) of Short-term Borrowings (net)	(275.48)	240.49
Government grant received	260.00	240.00
Interest Paid	(131.03)	(98.66)
Dividend Paid	(68.05)	(85.07)
Net cash generated from financing activities (C)	**(240.72)**	**413.75**
Net (decrease) / increase in cash and cash equivalents (A)+(B)+(C)	**(18.93)**	**27.73**
Cash and cash equivalents at the beginning of the year	43.01	15.28
Cash and cash equivalents at the end of the year	**24.08**	**43.01**

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

Cash and cash equivalents as per above comprise of the following:		
Cash on Hand	1.82	2.75
Balance with Banks	22.26	40.26
	24.08	**43.01**

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 2023	Cash flows	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**

Particulars	As at 1 April 2022	Cash flows	Foreign Exchange Loss/(Gain)	As at 31 March 2023
Long term borrowings	886.25	116.99	66.61	1,069.85
Short term borrowings	332.88	240.49	-	573.37
Total	**1,219.13**	**357.48**	**66.61**	**1,643.22**

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CEO & Managing Director
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Priya Gandhi
Executive Director
DIN: 06998979

Nikhil Jhanwar
Chief Financial Officer

Vinod Mali
Company Secretary

Date 10 May 2024
Place Ahmedabad

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

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

A EQUITY SHARE CAPITAL

Equity shares of ₹ 10 each issued, subscribed and fully paid	Number of shares	Amount
As at 1 April 2022	8,506,865	85.07
Issue of Equity Share Capital	-	-
As at 31 March 2023	8,506,865	85.07
Issue of Equity Share Capital	-	-
As at 31 March 2024	**8,506,865**	**85.07**

B OTHER EQUITY

Particular	Reserves and Surplus				Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
Balance as at 1 April 2022	**9.42**	**175.07**	**392.26**	**2,022.52**	**2,599.27**
Profit for the year				323.42	323.42
Other Comprehensive Income for the year					
Re-measurement loss on defined benefit plan (net of tax)				1.13	1.13
Total Comprehensive Income for the year				324.55	324.55
Dividend paid				(85.07)	(85.07)
As at 31 March 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 gain 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)
Balance as at 31 March 2024	**9.42**	**175.07**	**392.26**	**2,465.30**	**3,042.05**

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

Arpit D. Shah
Partner
Membership No.: 135188

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Nikhil Jhanwar
Chief Financial Officer

Vinod Mali
Company Secretary

Date 10 May 2024
Place Ahmedabad

1 CORPORATE INFORMATION

Hester Biosciences Limited 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 registered office of the company is located at Pushpak, 1st Floor, Panchvati Circle, Motilal Hirabhai Road, Ahmedabad, Gujarat.

The company is principally engaged in manufacturing of Poultry vaccines and Large Animal Vaccines and trading of Poultry and Large animal and Petcare health products having its manufacturing set up at Meda Adraj Village, Mehsana District, Gujarat.

The financial statements were approved for issue in accordance with a resolution of the Directors on 10 May 2024.

2 MATERIAL ACCOUNTING POLICY INFORMATION

1 BASIS OF PREPARATION:

The 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 ₹ and all values are rounded to the nearest million (₹ 000,000), except when otherwise indicated.

2 SUMMARY OF SIGNIFICANT 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 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.

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

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.

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, animal healthcare and pet health care.

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.

3. PROPERTY, PLANT AND EQUIPMENT:

Particulars	Freehold Land	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles	Computer	Total
Gross Block							
As at 1 April 2022	18.30	615.36	905.73	64.51	71.37	23.63	1,698.90
Additions	33.74	150.38	140.37	4.24	2.37	4.41	335.51
Disposals	-	-	46.18	1.25	9.75	1.56	58.74
As at 31 March 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	-	-	0.15	-	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**
Depreciation/Amortisation and Impairment							
As at 1 April 2022	-	183.32	567.30	47.00	42.05	19.73	859.40
Charge for the Year	-	21.22	64.26	3.70	5.29	2.00	96.47
Deductions	-	-	46.18	1.25	9.66	1.56	58.65
As at 31 March 2023	**-**	**204.54**	**585.38**	**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	-	-	0.14	-	3.55	0.31	3.99
As at 31 March 2024	**-**	**229.72**	**645.73**	**52.36**	**39.07**	**22.72**	**989.60**
Net Block							
As at 31 March 2023	52.04	561.20	414.55	18.05	26.31	6.31	1,078.46
As at 31 March 2024	**52.04**	**550.19**	**380.73**	**17.71**	**21.19**	**7.05**	**1,028.91**

Notes:

For charges created on aforesaid assets, refer note 15.

The amount of borrowing costs capitalised during the year ended 31 March 2024 is ₹ 94.49 Million (31 March 2023: ₹ 103.16 million).

The Company had received government assistance amount in form of waiver of Duty under EPCG scheme amounting to Nil (Previous year: ₹ 21.72 million) which has been netted off against the respective value of the PPE / CWIP procured during the year. 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.

During the year ended 31 March 2024, the company has performed an operational review of the balance useful life of certain items of equipments and building. As a result, there is an increase in useful life with corresponding decrease in depreciation amount. The effect of this change on actual depreciation expense for year ended 31 March 2024 is ₹ 5.09 and future years ended 31 March 2025 and 31 March 2026 is ₹ 20.31 million and ₹ 19.54 million respectively.

Capital work-in-progress:

Particulars	Amount
As at 31 March 2024	**1,681.13**
As at 31 March 2023	1,461.38

Capital work-in-progress Ageing:

Particulars	Amount in CWIP for a period ended 31 March				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at 31 March 2024					
Project in Progress	355.28	682.02	641.33	2.50	**1,681.13**
Project temporarily Suspended	-	-	-	-	**-**
As at 31 March 2023					
Project in Progress	772.19	686.69	2.50	-	**1,461.38**
Project temporarily Suspended	-	-	-	-	**-**

4. INTANGIBLE ASSETS:

Particulars	Software	Product registration fees	Total
Gross Block			
As at 1 April 2022	8.49	4.27	12.76
Additions	1.53	-	1.53
Disposals	-	-	-
As at 31 March 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**
Depreciation/Amortisation and Impairment			
As at 1 April 2022	6.44	2.73	9.17
Charge for the Year	0.97	0.44	1.41
Deductions	-	-	-
As at 31 March 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**
Net Block			
As at 31 March 2023	2.61	1.10	3.71
As at 31 March 2024	**3.55**	**2.11**	**5.66**

Notes:

For charges created on aforesaid assets, refer note 15.

Intangible assets under development

Particulars	Amount
As at 31 March 2024	**32.89**
As at 31 March 2023	24.69

Intangible asset under Development Ageing:

Particulars	Amount in Intangible assets under development for a period ended 31 March				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at 31 March 2024					
Project in Progress	19.45	8.43	5.01	-	**32.89**
Project temporarily Suspended	-	-	-	-	**-**
As at 31 March 2023					
Project in Progress	19.68	5.01	-	-	**24.69**
Project temporarily Suspended	-	-	-	-	**-**

5 NON CURRENT INVESTMENTS:

Particulars	As at 31 March 2024	As at 31 March 2023
Investment in subsidiaries:		
Unquoted Investments in equity instruments - at cost (All fully paid)		
Hester Biosciences Nepal Private Limited 1,743,390 (31 March 2023: 1,743,390) Equity shares of NPR 100 each	117.33	117.33
Hester Biosciences Africa Limited 9,112,079 (31 March 2023: 9,112,079) Equity shares of TSHS 1,000 each	283.97	283.97
Texas Lifesciences Private Limited 2,706,625 (31 March 2023: 2,706,625) Equity shares of ₹ 10 each	27.07	27.07
Hester Biosciences Kenya Limited 150,600 (31 March 2023: 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 2023: 1674) 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 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Loan to Employees	-	-	1.87	3.47
Loan to Others	-	-	55.00	55.00
Total	**-**	**-**	**56.87**	**58.47**

Disclosures pursuant to section 186(4) of the Companies Act, 2013:

Particulars	Purpose	31 March 2024	31 March 2023
Loan to Tamboli Trading LLP	Working Capital	55.00	55.00
Corporate Guarantee given to Hester Biosciences Africa Limited	Credit Facilities	1,167.67	1,150.38

7 OTHER FINANCIAL ASSETS:

(Unsecured, Considered Good)

Particulars	Non Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Bank Deposits with maturity of more than 12 months -Margin Money Deposit	7.37	14.26	-	-
Security Deposit	30.00	31.03	123.00	123.00
Export Incentives Receivables	-	-	4.14	1.78
GST Refund Receivable	-	-	19.32	23.93
Gratuity Fund	-	-	3.21	7.42
Interest Accrued	-	-	34.39	34.26
Total	**37.37**	**45.29**	**184.06**	**190.39**

8 OTHER ASSETS:

(Unsecured, Considered Good)

Particulars	Non Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Capital Advances	14.14	33.08	-	-
Advance Tax (Net of Provision for tax)	4.35	4.17	-	-
Advances to Suppliers	-	-	81.46	111.34
Prepaid Expenses	-	-	11.87	11.03
Balance with Government Authorities	-	-	115.43	113.87
Advance to Employees	-	-	1.77	-
Total	**18.49**	**37.25**	**210.53**	**236.24**

9 INVENTORIES:

(At lower cost and net realisable value)

Particulars	As at 31 March 2024	As at 31 March 2023
Raw Materials	56.23	66.48
Work-in-Progress	125.20	150.46
Finished Goods	254.93	283.47
Traded Goods	185.53	235.37
Stores & Spares	29.55	29.80
Packing Materials	33.82	26.58
Total	**685.26**	**792.16**

Note:

During the year ended 31 March 2024 ₹ 4.68 million (Previous year: ₹ 0.60 million) was recognised as an expense for finished goods inventories carried at net realisable value.

10 TRADE RECEIVABLES:

Particulars	As at 31 March 2024	As at 31 March 2023
Secured, considered good	-	-
Unsecured, considered good	857.76	823.60
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	9.00	7.00
Total	**866.76**	**830.60**
Less :		
Impairment allowance (allowance for bad and doubtful debts)	(9.00)	(7.00)
Total	**857.76**	**823.60**
Note : For dues from the related parties, refer notes 35		

Trade Receivable Ageing as on 31 March 2024

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 Receivable Ageing as on 31 March 2023

Particulars	Not Due	< 6 Months	6 Month-1 Year	1-2 Year	2-3 Year	>3 Year	Total
(i) Undisputed Trade receivables (considered good)	295.26	359.77	94.81	39.94	1.79	23.11	814.68
(ii) Undisputed Trade Receivables (considered doubtful)	-	-	-	-	0.93	0.12	1.05
(iii) Disputed Trade Receivables (considered good)	-	-	-	-	-	12.00	12.00
(iv) Disputed Trade Receivables (considered doubtful)	-	-	-	-	-	2.87	2.87
	295.26	**359.77**	**94.81**	**39.95**	**2.72**	**38.10**	**830.60**
Less: Impairment allowance (allowance for bad and doubtful debts)	-	-	-	-	-	-	(7.00)
Total	**295.26**	**359.77**	**94.81**	**39.95**	**2.72**	**38.10**	**823.60**

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 2024**	**31 March 2023**
Opening provision	7.00	5.15
Additional allowance during the year	6.90	3.92
Less: Bad debts written off against allowance	(4.90)	(2.07)
Closing balance	**9.00**	**7.00**

11 CASH AND CASH EQUIVALENTS:

Particulars	**As at 31 March 2024**	**As at 31 March 2023**
Balance with Banks		
- In Current Accounts	17.84	35.36
- Unpaid dividend accounts	4.42	4.90
Cash on Hand	1.82	2.75
Total	**24.08**	**43.01**

12 OTHER BANK BALANCES:

Particulars	**As at 31 March 2024**	**As at 31 March 2023**
Bank Deposits with original maturity of more than three months but less than twelve months - Margin Money Deposit	25.56	16.61
Total	**25.56**	**16.61**

13 SHARE CAPITAL:

Particulars	**As at 31 March 2024**	**As at 31 March 2023**
AUTHORISED CAPITAL		
11,200,000 (P.Y. 11,200,000) Equity Shares of ₹ 10 each	112.00	112.00
	112.00	**112.00**
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
8,506,865 (P.Y. 8,506,865) Equity Shares of ₹ 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 2024**	**As at 31 March 2023**
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 ₹ 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 ₹ 6 (Six) per equity share (60%) for year 2023-24, 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 2024 is as follow:

Name	Shares held by Promoters and Promoter Group				% Change during the Year
	As at 31 March 2024		As at 31 March 2023		
	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 2023 is as follow:

Name	Shares held by Promoters and Promoter Group				% Change during the Year
	As at 31 March 2023		As at 31 March 2022		
	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	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	-
Bhupendra Vithaldas Gandhi HUF	-	0.00	301,600	3.54	-100%
Biolink Healthcare Limited	248,838	2.93	248,838	2.93	-
Anup Chandravadan Kapadia	228,354	2.68	228,354	2.68	-
Shaila Bhupendra Gandhi	491,300	5.78	189,700	2.23	159%
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 2024		As at 31 March 2023	
	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

14 OTHER EQUITY:

Particulars	As at 31 March 2024	As at 31 March 2023
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	2,262.00	2,022.52
Add: Profit for the year	271.59	323.42
Add: Other Comprehensive Income (Remeasurement gain / (loss) of defined benefit plans, net of tax)	(0.24)	1.13
Less: Dividend paid	68.05	85.07
	2,465.30	2,262.00
Total	**3,042.05**	**2,838.75**

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 2024	As at 31 March 2023
Cash dividend on equity shares declared and paid		
Final Dividend for the year ended 31 March 2023 ₹ 8 per share (for the year ended 31 March 2022 ₹ 10 per share)	68.05	85.07
	68.05	**85.07**
Proposed dividend on equity shares		
Final Dividend for the year ended 31 March 2024 ₹ 6 per share (for the year ended 31 March 2023 ₹ 8 per share)	51.04	68.05
	51.04	**68.05**

Proposed dividend on equity shares are subject to approval at the ensuing Annual General Meeting and are not recognised as a liability as on 31 March.

15 BORROWING (Long Term):

Particulars	As at 31 March 2024	As at 31 March 2023
Secured Borrowings		
Term Loans from Banks	327.64	182.62
External commercial borrowings	709.69	885.53
Hire Purchase Loans from Banks	0.42	1.70
	1,037.75	**1,069.85**
Less: Current Maturities of Long Term Borrowings (Refer Note 19)		
Term Loans from Banks	(104.70)	(48.18)
External commercial borrowings	(141.93)	(186.42)
Hire Purchase Loans from Banks	(0.42)	(1.28)
	(247.05)	**(235.88)**
Total	**790.70**	**833.97**

Notes:

a. **The security details for the borrowing balances:**
Term Loans from Banks aggregating to ₹ 327.64 million (Previous year: ₹ 182.62 million) and External Commercial borrowing from Banks aggregating to ₹ 709.69 million (Previous year: ₹ 885.53 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 ₹ 0.42 million (Previous year: ₹ 1.70 million) are 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 ₹ 37.50 million (Previous year: ₹ 54.48 million) are repayable over a period of 5 years in quarterly instalments upto FY 2026-27.

The secured term loans from banks aggregating to ₹ 45.17 million (Previous year: ₹ 68.80 million) are repayable over a period of 5 years in monthly instalments upto FY 2025-26.

The secured term loans from banks aggregating to ₹ 185.52 million (Previous year: Nil) are repayable over a period of 5 years in Quarterly instalments from FY 2023-24 to FY 2027-28.

The secured term loans from banks aggregating to ₹ 59.45 million (Previous year: ₹ 59.34 million) are repayable over a period of 4 years in monthly instalments from FY 2024-25 to FY 2028-29.

External Commercial Borrowing from banks aggregating to ₹ 709.69 million (Previous year: ₹ 885.53 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 ₹ 0.42 million (Previous year: ₹ 1.70 million) are repayable over a period of 5 years in monthly instalments upto FY 2024-25.

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 is fixed at 9.26% p.a.

Interest rates on External Commercial Borrowing is varying, which is linked to 3 Months SOFR.

16 OTHER FINANCIAL LIABILITIES:

Particulars	Non Current As at 31 March 2024	Non Current As at 31 March 2023	Current As at 31 March 2024	Current As at 31 March 2023
Deposits	7.03	7.03	-	-
Unclaimed Dividends	-	-	4.42	4.90
Interest accrued	-	-	3.47	1.73
Creditors for Capital expenses	-	-	81.20	123.43
Others	-	-	0.12	0.33
Total	**7.03**	**7.03**	**89.21**	**130.39**

17 PROVISIONS:

Particulars	Non Current As at 31 March 2024	Non Current As at 31 March 2023	Current As at 31 March 2024	Current As at 31 March 2023
Provision for Leave encashment	22.56	17.16	6.70	4.42
Total	**22.56**	**17.16**	**6.70**	**4.42**

18 OTHER LIABILITIES:

Particulars	Non Current As at 31 March 2024	Non Current As at 31 March 2023	Current As at 31 March 2024	Current As at 31 March 2023
Advance from Customers	-	-	3.80	79.36
Payables to Statutory Authorities	-	-	11.33	20.30
Deferred Government Grant	500.00	240.00	-	-
Total	**500.00**	**240.00**	**15.13**	**99.66**

Following is the movement of Deferred Government Grant:

Particulars	31 March 2024	31 March 2023
Opening Balance	240.00	-
Add: Grant received during the year	260.00	240.00
Less: Released to statement of Profit & Loss during the year	-	-
Closing balance	**500.00**	**240.00**

The company has been sanctioned Government Grant of ₹ 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 ₹ 260 million during the year (Previous year: ₹ 240 million) towards the capital equipment and ₹ 49.80 million during the year (Previous Year: Nil) towards the operating expense which is netted off with respective expenses.

19 SHORT TERM BORROWINGS:

Particulars	As at 31 March 2024	As at 31 March 2023
Loan Repayable on Demand		
- Cash Credit from Bank	297.89	573.37
Current Maturities of Long Term Borrowings (Refer Note 15)		
- Term Loans	104.70	48.18
- Hire Purchase Loans	0.42	1.28
- External commercial borrowings	141.93	186.42
Total	**544.94**	**809.25**

19.01 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 Corporate office at Ahmedabad and hypothecation of unencumbered plant and machinery, stocks and trade receivable of the Company and personal guarantee of three directors.

19.02 Interest Rate on cash credit facilities is varying, which is linked to base rate of Bank, from time to time.

20 TRADE PAYABLES:

Particulars	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises	49.08	4.56
Total outstanding dues of creditors other than micro enterprises and small enterprises	252.13	282.55
Total	**301.21**	**287.11**

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 2024	As at 31 March 2023
Principal amount due remaining unpaid to Micro and Small Enterprises as at end of the year;	49.08	4.56
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 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 - Undisputed dues	-	-	-	-	-	-	**-**

Trade Payable Ageing as on 31 March 2023

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	-	2.23	2.33	-	-		**4.56**
Others - Undisputed dues	60.98	129.05	91.14	0.63	0.06	0.69	**282.55**
MSME - Disputed dues	-	-	-	-	-	-	**-**
Others - Undisputed dues	-	-	-	-	-	-	**-**

21 CURRENT TAX LIABILITIES:

Particulars	31 March 2024	31 March 2023
Provision for Current Tax (Net of advance tax)	20.01	33.87
Total	**20.01**	**33.87**

22 REVENUE FROM OPERATIONS:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(A) Sale of Goods	2,834.59	2,490.87
(B) Other Operating Revenue		
-Revenue from license fees and services	10.63	49.13
-Export Incentives	6.33	-
Total	**2,851.55**	**2,540.00**

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue as per contracted price	2,853.88	2,559.20
Adjustments:		
Less: Discount on prompt payment	2.33	19.20
Revenue from contract with customers	**2,851.55**	**2,540.00**

23 OTHER INCOME:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest income		
- Bank deposits	2.03	2.60
- Others	17.04	18.30
Commission income	11.57	11.27
Foreign exchange fluctuation (Net)	4.42	12.91
Profit on sale of Property, Plant and Equipment (net)	0.28	0.16
Rent Income	6.05	0.05
Other miscellaneous income	1.23	7.94
Total	**42.62**	**53.23**

24 COST OF RAW MATERIAL AND COMPONENTS CONSUMED:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Inventory at the beginning of the year	93.06	72.05
Add: Purchases during the year	323.85	313.82
Less: Inventory at the end of the year	90.05	93.06
Total	**326.86**	**292.81**

25 PURCHASE OF STOCK-IN-TRADE:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Purchase of Stock-in-trade	565.95	553.71
Total	**565.95**	**553.71**

26 CHANGES IN INVENTORIES OF FINISHED GOODS, TRADED GOODS AND WORK-IN-PROGRESS:

Particulars		Year ended 31 March 2024		Year ended 31 March 2023
Inventories at the End 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**
Inventories at the Beginning of the Year				
-Finished Goods	283.47		327.74	
-Traded Goods	235.37		146.02	
-Work-in-Progress	150.46		147.83	
		669.30		**621.59**
Total		**103.64**		**(47.71)**

27	EMPLOYEE BENEFITS EXPENSE:		
	Particulars	**Year ended 31 March 2024**	**Year ended 31 March 2023**
	Salaries & Wages	539.17	457.89
	Gratuity expense (Refer Note 36)	4.07	3.58
	Contributions to Provident Fund & Other Funds (Refer Note 36)	22.01	16.73
	Staff Welfare Expenses	1.95	0.97
	Total	**567.20**	**479.17**

28	FINANCE COST:		
	Particulars	**Year ended 31 March 2024**	**Year ended 31 March 2023**
	Interest Expenses	46.15	24.23
	Bank Charges	2.03	2.34
	Foreign exchange loss on borrowings	2.75	38.40
	Total	**50.93**	**64.97**

29	OTHER EXPENSES:		
	Particulars	**Year ended 31 March 2024**	**Year ended 31 March 2023**
	Power and Fuel	123.39	99.45
	Consumption of Stores and Spares	89.02	37.50
	Repairs & Maintenance		
	- Plant and Machinery	13.58	12.17
	- Building	2.60	10.46
	- Others	13.45	10.47
	Testing and inspection charges	1.38	5.06
	Factory Expense	24.91	21.98
	Freight Expense	126.89	117.32
	Sales promotion expense	86.65	98.15
	Commission on Sales	32.73	31.35
	Royalty on Sales	20.48	18.19
	Legal and Professional fees	28.64	27.35
	Traveling & conveyance expense	164.59	148.29
	Insurance expense	9.13	9.36
	Rent	18.30	9.68
	Rates and Taxes	11.46	6.74
	Payment to Auditor		
	- As Auditor	1.40	1.40
	- Taxation matters	0.11	0.03
	- Other services	0.03	0.08
	- Reimbursement of expense	*	*
	CSR expenses (refer note 33)	10.38	10.20
	Provision for Doubtful Debts	6.90	3.92
	Bad Debts written off	5.12	3.43
	Less: Provision for Doubtful debt utilised	(4.90)	(2.07)
		0.22	1.36
	Charity and donations	1.64	0.39
	Director’s sitting fees	2.05	2.63
	Miscellaneous Expenses	24.56	29.64
	Total	**814.49**	**713.16**
	(Figures below ₹ 50,000 are denominated with *)		
	Note: The amount of rent includes short term lease rental payment of ₹ 18.30 Million (Previous year: ₹ 9.68 Million)		

30 TAX RECONCILIATION:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Statement of Profit and Loss		
Current tax		
Current income tax	96.35	107.27
Deferred tax		
Deferred tax expense	(0.62)	8.55
Income tax expenses reported in the Statement of Profit and Loss	**95.73**	**115.82**
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	0.08	(0.38)
Tax credit/(charged) to OCI	**0.08**	**(0.38)**

a. Reconciliation of tax expense and the accounting profit

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit before tax as per Statement of Profit and loss	367.32	439.24
Enacted Income Tax Rate applicable to Company	25.17%	25.17%
Expected Income Tax Expenses	**92.46**	**110.57**
Tax effects of :		
Non-deductible expenses	3.03	2.72
Others	0.24	2.53
Total Tax	**95.73**	**115.82**
At the effective income tax rate of 31 March	**26.06%**	**26.37%**

b. 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
Other adjustment	1.76	0.51	-	2.27
	7.19	**2.44**	**-**	**9.63**
Net deferred tax liabilities	**71.47**	**(0.62)**	**-**	**70.85**

Movement in deferred tax liabilities (net) for the year ended 31 March 2023

Particulars	Opening Balance as at 1 April 2022	Recognised in profit and loss	Recognised in other comprehensive income	Closing Balance as at 31 March 2023
Tax effect of items constituting deferred tax liabilities:				
Accelerated depreciation for tax purposes	66.02	10.77	-	76.79
Gratuity fund	1.51	0.36	-	1.87
	67.53	**11.13**	**-**	**78.66**
Tax effect of items constituting deferred tax assets:				
Expense allowed in the year of payment	3.32	2.11	-	5.43
Other adjustment	1.29	0.47	-	1.76
	4.61	**2.58**	**-**	**7.19**
Net deferred tax liabilities	**62.92**	**8.55**	**-**	**71.47**

31 COMMITMENTS:

Particulars	Year ended 31 March 2023	Year ended 31 March 2023
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	129.05	148.57
Export Commitments	1,306.64	1,306.64

32 CONTINGENT LIABILITIES NOT PROVIDED FOR:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Claims against the company not acknowledged as debts:		
Income Tax *	-	1.98
Corporate Guarantee given against credit facilities availed by Subsidiary**	1,167.67	1,150.38

* 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 issued in favour of Bill & Melinda 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.

For the year ended 31 March 2024
(All amounts are in ₹ Million, unless otherwise stated)

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 2024	Year ended 31 March 2023
(a) Amount required to be spent by the company during the year	10.35	10.14
(b) Amount of expenditure incurred	10.38	10.20
(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 Healthcare 2. Promoting Education 3. Setting up old age homes and other facilities 4. Promoting sports including olympic games	1. Education and Vocational Skill Training 2. Healthcare 3. Environment sustainability 4. Eradicating hunger, poverty and malnutrition
(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 2024	Year ended 31 March 2023
Net Profit for the year	271.59	323.42
Weighted Average Number of Equity Shares	8,506,865	8,506,865
Basic and diluted Earnings per share (₹)	31.93	38.02
Nominal Value of Equity Share (₹)	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
4. Mr. Vinod Mali - Company Secretary & Compliance Officer

(e) Independent Directors

1. Mr. Naman Patel (up to 31 March 2023)
2. Mr. Amit Shukla (up to 31 March 2023)
3. Ms. Sandhya Patel
4. Mr. Ashok Bhadakal
5. Mr. Ameet Desai
6. Mr. Anil Jain (with effect from 26 June 2023)
7. Mr. Jatin Trivedi (with effect from 26 June 2023)

(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. Gujarat Airconnect Private Limited
7. Aerotrans Services Private Limited
8. Y. J. Trivedi & Co. (with effect from 26 June 2023)
9. Corella Air LLP (up to 31 March 2023)
10. NetLink India (up to 31 March 2023)

(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	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
a) Purchase of Goods	-	-	247.74	257.26	45.56	36.28	293.30	293.54
b) Sales of Goods	-	-	50.96	55.32	-	-	50.96	55.32
c) Guarantee Commission Income	-	-	11.57	11.27	-	-	11.57	11.27
d) Commission Expense	-	-	-	-	4.99	-	4.99	-
e) Professional Services Availed	-	-	-	-	0.33	-	0.33	-
f) Services Availed	-	-	-	-	2.98	11.80	2.98	11.80
g) Reimbursement of Expenses	-	-	1.94	4.87	0.29	-	2.23	4.87
h) Sitting Fees	2.05	2.63	-	-	-	-	2.05	2.63
i) Remuneration Paid	51.51	54.85	-	-	-	-	51.51	54.85
j) Rent Paid	-	0.30	-	-	3.00	2.60	3.00	2.90
k) Rent Income	-	0.40	-	-	6.00	-	6.00	0.40
l) Purchase of Land & Building	-	55.00	-	-	-	-	-	55.00

Outstanding balances at the year-end:

Particulars	Key Management Personnel/Relatives of Key Managerial Personnel		Subsidiary Companies/Joint Venture		Enterprises Having Significant Influence		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
a) Receivables	-	-	114.84	77.81	18.94	12.46	133.78	90.27
b) Payables	-	-	59.08	62.24	21.33	6.43	80.41	68.67
c) Loans & Advances	-	-	22.95	24.39	33.76	35.71	56.71	60.10
d) Remuneration Payable	0.98	1.47	-	-	-	-	0.98	1.47

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 issued in favour of Bill & Melinda 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 EMPLOYEE BENEFITS EXPENSES:

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 ₹ 22.01 million (2022-23: ₹ 16.73 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 2024.

BALANCE SHEET

(i) Change in the Present Value of Defined Benefit Obligation

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Defined Benefit Obligation at Beginning of the Year	43.14	40.26
Current Service Costs	4.62	4.01
Interest Cost on Defined Benefit Obligation	3.13	2.80
Actuarial (Gain) / Loss on Defined Benefit Obligation	(0.15)	(1.87)
Benefits paid during the Year	(1.37)	(2.06)
Defined Benefit Obligation at End of the Year	**49.36**	**43.14**

(ii) Change in Plan Asset

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Fair Value of Plan Assets at the Beginning of the Year	50.56	46.27
Expected Return on Plan Assets	3.68	3.22
Contribution made during the Year	0.18	3.49
Benefits paid during the Year	(1.37)	(2.06)
Actuarial Loss on Plan Assets	(0.48)	(0.36)
Fair Value of Plan Assets at the End of the Year	**52.57**	**50.56**

(iii) Disclosure in Balance Sheet

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Defined Benefit Obligation at the End of the Year	(49.36)	(43.14)
Fair Value of Plan Assets at the end of the Year	52.57	50.56
Funded Status [(Deficit)/Surplus]	3.21	7.42
Net (Liability)/Asset Recognised in the Balance Sheet	**3.21**	**7.42**

(iv) Reconciliation - Balance Sheet

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Net (Asset)/Liability at the beginning of the Year	(7.42)	(6.01)
Expenses Recognised in Statement of Profit or Loss	4.07	3.58
Expenses Recognised in Other Comprehensive Income	0.32	(1.51)
Employers contribution paid	(0.18)	(3.49)
Net Liability/(Asset) at the end of the year	**(3.21)**	**(7.42)**

STATEMENT OF PROFIT AND LOSS

(v) Expenses recognised during the Year

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
In Income Statement		
Current Service Costs	4.62	4.01
Interest Cost	(0.55)	(0.42)
Expenses Recognised in Statement of Profit or Loss	**4.07**	**3.58**
In Other Comprehensive Income		
Actuarial (Gain) / Loss	(0.15)	(1.87)
Return on Plan Assets	0.47	0.36
Expenses/(Income) Recognised in Other Comprehensive Income	**0.32**	**(1.51)**

(vi) Assumptions used

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Discount rate	7.21%	7.41%
Rate of return on plan asset	7.21%	7.41%
Salary escalation	6.00%	6.00%
Attrition rate	For service 4 years and below 20% p.a. For service 5 years and above 6% p.a.	For service of 4 years and below 20% p.a. For service of 5 years and above 6% p.a.

(vii) Sensitivity Analysis

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)

Particulars	Year ended 31 March 2023	
	Increase	Decrease
Change in discounting rate (delta effect of +/- 1%)	(2.91)	3.33
Change in rate of salary increase (delta effect of +/- 1%)	3.13	(2.85)
Change in rate of employee turnover(delta effect of +/- 1%)	0.30	(0.35)

(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 2024	Year ended 31 March 2023
Insurance funds	52.57	50.56
% 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 2024	Year ended 31 March 2023
Within the next 12 months (next annual reporting period)	5.24	5.04
Between 2 and 5 years	17.67	15.91
Between 6 and 10 years	18.76	16.39
Beyond 10 years	53.13	48.17
Total expected payments	**94.80**	**85.50**

(x) The weighted average duration of the projected benefit obligation at the end of the reporting period is 9 years (31 March 2023: 9 years).

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 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	-	24.08	24.08
Other balances with banks	7 & 12	-	32.93	32.93
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	-	301.21	301.21
Other financial liabilities	16	-	96.24	96.24
Total		**-**	**1,733.09**	**1,733.09**

Particulars	Refer Note	As at 31 March 2023		
		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	-	823.60	823.60
Cash and cash equivalents	11	-	43.01	43.01
Other balances with banks	7 & 12	-	30.87	30.87
Loans	6	-	58.47	58.47
Other financial assets	7	-	197.49	197.49
Total		**-**	**1,800.33**	**1,800.33**
Financial liabilities				
Borrowings	15 & 19	-	1,643.22	1,643.22
Trade payables	20	-	287.11	287.11
Other financial liabilities	16	-	137.42	137.42
Total		**-**	**2,067.75**	**2,067.75**

(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 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 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.

(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 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
USD	715.46	892.64	207.09	232.37
Euro	-	2.24	-	-

The above table represents total exposure of the company towards foreign exchange denominated assets and liabilities.

For the years ended 31 March 2024 and 31 March 2023, 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 ₹ 5.08 million and ₹ 6.62 million respectively.

Particulars	Impact on Profit & Loss		Impact on Equity	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
a) USD Sensitivity				
Rupee/USD - Increase by 1%	(5.08)	(6.60)	(5.08)	(6.60)
Rupee/USD - Decrease by 1%	5.08	6.60	5.08	6.60
b) EURO Sensitivity				
Rupee/Euro - Increase by 1%	-	(0.02)	-	(0.02)
Rupee/Euro - Decrease by 1%	-	0.02	-	0.02

(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 2024	As at 31 March 2023
Term Loans from Banks	327.64	182.62
External commercial borrowings	709.69	885.53
Cash Credit from Bank	297.89	573.37
Total	**1,335.22**	**1,641.52**

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 2024	As at 31 March 2023
a) Long Term Borrowings Sensitivity		
-Increase by 1%	(10.37)	(10.68)
-Decrease by 1%	10.37	10.68
b) Short Term Borrowings Sensitivity		
-Increase by 1%	(2.98)	(5.73)
-Decrease by 1%	2.98	5.73

(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 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**

Maturity Profiles of financial liabilities as at 31 March 2023

Particular	Within 1 Year	1-2 Years	2-5 Years	5-10 Years	Total
Borrowings	809.25	241.02	587.45	5.50	1,643.22
Trade Payable	287.11	-	-	-	287.11
Other Financial Liabilities	130.39	7.03	-	-	137.42
Total	**1226.75**	**248.05**	**587.45**	**5.50**	**2067.75**

(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 2024 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 2024	As at 31 March 2023
Total borrowings	1,335.64	1,643.22
Total Equity	3,127.12	2,923.82
Debt-Equity ratio	**0.43**	**0.56**

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 2024	As at 31 March 2023
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 three principal operating and reporting segments viz. Poultry Healthcare, Animal Healthcare and Petcare. 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	Petcare	Others	Total
Year Ended 31 March 2024					
Segment Revenue					
Revenue from operations	1,444.95	1,112.30	26.41	267.89	2,851.55
Identifiable Segment Expenses	(1,267.94)	(868.93)	(41.47)	(199.02)	(2,377.36)
Segment Results	**177.01**	**243.37**	**(15.06)**	**68.87**	**474.19**
Less: Unallocable Finance Cost					50.93
Less: Other Unallocable Expense (net)					55.94
Profit Before Tax					**367.32**
Less: Tax Expense					95.73
Net Profit after Tax					**271.59**
Year Ended 31 March 2023					
Segment Revenue					
Revenue from operations	1,426.85	1,006.79	17.67	88.69	2,540.00
Identifiable Segment Expenses	(1,156.32)	(752.93)	(21.66)	(54.32)	(1,985.23)
Segment Results	**270.53**	**253.86**	**(3.99)**	**34.37**	**554.77**
Less: Unallocable Finance Cost					64.97
Less: Other Unallocable Income (net)					50.56
Profit Before Tax					**439.24**
Less: Tax Expense					115.82
Net Profit after Tax					**323.42**

Other Information					
Particulars	Poultry Healthcare	Animal Healthcare	Petcare	Others	Total
Year Ended 31 March 2024					
Segment Assets	2,408.55	646.22	19.20	2.78	3,076.75
Unallocated Assets					2,418.71
Total					**5,495.46**
Segment Liabilities	178.99	148.00	0.19	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	5.65	0.83	-	153.29
Year Ended 31 March 2023					
Segment Assets	2,346.50	583.71	13.86	112.60	3,056.67
Unallocated Assets					2,401.48
Total					**5,458.15**
Segment Liabilities	166.02	160.18	0.57	88.36	415.13
Unallocated Liabilities					2,119.20
Total					**2,534.33**
Non cash items	2.41	3.32	-	0.36	6.09
Capital Expenditure	550.95	14.96	0.06	-	565.97

Notes:

a) Others segment include sale of other Pharmaceutical products.

b) 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. Unallocated Capital expenditure of ₹ 125.04 million (Previous year: ₹ 438.04 million) incurred on BSL-3 facility during the year.

(iii) Secondary Reportable Segment (Geographical):

Particulars	In India	Outside India	Total
Segment Revenue			
Year ended 31 March 2024	**2,383.91**	**467.64**	**2,851.55**
Year ended 31 March 2023	2,159.84	380.16	2,540.00
Non-current operating assets			
Year ended 31 March 2024	**2,767.08**	**-**	**2,767.08**
Year ended 31 March 2023	2,605.49	-	2,605.49

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	2.09	1.58	32%	Reduction in short term borrowing has resulted in improvement of ratio.
(b)	Debt-equity ratio	Total debt	Shareholder's equity	0.43	0.56	-24%	
(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	1.55	2.58	-40%	Reduction in Net Profit resulted into lower debt service coverage ratio.
(d)	Return on equity ratio (%)	Net profit after tax	Average shareholder's equity	8.98%	11.53%	-22%	
(e)	Inventory turnover ratio	Sales	Average inventory	3.86	3.39	14%	
(f)	Trade receivables turnover ratio	Net credit sales = Gross credit sales - sales return	Average trade receivable	3.39	3.65	-7%	
(g)	Trade payables turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average trade payable	5.73	7.96	-28%	Reduction in Trade payable turnover ratio due to increase in trade payable.
(h)	Net capital turnover ratio	Net sales = Total sales - sales return	Working capital=Current assets - Current liabilities	2.67	3.19	-16%	
(i)	Net profit ratio (%)	Net profit after tax	Net sales = Total sales - sales return	9.52%	12.73%	-25%	Reduction in Net Profit due to increase in selling & distribution expense along with increase in employee cost.
(j)	Return on capital employed(%)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	9.18%	10.82%	-15%	
(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/Financial Institutions are 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 10 May 2024 there was no subsequent event to be recognised or reported that are not already disclosed elsewhere in these Financial Statements.

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

Arpit D. Shah
Partner
Membership No.: 135188

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Nikhil Jhanwar
Chief Financial Officer

Vinod Mali
Company Secretary

Date 10 May 2024
Place Ahmedabad

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 2024, 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 2024, 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	**Valuation of Inventories**	
	The Group has an inventory of carrying value ₹ 755.81 million which is around 25% 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 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 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, actual selling price prevailing around and subsequent to 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. • 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, expired and obsolete inventory. • Considered the completeness and accuracy of the disclosures.
2	**Carrying Value of Trade Receivables**	
	The Group has Trade Receivables of carrying value ₹ 786.45 million and the ascertainment of allowance for expected credit loss of trade receivables require 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 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 on 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 recognising provisions and compared the Company's provisioning against historical collection data. • 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 5 subsidiaries, whose financial statements reflect total assets of ₹ 1,782.99 million as at 31 March 2024 and total revenue of ₹ 570.03 million, total net loss after tax of ₹ 108.90 million and total comprehensive income of ₹ (111.92) million for the year ended on that date and net cash inflows of ₹ 14.84 million for the year ended 31 March 2024 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 ₹ 46.09 million for the year ended on 31 March 2024 in respect of one joint venture entity, whose unaudited financial statements as certified by the management has been furnished to us and our opinion on those consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this joint venture entity is based solely on such unaudited financial statements.
   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 by the respective auditors 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 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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

      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 Consolidated Financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015.

      e) On the basis of the written representations received from the directors of the Holding Company for the financial year 2023-24, 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 2024, 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 A".

      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 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 2024.
      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. Based on our examination, which includes test checks and other generally accepted audit procedures performed by us, we report that the Holding Company has used an accounting software for maintaining its books of accounts which has a feature of recording audit trails (edit log) facility. Further, based on the information provided to us by the management of the holding company, we report that there was no instance wherein the audit trail (edit log) feature was tampered with.
  ii. The subsidiary has used accounting software for maintaining its books of account for the financial year ended 31 March 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, no instance of the audit trail feature being tampered with was found.

iii. As provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

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

Arpit D. Shah
Partner
M. No. 135188
UDIN: 24135188BKCXMA9550

Date 10 May 2024
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 2024, 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 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 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

company; and

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 2024, 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.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to consolidated financial statements, in so far as it relates to separate financial statement of one subsidiary company which is incorporated in India, is based on the corresponding report of the auditor of such subsidiary company incorporated in India.

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

Arpit D. Shah
Partner
M. No. 135188
UDIN: 24135188BKCXMA9550

Date 10 May 2024
Place Ahmedabad

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2024

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

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
(a) Property, Plant & Equipment	3	2,394.70	2,589.01
(b) Capital Work-in-Progress	3	1,681.13	1,461.38
(c) Other Intangible Assets	4	6.43	4.67
(d) Intangible Assets under Development	4	32.89	24.69
(e) Financial Assets			
(i) Investments	5	299.27	253.05
(ii) Other Financial Assets	6	37.86	45.80
(f) Other Non-current Assets	7	25.04	45.14
Total Non-current Assets		**4,477.32**	**4,423.74**
Current assets			
(a) Inventories	8	755.81	848.10
(b) Financial Assets			
(i) Trade Receivables	9	786.45	796.31
(ii) Cash and Bank Balances	10	127.48	131.56
(iii) Bank Balances other than (ii) above	11	25.56	16.61
(iv) Loans	12	58.56	59.90
(v) Other Financial Assets	6	187.73	194.29
(c) Other Current Assets	7	204.56	229.15
Total Current Assets		**2,146.15**	**2,275.92**
Total Assets		**6,623.47**	**6,699.66**
EQUITY AND LIABILITIES			
Equity			
(a) Share capital	13	85.07	85.07
(b) Other equity	14	2,832.86	2,712.23
Equity Attributable to Owners		2,917.93	2,797.30
Non Controlling Interest		110.82	88.16
Total Equity		**3,028.75**	**2,885.46**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	1,817.73	1,848.50
(ii) Lease Liabilities	16	53.36	56.27
(iii) Other Financial Liabilities	17	29.67	7.15
(b) Non-current Provision	18	25.34	19.32
(c) Deferred Tax Liabilities (Net)	31	74.11	73.51
(d) Other Non-current Liabilities	19	536.66	322.49
Total Non-current Liabilities		**2,536.87**	**2,327.24**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	572.69	833.03
(ii) Lease Liabilities	16	-	3.72
(iii) Trade Payables	21	264.36	299.77
(iv) Other Financial Liabilities	17	127.81	164.06
(b) Other Current Liabilities	19	60.83	147.35
(c) Provisions	18	7.60	5.08
(d) Current Tax Liabilities	22	24.56	33.95
Total Current Liabilities		**1,057.85**	**1,486.96**
Total Liabilities		**3,594.72**	**3,814.20**
Total Equity and Liabilities		**6,623.47**	**6,699.66**

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

Arpit D. Shah
Partner
Membership No.: 135188

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Nikhil Jhanwar
Chief Financial Officer

Vinod Mali
Company Secretary

Date 10 May 2024
Place Ahmedabad

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2024

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

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
Revenue from Operations	23	3,045.46	2,660.91
Other Income	24	106.38	151.51
Total income		**3,151.84**	**2,812.42**
Expenses			
Cost of raw material and components consumed	25	543.14	529.88
Purchases of stock-in-trade	26	328.23	297.49
Change in inventories of finished goods, traded goods and work-in-progress	27	87.38	(52.51)
Employee benefits expense	28	641.32	560.20
Finance cost	29	197.75	93.20
Depreciation and amortisation expense		171.74	206.95
Other expenses	30	908.84	819.76
Total expenses		**2,878.40**	**2,454.97**
Profit before Share of Profit of Joint Venture Entity and Tax		**273.44**	**357.45**
Share of Profit in Joint Venture entity		46.09	44.09
Profit before tax		**319.53**	**401.54**
Tax Expense:	31		
Current tax		107.26	112.78
Deferred tax		0.61	8.41
Total Tax Expense		**107.87**	**121.19**
Profit after tax		**211.66**	**280.35**
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss			
Remeasurement Gain/(Loss) on Defined Benefit Plans		(0.66)	1.47
Income Tax Impact		0.17	(0.37)
Items that will be reclassified to Profit or Loss			
Foreign Currency Translation Reserve		0.16	15.15
Income Tax Impact		-	-
Total Other Comprehensive Income		**(0.33)**	**16.25**
Total Comprehensive Income		**211.33**	**296.60**
Profit for the year attributable to:			
(i) Owners of the Company		188.89	266.27
(ii) Non Controlling Interest		22.77	14.08
Other Comprehensive Income for the year attributable to:			
(i) Owners of the Company		(0.22)	16.26
(ii) Non Controlling Interest		(0.11)	(0.01)
Total Comprehensive Income for the year attributable to:			
(i) Owners of the Company		188.67	282.53
(ii) Non Controlling Interest		22.66	14.07
Earnings Per Equity Share (EPS)			
Basic and Diluted (Face Value ₹ 10 Per Share) (₹)	34	24.88	32.96

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

Arpit D. Shah
Partner
Membership No.: 135188

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Nikhil Jhanwar
Chief Financial Officer

Vinod Mali
Company Secretary

Date 10 May 2024
Place Ahmedabad

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cash Flow from Operating Activities		
Profit Before Tax	319.53	401.54
Adjustments for:		
Depreciation and amortisation expense	171.74	206.95
Share of profit in joint venture entity	(46.09)	(44.09)
Provision for doubtful debt	6.90	1.85
Bad debts written off	0.22	3.43
Profit on sale of property, plant & equipment	(0.28)	(0.16)
Amortisation of deferred grant	(52.87)	(113.08)
Gain on lease adjustment	(11.77)	-
Interest expense	194.65	89.89
Unrealised foreign exchange loss / (gain)	(1.21)	0.81
Interest income	(19.07)	(21.73)
Operating profit before working capital changes	**561.75**	**525.41**
Adjustments for:		
Trade receivables	3.95	(249.65)
Inventories	92.29	(94.28)
Other assets	24.59	(60.74)
Trade payables	(35.41)	119.64
Other liabilities	(78.83)	83.11
Provisions	8.54	8.86
Loans	1.34	0.90
Other financial liability	12.04	1.27
Other financial assets	7.74	(17.49)
Cash Generated From Operations	**598.00**	**317.03**
Income tax paid (net)	(116.66)	(81.07)
Net cash generated from operating activities (A)	**481.34**	**235.96**
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	(243.97)	(777.62)
Proceeds from Sale of Property, Plant and Equipment	0.55	0.25
Interest received	18.94	5.10
Bank / margin money deposits withdrawn / (Investment) (Net)	(2.06)	2.28
Net cash used in investing activities (B)	**(226.54)**	**(769.99)**
C. Cash flow from financing activities		
Proceeds from long term borrowings	204.74	320.44
Repayment of long term borrowings	(229.66)	(171.37)
Proceeds/(Repayment) of Short-term Borrowings (net)	(275.07)	240.13
Government grant received	260.00	240.00
Payment of principal portion of lease liabilities	(3.00)	(0.63)
Interest Paid	(149.41)	(125.92)
Dividend Paid	(68.05)	(85.07)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

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

Net cash generated from financing activities (C)	**(260.45)**	**417.58**
Exchange rate fluctuation arising on consolidation (D)	1.57	0.51
Net decrease in cash and cash equivalents (A)+(B)+(C)+(D)	**(4.08)**	**(115.94)**
Cash and cash equivalents at the beginning of the year	131.56	247.50
Cash and cash equivalents at the end of the year	**127.48**	**131.56**
Cash and cash equivalents as per above comprise of the following :		
Cash on Hand	13.14	6.18
Balance with Banks	114.34	125.38
	127.48	**131.56**

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 2023	Cash flows	Foreign Exchange Loss	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**

Particulars	As at 1 April 2022	Cash flows	Foreign Exchange Loss	As at 31 March 2023
Long term borrowings	1,877.26	149.07	66.62	2,092.95
Short term borrowings	348.45	240.13	-	588.58
Total	**2,225.71**	**389.20**	**66.62**	**2,681.53**

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

Arpit D. Shah
Partner
Membership No.: 135188

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Nikhil Jhanwar
Chief Financial Officer

Vinod Mali
Company Secretary

Date 10 May 2024
Place Ahmedabad

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

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

A EQUITY SHARE CAPITAL

Equity shares of ₹ 10 each issued, subscribed and fully paid	Number of shares	Amount
As at 1 April 2022	8,506,865	85.07
Issue of Equity Share Capital	-	-
As at 31 March 2023	8,506,865	85.07
Issue of Equity Share Capital	-	-
As at 31 March 2024	**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 2022	**82.56**	**175.07**	**392.26**	**1,848.12**	**16.77**	**2,514.78**	**74.09**
Profit for the Year	-	-	-	266.27	-	266.27	14.08
Other Comprehensive Income for the year	-	-	-	-	-	-	-
Re-measurement gain on defined benefit plan (net of tax)	-	-	-	1.10	-	1.10	(0.01)
Exchange differences on translating the financial statements	-	-	-	-	15.15	15.15	-
Total Comprehensive Income for the year	-	-	-	267.37	15.15	282.52	14.07
Dividends Paid	-	-	-	(85.07)	-	(85.07)	-
Balance as at 31 March 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**

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

Arpit D. Shah
Partner
Membership No.: 135188

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Nikhil Jhanwar
Chief Financial Officer

Vinod Mali
Company Secretary

Date 10 May 2024
Place Ahmedabad

1 CORPORATE INFORMATION

Hester Biosciences Limited (hereinafter referred to as in ""The Company"") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act, 2013 as applicable in India. Its shares are listed on BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE). The registered office of the company is located at Pushpak, 1st Floor, Panchvati Circle, Motilal Hirabhai Road, Ahmedabad, Gujarat - 380006.

The Group is principally engaged in manufacturing of Poultry vaccines and Large Animal Vaccines and trading of Poultry and Large animal health products having its manufacturing set up at Meda Adraj village, Mehsana District, Gujarat, India and at Kathmandu, Nepal and Kibaha, Tanzania.

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 10 May 2024.

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 ₹ and all values are rounded to the nearest million (₹ 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 ₹ 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

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.
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.

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 group's Chief Operating Decision Maker (CODM) examines the group'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 group, which primarily relate to poultry health care, animal health care and pet health care.

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.

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 2022	102.62	49.11	1,396.43	1,735.46	78.19	78.30	28.72	3,468.83
Additions	33.74	-	156.31	141.66	8.38	3.30	4.81	348.20
Disposals	-	-	-	56.70	1.25	9.75	1.56	69.26
Translation Reserve	-	4.30	41.13	48.24	0.45	0.14	0.42	94.68
As at 31 March 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)	(98.17)
As at 31 March 2024	**136.36**	**57.90**	**1,554.24**	**1,864.43**	**85.02**	**68.02**	**35.62**	**3,801.59**
Depreciation/Amortisation and Impairment								
As at 1 April 2022	-	2.76	246.56	731.02	51.09	47.61	21.66	1,100.70
Charge for the Year	-	1.79	49.32	139.82	5.48	5.62	3.26	205.29
Deductions	-	-	-	46.18	1.25	9.66	1.56	58.65
Translation Reserve	-	0.04	1.25	4.42	(0.09)	0.14	0.34	6.10
As at 31 March 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	4.01
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**	**57.23**	**45.91**	**27.47**	**1,406.89**
Net Block								
As at 31 March 2023	136.36	48.82	1,296.74	1,039.58	30.54	28.28	8.69	2,589.01
As at 31 March 2024	**136.36**	**51.34**	**1,208.12**	**940.83**	**27.80**	**22.11**	**8.15**	**2,394.70**

Notes:
For charges created on aforesaid assets, refer note 15.

The amount of borrowing costs capitalised during the year ended 31 March 2024 is ₹ 94.49 million (Previous year: ₹ 103.16 million).

The Group had received government assistance in form of waiver of Duty under EPCG scheme amounting to Nil (Previous year: ₹ 21.72 million) which has been netted off against the respective value of the PPE / CWIP procured during the year. 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.

During the year ended 31 March 2024, the Holding Company has performed an operational review of the balance useful life of certain items of equipments and building. As a result, there is an increase in useful life with corresponding decrease in depreciation amount. The effect of this change on actual depreciation expense for year ended 31 March 2024 is ₹ 5.09 and future years ended 31 March 2025 and 31 March 2026 is ₹ 20.31 million and ₹ 19.54 million respectively.

Capital work-in-progress

Particulars	Amount
As at 31 March 2024	**1,681.13**
As at 31 March 2023	1,461.38

Capital work-in-progress Ageing :

Particulars	Amount in CWIP for a year ended 31 March				Total
	less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at 31 March 2024					
Projects in Progress	355.28	682.02	641.33	2.50	**1,681.13**
Projects temporarily Suspended	-	-	-	-	**-**
As at 31 March 2023					
Projects in Progress	772.19	686.69	2.50	-	**1,461.38**
Projects temporarily Suspended	-	-	-	-	**-**

4 OTHER INTANGIBLE ASSETS:

Particulars	Software	Product registration fees	Total
Gross Block			
As at 1 April 2022	8.49	4.27	12.76
Additions	2.74	-	2.74
Disposals / Adjustments	-	-	-
As at 31 March 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**
Depreciation and Amortisation			
As at 1 April 2022	6.44	2.73	9.17
Charge for the Year	1.22	0.44	1.66
Deductions	-	-	-
As at 31 March 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**
		-	
Net Block			
As at 31 March 2023	3.57	1.10	4.67
As at 31 March 2024	**4.32**	**2.11**	**6.43**

Notes:

For charges created on aforesaid assets, refer note 15.

Intangible assets under development

Particulars	Amount
As at 31 March 2024	**32.89**
As at 31 March 2023	24.69

Intangible asset under Development Ageing:

Particulars	Amount in Intangible Assets Under Development for year ended 31 March				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at 31 March 2024					
Project in Progress	19.45	8.43	5.01	-	**32.89**
Project temporarily Suspended	-	-	-	-	**-**
As at 31 March 2023					
Project in Progress	19.68	5.01	-	-	**24.69**
Project temporarily Suspended	-	-	-	-	**-**

5 NON CURRENT INVESTMENTS:

Particulars	As at 31 March 2024	As at 31 March 2023
Investment in Joint Venture entity:		
Unquoted Investments in equity instruments - at cost (Fully paid)		
Thrishool Exim Limited 1,674 (31 March 2023: 1,674) Equity shares of TSHS 10,000 each	299.27	253.05
Total	**299.27**	**253.05**

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 2024	As at 31 March 2023
Cash & cash equivalents	87.02	93.82
Other current assets	271.09	266.51
Non-current assets	25.58	8.82
Current liabilities	34.30	109.43
Equity	349.39	259.72
Proportion of Group's Ownership	50%	50%

Summarised Statement of Profit and Loss:

Particulars	As at 31 March 2024	As at 31 March 2023
Revenue from contracts with customers	958.88	1,009.12
Cost of goods sold	723.43	818.02
Depreciation & amortisation	3.63	2.07
Finance cost	0.81	0.59
Employee benefit expense	21.62	13.63
Other expense	76.62	52.25
Profit before tax	132.77	122.56
Income tax expense	40.60	34.38
Profit for the year	92.17	88.18
Total comprehensive income for the year	92.17	88.18
Share of HBL %	50%	50%
Share of profit from Joint venture	46.09	44.09

Summary of movement of investment in joint venture entity:

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	253.05	212.38
Add: Share of profit in Joint Venture entity	46.09	44.09
Unrealised gain/(loss) on inter-company transaction	0.14	(3.42)
Closing carrying value	299.27	253.05

6 OTHER FINANCIAL ASSETS:

(Unsecured, Considered Good)

Particulars	Non Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Bank Deposits with maturity of more than 12 months - Margin Money Deposit	7.37	14.26	-	-
Security Deposit	30.49	31.54	123.00	123.00
Export Incentives Receivables	-	-	4.14	1.78
GST Refund Receivable	-	-	19.32	23.93
Gratuity Fund	-	-	3.21	7.42
Interest Accrued	-	-	34.39	34.26
Others	-	-	3.67	3.90
Total	**37.86**	**45.80**	**187.73**	**194.29**

7 OTHER ASSETS:

(Unsecured, Considered Good)

Particulars	Non Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Unsecured, Considered Good				
Capital Advances	20.29	40.57	-	-
Advance Tax (Net of Provision for tax)	4.75	4.57	-	-
Advances to Suppliers	-	-	67.54	95.03
Advances to Employees	-	-	1.80	-
Prepaid Expenses	-	-	12.72	12.83
Balance with Government Authorities	-	-	122.50	121.29
	25.04	45.14	204.56	229.15
Unsecured, Considered Doubtful				
Advances to Suppliers	-	-	1.29	1.29
Less: Provision for doubtful advances	-	-	(1.29)	(1.29)
	-	-	-	-
Total	**25.04**	**45.14**	**204.56**	**229.15**

8 INVENTORIES:

(At lower of cost and net realisable value)

Particulars	As at 31 March 2024	As at 31 March 2023
Raw Materials	77.04	93.49
Work-in-Progress	126.00	150.84
Finished Goods	350.85	384.65
Traded goods	118.45	144.14
Stores & Spares	37.65	42.29
Packing Materials	45.82	32.69
Total	**755.81**	**848.10**

Note: During the year ended 31 March 2024, ₹ 4.68 million (Previous year: ₹ 0.60 million) was recognised as an expense for finished goods inventories carried at net realisable value.

9 TRADE RECEIVABLES:

Particulars	As at 31 March 2024	As at 31 March 2023
Secured, considered good	-	-
Unsecured, considered good	786.45	796.31
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	9.00	7.00
Total	795.45	803.31
Less : Impairment allowance (allowance for doubtful debts)	(9.00)	(7.00)
Total	**786.45**	**796.31**

Note : For dues from the related parties, refer notes 35

Trade Receivable Ageing for year ended 31 March 2024

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 Receivable Ageing as on 31 March 2023							
Particulars	**Not Due**	**< 6 Months**	**6 Month-1 Year**	**1-2 Year**	**2-3 Year**	**>3 Year**	**Total**
(i) Undisputed Trade receivables (considered good)	312.81	341.29	89.52	34.52	1.79	6.52	786.45
(ii) Undisputed Trade Receivables (considered doubtful)	-	-	0.08	0.74	0.93	0.24	1.99
(iii) Disputed Trade Receivables (considered good)	-	-	-	-	-	12.00	12.00
(iv) Disputed Trade Receivables (considered doubtful)	-	-	-	-	-	2.87	2.87
	312.81	341.29	89.60	35.26	2.72	21.63	803.31
Less: Impairment allowance (allowance for doubtful debts)							(7.00)
Total	**312.81**	**341.29**	**89.60**	**35.26**	**2.72**	**21.63**	**796.31**

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 2024**	**31 March 2023**
Opening provision	7.00	5.15
Additional allowance during the year	6.90	3.92
Less: Bad debts written off against allowance	(4.90)	(2.07)
Closing balance	**9.00**	**7.00**

10 CASH AND CASH EQUIVALENTS:

Particulars	**As at 31 March 2024**	**As at 31 March 2023**
Balance with Banks		
-In Current Accounts	109.93	120.48
-Unpaid dividend accounts	4.41	4.90
Cash on Hand	13.14	6.18
Total	**127.48**	**131.56**

11 OTHER BANK BALANCES:

Particulars	**As at 31 March 2024**	**As at 31 March 2023**
Bank Deposits with original maturity of more than three months but less than twelve months - Margin Money Deposit	25.56	16.61
Total	**25.56**	**16.61**

12 LOANS:

(Unsecured, Considered Good unless otherwise stated)

Particulars	**As at 31 March 2024**	**As at 31 March 2023**
Loan to Employees	3.56	4.90
Loan to Others	55.00	55.00
Total	**58.56**	**59.90**

Disclosures pursuant to section 186(4) of the Companies Act, 2013:

Particulars	**Purpose**	**As at 31 March 2024**	**As at 31 March 2023**
Loan to Tamboli Trading LLP	Working Capital	55.00	55.00

13	SHARE CAPITAL:		
	Particulars	As at 31 March 2024	As at 31 March 2023
	AUTHORISED CAPITAL		
	11,200,000 (P.Y. 11,200,000) Equity Shares of ₹ 10 each	112.00	112.00
		112.00	**112.00**
	ISSUED, SUBSCRIBED & PAID UP CAPITAL		
	8,506,865 (P.Y. 8,506,865) Equity Shares of ₹ 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 2024	As at 31 March 2023
	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 ₹ 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 ₹ 6 (six) per equity share (60%) for year 2023-24, 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 2024 is as follow:

Name	Shares held by Promoters and Promoter Group				% Change during the Year
	As at 31 March 2024		As at 31 March 2023		
	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 2023 is as follow:

Name	Shares held by Promoters and Promoter Group				% Change during the Year
	As at 31 March 2023		As at 31 March 2022		
	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	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	-
Bhupendra Vithaldas Gandhi HUF	-	-	301,600	3.54	-100%
Biolink Healthcare Limited	248,838	2.93	248,838	2.93	-
Anup Chandravadan Kapadia	228,354	2.68	228,354	2.68	-
Shaila Bhupendra Gandhi	491,300	5.78	189,700	2.23	159%
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 2024		As at 31 March 2023	
	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 2024	As at 31 March 2023
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	2,030.42	1,848.12
Add: Profit for the year	188.89	266.27
Add: Other Comprehensive Income (Remeasurement gain/(loss) of defined benefit plans, net of tax)	(0.37)	1.10
Less: Dividend paid	68.05	85.07
	2,150.89	2,030.42
	2,030.42	1,848.12
Foreign Currency Translation Reserve		
As per Last Balance Sheet	31.92	16.77
Add: Movement during the year	0.16	15.15
	32.08	31.92
	31.92	16.77
Total	**2,832.86**	**2,712.23**

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 2024	As at 31 March 2023
Cash dividend on equity shares declared and paid		
Final Dividend for the year ended 31 March 2023 ₹ 8 per share (for the year ended 31 March 2022 ₹ 10 per share)	68.05	85.07
	68.05	**85.07**
Proposed dividend on equity shares		
Final Dividend for the year ended 31 March 2024 ₹ 6 per share (for the year ended 31 March 2023 ₹ 8 per share)	51.04	68.05
	51.04	**68.05**

Proposed dividend on equity shares are subject to approval at the ensuing Annual General Meeting and are not recognised as a liability as on 31 March.

15 BORROWING (Long Term):

Particulars	As at 31 March 2024	As at 31 March 2023
Secured Borrowings		
Term Loans from Banks	365.94	219.68
Term Loans from Others	1,000.86	986.04
External commercial borrowings	709.69	885.53
Hire Purchase Loans from Banks	0.42	1.70
	2,076.91	**2,092.95**
Less: Current Maturities of Long Term Borrowings (Refer Note 20)		
Term Loans from Banks	(116.83)	(56.75)
External commercial borrowings	(141.93)	(186.42)
Hire Purchase Loans from Banks	(0.42)	(1.28)
	(259.18)	**(244.45)**
Total	**1,817.73**	**1,848.50**

Notes :

a) **The security details for the borrowing balances:**

Term Loans from Banks aggregating to ₹ 327.64 million (Previous year: ₹ 182.62 million) and External Commercial borrowing from Banks aggregating to ₹ 709.69 million (Previous year: ₹ 885.53 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 ₹ 38.30 million (Previous year ₹ 37.06 million) are secured by hypothecation on entire fixed assets, plant and machinery of the subsidiary.

Term Loans from Bill & Melinda Gates Foundation amounting to ₹ 1,000.86 million (Previous year ₹ 986.04 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 ₹ 0.42 million (Previous year: ₹ 1.70 million) are 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 ₹ 37.50 million (Previous year: ₹ 54.48 million) are repayable over a period of 5 years in quarterly instalments upto FY 2026-27.

The secured term loans from banks aggregating to ₹ 45.17 million (Previous year: ₹ 68.80 million) are repayable over a period of 5 years in monthly instalments upto FY 2025-26.

The secured term loans from banks aggregating to ₹ 185.52 million (Previous year: Nil) are repayable over a period of 5 years in monthly instalments from FY 2023-24 to FY 2027-28.

The secured term loans from banks aggregating to ₹ 59.45 million (Previous year: ₹ 59.34 million) are repayable over a period of 4 years in monthly instalments from FY 2024-25 to FY 2028-29.

The secured loans of the subsidiary from banks aggregating to ₹ 5.88 million (Previous year ₹ 6.62 million) are repayable in FY 2024-25.

The secured loans of the subsidiary from banks aggregating to ₹ 32.42 million (Previous year ₹ 30.44 million) are repayable over a period of 6 years in quarterly instalments upto FY 2029-30.

External Commercial Borrowing from banks aggregating to ₹ 709.69 million (Previous year: ₹ 885.53 million) are repayable over a period of 6 years in 21 quarterly instalments upto FY 2027-28.

The secured term loans from Bill & Melinda Gates Foundation aggregating to ₹ 1,000.86 million (Previous year: ₹ 986.04 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 ₹ 0.42 million (Previous year: ₹ 1.70 million) are repayable over a period of 5 years in monthly instalments upto FY 2024-25.

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 is fixed at 9.26% p.a.

Interest rates on term loan from Bill & Melinda 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 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Lease Liabilities	53.36	56.27	-	3.72
Total	**53.36**	**56.27**	**-**	**3.72**

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 2024	As at 31 March 2023
Amortisation of Right to use asset	1.95	1.79
Interest expense on lease liabilities	3.05	3.62
Expenses relating to short term leases	23.31	15.45

Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	59.99	55.97
Foreign currency translation	(6.68)	4.10
Interest expense on lease liabilities	3.05	3.62
Cash outflow	(3.00)	(3.70)
Balance at the end of the year	**53.36**	**59.99**

17 OTHER FINANCIAL LIABILITIES:

Particulars	Non Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Deposits	7.15	7.15	-	-
Unclaimed Dividends	-	-	4.42	4.90
Interest accrued	22.52	-	3.47	1.73
Creditors for Capital expenses	-	-	104.60	154.63
Others	-	-	15.32	2.80
Total	**29.67**	**7.15**	**127.81**	**164.06**

18 PROVISIONS:

Particulars	Non Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Provision for Leave Encashment	22.70	17.16	6.70	4.49
Provision for Gratuity	2.64	2.16	0.90	0.59
Total	**25.34**	**19.32**	**7.60**	**5.08**

19 OTHER LIABILITIES:

Particulars	Non Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Deferred Government Grant	500.00	240.00	-	-
Deferred Capital Grant	36.66	82.49	5.04	12.73
Advance from Customers	-	-	9.89	79.62
Payables to Statutory Authorities	-	-	13.77	22.84
Other Liabilities	-	-	32.13	32.16
Total	**536.66**	**322.49**	**60.83**	**147.35**

Following is the movement of Deferred Government Grant:

Particulars	As at 31 March 2024	As at 31 March 2023
Opening Balance	240.00	-
Add: Amount received during the year	260.00	240.00
Less: Released to statement of Profit & Loss during the year	-	-
Closing balance	**500.00**	**240.00**

The Holding Company has been sanctioned Government Grant of ₹ 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 ₹ 260 million (Previous year: ₹ 240 million) during the year towards the capital equipment and ₹ 49.80 million during the year (Previous Year: Nil) towards the operating expense which is netted off with respective expenses

Following is the movement of Deferred Capital Grant:

Particulars	As at 31 March 2024	As at 31 March 2023
Opening Balance	95.22	197.08
Add: Grant received during the year	-	-
Less: Released to statement of Profit & Loss during the year	(52.87)	(113.08)
Foreign Translation Reserve	(0.65)	11.22
Closing balance	**41.70**	**95.22**

Capital Grant received in subsidiaries from Bill & Melinda 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 SHORT TERM BORROWINGS

Particulars	As at 31 March 2024	As at 31 March 2023
Loan Repayable on Demand		
- Cash Credit from Bank	313.51	588.58
Current Maturities of Long Term Borrowings (Refer Note 15)		
- Term Loans	116.83	56.75
- Hire Purchase Loans	0.42	1.28
- External commercial borrowings	141.93	186.42
Total	**572.69**	**833.03**

20.01 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.

20.02 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.

20.03 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 2024	As at 31 March 2023
Trade Payables	264.36	299.77
Total	**264.36**	**299.77**

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	58.45	81.25	118.17	1.70	0.01	4.78	264.36
Disputed dues	-	-	-	-	-	-	-

Trade Payable Ageing as on 31 March 2023

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	60.97	168.53	65.51	0.41	2.35	1.62	299.39
Disputed dues	-	-	-	-	0.38	-	0.38

22 CURRENT TAX LIABILITIES:

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for Current Tax (Net of advance tax)	24.56	33.95
Total	**24.56**	**33.95**

23 REVENUE FROM OPERATIONS:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(A) Sale of Goods	3,015.73	2,611.78
(B) Other Operating Revenue		
-Export Incentives	14.83	-
-Revenue from license fees and services	14.90	49.13
Total	**3,045.46**	**2,660.91**

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue as per contracted price	3,047.79	2,680.11
Adjustments:		
Discount on prompt payment	2.33	19.20
Revenue from contract with customers	**3,045.46**	**2,660.91**

24 OTHER INCOME:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest Income		
- Bank deposits	2.03	3.41
- Others	17.04	18.32
Foreign exchange fluctuation (Net)	8.78	8.48
Profit on sale of property, plant and equipment (Net)	0.28	0.16
Rent income	6.05	0.05
Grant Income	52.87	113.08
Gain on lease adjustment	11.77	-
Other miscellaneous income	7.56	8.01
Total	**106.38**	**151.51**

25 COST OF RAW MATERIAL AND COMPONENTS CONSUMED:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Inventory at the beginning of the year	126.18	109.14
Add: Purchased during the year	540.14	546.45
Foreign currency translation	(0.32)	0.47
Less: Inventory at the end of the year	122.86	126.18
Total	**543.14**	**529.88**

26 PURCHASE OF TRADED GOODS:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Purchase of traded goods	328.23	297.49
Total	**328.23**	**297.49**

27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS:

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
Inventories at the End 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**
Foreign currency translation		**(3.05)**		**2.82**
Inventories at the Beginning of the Year				
-Finished Goods	384.65		415.97	
-Traded Goods	144.14		66.14	
-Work-in-Progress	150.84		147.83	
		679.63		**629.94**
Total		**87.38**		**(52.51)**

28 EMPLOYEE BENEFITS EXPENSE:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries & Wages	606.09	533.90
Gratuity expense (Refer Note 36)	4.52	3.95
Contributions to Provident Fund & Other Funds (Refer Note 36)	25.13	19.12
Staff Welfare Expenses	5.58	3.23
Total	**641.32**	**560.20**

29 FINANCE COST:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest Expenses	91.19	51.49
Bank Charges	3.10	3.31
Foreign exchange loss on borrowings	103.46	38.40
Total	**197.75**	**93.20**

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

30 OTHER EXPENSES:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Power and Fuel	152.96	127.39
Consumption of Stores and Spares	89.87	35.19
Repairs & Maintenance		
- Plant and Machinery	18.22	25.81
- Building	4.22	11.44
- Others	16.09	12.70
Testing and inspection charges	5.75	6.15
Factory Expense	32.72	29.95
Freight Expense	135.25	132.10
Sales promotion expense	88.06	99.74
Commission on Sales	32.73	31.57
Royalty on Sales	20.48	18.19
Legal and Professional fees	36.84	40.93
Traveling & conveyance expense	169.24	157.83
Insurance Expense	12.18	12.30
Rent	23.31	15.45
Rates and Taxes	11.97	7.04
CSR Expenses	10.38	10.20
Provision for doubtful debts	6.90	3.92
Bad Debts written off	5.12	3.43
Less: Provision for Doubtful debt utilised	(4.90)	(2.07)
	0.22	1.36
Charity and donations	1.68	0.46
Director's sitting fees	2.05	2.63
Miscellaneous Expenses	37.72	37.41
Total	**908.84**	**819.76**

Note : The amount of rent includes short term lease rental payment of ₹ 23.31 Million (Previous year: ₹ 15.45 Million)

31 TAX RECONCILIATION:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Statement of Profit and Loss		
Current tax		
Current income tax	107.26	112.78
Deferred tax		
Deferred tax expense	0.61	8.41
Income tax expenses reported in the Statement of Profit and Loss	**107.87**	**121.19**
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	0.17	(0.37)
Tax credit/(charged) to OCI	**0.17**	**(0.37)**

a. Reconciliation of tax expense and the accounting profit

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit before tax as per Statement of Profit and loss	319.53	401.54
Enacted Income Tax Rate applicable to Company	25.17%	25.17%
Expected Income Tax Expenses	**80.43**	**101.07**
Tax effects of :		
Non-deductible expenses	3.99	2.72
Tax netted off in share of profit of Joint Venture Entity	(11.60)	(11.10)
Deferred tax assets not created on losses of subsidiaries	35.52	26.32
Others	(0.47)	2.18
Total Tax	**107.87**	**121.19**
At the effective income tax rate of 31 March	**33.76%**	**30.18%**

b. **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**

Movement in deferred tax liabilities (net) for the year ended 31 March 2023

Particulars	Opening Balance as at 1 April 2022	Recognised in profit and loss	Recognised in other comprehensive income	Closing Balance as at 31 March 2023
Tax effect of items constituting deferred tax liabilities:				
Accelerated depreciation for tax purposes	71.13	10.77	-	81.90
Gratuity fund	1.51	0.23	-	1.74
	72.64	**11.00**	**-**	**83.64**
Tax effect of items constituting deferred tax assets:				
Expense allowed in the year of payment	3.90	2.11	-	6.01
Other adjustment	3.64	0.48	-	4.12
	7.54	**2.59**	**-**	**10.13**
Net deferred tax liabilities	**65.10**	**8.41**	**-**	**73.51**

32 COMMITMENTS:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	129.05	148.57
Export Commitments	1,306.64	1,306.64

33 CONTINGENT LIABILITIES NOT PROVIDED FOR:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Claims against the company not acknowledged as debts:		
Income Tax*	-	1.98

* 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 2024	Year ended 31 March 2023
Net Profit for the year	211.66	280.35
Weighted Average Number of Equity Shares	8,506,865	8,506,865
Basic and diluted Earnings per share (In ₹)	24.88	32.96
Nominal Value of Equity Share (In ₹)	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) Key Management Personnel

1. Mr. Rajiv Gandhi - CEO & Managing Director
2. Ms. Priya Gandhi - Executive Director
3. Mr. Nikhil Jhanwar - Chief Financial Officer
4. Mr. Vinod Mali - Company Secretary & Compliance Officer

(b) Independent Directors

1. Mr. Naman Patel (up to 31 March 2023)
2. Mr. Amit Shukla (up to 31 March 2023)
3. Ms. Sandhya Patel
4. Mr. Ashok Bhadakal
5. Mr. Ameet Desai
6. Mr. Anil Jain (with effect from 26 June 2023)
7. Mr. Jatin Trivedi (with effect from 26 June 2023)

(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. Gujarat Airconnect Private Limited
7. Aerotrans Services Private Limited
8. Y. J. Trivedi & Co. (with effect from 26 June 2023)
9. Corella Air LLP (up to 31 March 2023)
10. NetLink India (up to 31 March 2023)

(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	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
a)	Purchase of Goods	-	-	57.08	43.82	57.08	43.82
b)	Sales of Goods	-	-	63.40	49.06	63.40	49.06
c)	Commission Expense	-	-	4.99	-	4.99	-
d)	Professional Services Availed	-	-	0.33	-	0.33	-
e)	Reimbursement of Expenses	-	-	0.29	-	0.29	-
f)	Travel Service Expense	-	-	2.98	11.80	2.98	11.80
g)	Sitting Fees	2.05	2.63	-	-	2.05	2.63
h)	Remuneration Paid	51.51	54.85	-	-	51.51	54.85
i)	Rent Income	-	0.40	6.00	-	6.00	0.40
j)	Purchase of Land & Building	-	55.00	-	-	-	55.00
k)	Rent Paid	-	0.30	3.00	2.60	3.00	2.90

(iii) Outstanding balances at the year-end

	Particulars	Key Management Personnel/Relatives of Key Managerial Personnel		Enterprises Having Significant Influence		Total	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
a)	Trade Receivables	-	-	42.66	23.16	42.66	23.16
b)	Trade Payables	-	-	24.51	10.41	24.51	10.41
c)	Loans & Advances	-	-	33.76	35.71	33.76	35.71
d)	Remuneration Payable	0.98	1.47	-	-	0.98	1.47

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 Group as a whole.

2. Bank Facilities (Working Capital Limit, Term loans and External Commercial Borrowings) of the Company are secured by guarantee of Mr. Rajiv Gandhi, Mr. Sanjiv Gandhi and Dr. Bhupendra Gandhi, Directors of the Company.

36 EMPLOYEE BENEFITS EXPENSES:

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 ₹ 25.13 million (2022-23: ₹ 19.12 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 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 Group's financial statement as at 31 March 2024.

BALANCE SHEET

(i) Change in the Present Value of Defined Benefit Obligation

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Defined Benefit Obligation at Beginning of the Year	45.89	42.60
Current Service Costs	4.87	4.24
Interest Cost on Defined Benefit Obligation	3.33	2.94
Actuarial (Gain) / Loss on Defined Benefit Obligation	0.18	(1.83)
Benefits paid during the Year	(1.37)	(2.06)
Defined Benefit Obligation at End of the Year	**52.90**	**45.89**

(ii) Change in Plan Asset

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Fair Value of Plan Assets at the Beginning of the Year	50.56	46.27
Expected Return on Plan Assets	3.68	3.22
Contribution made during the Year	0.18	3.49
Benefits paid during the Year	(1.37)	(2.06)
Actuarial Loss on Plan Assets	(0.48)	(0.36)
Fair Value of Plan Assets at the End of the Year	**52.57**	**50.56**

(iii) Disclosure in Balance Sheet

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Defined Benefit Obligation at the End of the Year	(52.90)	(45.89)
Fair Value of Plan Assets at the end of the Year	52.57	50.56
Unfunded Status [(Deficit)/Surplus]	(3.54)	(2.75)
Funded Status [(Deficit)/Surplus]	3.21	7.42
Net (Liability)/Asset Recognised in the Balance Sheet of the Company	**3.21**	**7.42**
Net (Liability)/Asset Recognised in the Balance Sheet of the subsidiary	**(3.54)**	**(2.75)**

(iv) Reconciliation - Balance Sheet

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Net (Asset)/Liability at the Beginning of the Year	**(4.67)**	**(3.66)**
Expenses Recognised in Statement of Profit or Loss	**4.52**	**3.95**
Expenses/(Income) Recognised in Other Comprehensive Income	**0.66**	**(1.47)**
Employers Contribution Paid	**(0.18)**	**(3.49)**
Net Liability/(Asset) at the End of the Year	**0.33**	**(4.67)**

STATEMENT OF PROFIT AND LOSS

(v) Expenses recognised during the Year

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
In Income Statement		
Current Service Costs	4.87	4.24
Interest Cost	(0.35)	(0.29)
Expenses Recognised in Statement of Profit or Loss	**4.52**	**3.95**
In Other Comprehensive Income		
Actuarial (Gain) / Loss	0.18	(1.83)
Return on Plan Assets	0.48	0.36
(Income)/Expenses Recognised in Other Comprehensive Income	**0.66**	**(1.47)**

(vi) Assumptions used-Holding company

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Discount rate	7.21%	7.41%
Rate of return on plan asset	7.21%	7.41%
Salary escalation	6.00%	6.00%
Attrition rate	For service of 4 years and below 20% p.a. For service of 5 years and above 6% p.a.	For service of 4 years and below 20% p.a. For service of 5 years and above 6% p.a.

(vii) Assumptions used-Subsidiary company

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Discount rate	7.18%	7.31%
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 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)

Particulars	Year ended 31 March 2023	
	Increase	Decrease
Change in discounting rate (delta effect of +/- 1%)	(3.00)	3.43
Change in rate of salary increase (delta effect of +/- 1%)	3.22	(2.94)
Change in rate of employee turnover(delta effect of +/- 1%)	0.28	(0.33)

(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 2024	Year ended 31 March 2023
Insurance funds	52.57	50.56
% 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 2024	Year ended 31 March 2023
Within the next 12 months (next annual reporting period)	6.00	5.64
Between 2 and 5 years	19.61	17.45
Between 6 and 10 years	20.07	17.43
Beyond 10 years	53.83	48.70
Total expected payments	**99.51**	**89.22**

(xi) The weighted average duration of the projected benefit obligation at the end of the reporting period is 9 years (31 March 2023: 9 years).

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 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	-	127.48	127.48
Other balances with banks	6 & 11	-	32.93	32.93
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	-	264.36	264.36
Other financial liabilities	17	-	157.48	157.48
Lease Liabilities	16	-	53.36	53.36
Total		-	**2,865.62**	**2,865.62**

Particulars	Refer Note	As at 31 March 2023		
		Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets				
Investments in joint venture entity	5	-	253.05	253.05
Trade receivables	9	-	796.31	796.31
Cash and cash equivalents	10	-	131.56	131.56
Other balances with banks	6 & 11	-	30.87	30.87
Loans	12	-	59.90	59.90
Other financial assets	6	-	225.83	225.83
Total		-	**1,497.52**	**1,497.52**
Financial liabilities				
Borrowings	15 & 20	-	2,681.53	2,681.53
Trade payables	21	-	299.77	299.77
Other financial liabilities	17	-	171.21	171.21
Lease Liabilities	16	-	59.99	59.99
Total		-	**3,212.50**	**3,212.50**

(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 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
USD	1,742.06	1,881.10	199.04	274.40
Euro	-	2.24	-	-

The above table represents total exposure of the Group towards foreign exchange denominated assets and liabilities.

For the years ended 31 March 2024 and 31 March 2023, 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 ₹ 15.43 million and ₹ 16.09 million respectively.

Particulars	Impact on Profit & Loss		Impact on Equity	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
a) USD Sensitivity				
Rupee/USD - Increase by 1%	(15.43)	(16.07)	(15.43)	(16.07)
Rupee/USD - Decrease by 1%	15.43	16.07	15.43	16.07
b) EURO Sensitivity				
Rupee/Euro - Increase by 1%	-	(0.02)	-	(0.02)
Rupee/Euro - Decrease by 1%	-	0.02	-	0.02

(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 2024	As at 31 March 2023
Term Loans from Banks and others	365.94	219.68
External commercial borrowings	709.69	885.53
Cash Credit from Bank	313.51	588.58
Total	**1,389.14**	**1,693.79**

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 2024	As at 31 March 2023
a) Long Term - Borrowings Sensitivity		
Increase by 1%	(10.76)	(11.05)
Decrease by 1%	10.76	11.05
b) Short Term - Borrowings Sensitivity		
Increase by 1%	(3.14)	(5.89)
Decrease by 1%	3.14	5.89

(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 2024					
Particular	**Within 1 Year**	**1-2 Years**	**2-5 Years**	**> 5 Years**	**Total**
Borrowings	572.69	495.84	1,118.65	203.24	2,390.42
Trade Payable	264.36	-	-	-	264.36
Othe Financial Liabilities	127.81	29.67	-	-	157.48
Lease Liabilities	-	1.56	2.57	49.23	53.36
Total	**964.86**	**527.07**	**1,121.22**	**252.47**	**2,865.62**
Maturity Profile of financial liabilities as at 31 March 2023					
Particular	**Within 1 Year**	**1-2 Years**	**2-5 Years**	**> 5 Years**	**Total**
Borrowings	833.03	247.27	606.20	995.03	2,681.53
Trade Payable	299.77	-	-	-	299.77
Othe Financial Liabilities	164.06	7.15	-	-	171.21
Lease Liabilities	3.72	3.72	11.59	40.96	59.99
Total	**1,300.58**	**258.14**	**617.79**	**1,035.99**	**3,212.50**

(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 2024, the Group meets its capital requirement through equity and borrowings. The Group monitors its capital and debt on basis of debt to equity ratio.

The debt-equity ratio for the reporting period is as follow:

Particulars	As at 31 March 2024	As at 31 March 2023
Total borrowings including Lease liabilities	2,443.78	2,741.52
Total Equity	3,028.75	2,885.46
Debt-Equity ratio	**0.81**	**0.95**

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 three principal operating and reporting segments viz. Poultry healthcare, Animal health care and Petcare. 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	Petcare	Others	Total
Year Ended 31 March 2024					
Segment Revenue					
Revenue from operations	1,452.51	1,298.65	26.41	267.89	3,045.46
Identifiable Segment Expenses	(1,268.87)	(997.69)	(41.47)	(199.02)	(2,507.05)
Segment Results	**183.64**	**300.96**	**(15.06)**	**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**
Year Ended 31 March 2023					
Segment Revenue					
Revenue from operations	1,413.19	1,141.36	17.67	88.69	2,660.91
Identifiable Segment Expenses	(1,143.96)	(934.01)	(21.66)	(54.32)	(2,153.95)
Segment Results	**269.23**	**207.35**	**(3.99)**	**34.37**	**506.96**
Less: Unallocable Finance Cost					93.20
Add: Share of Profit in Joint Venture Entity					44.09
Less: Other Unallocable Expense (net)					56.31
Net Profit Before Tax					**401.54**
Less: Tax Expense					121.19
Net Profit after Tax					**280.35**

Other Information					
Particulars	**Poultry Healthcare**	**Animal Healthcare**	**Petcare**	**Others**	**Total**
Year Ended 31 March 2024					
Segment Assets	2,453.54	2,119.92	19.20	2.78	4,595.44
Unallocated Assets					2,028.03
Total					**6,623.47**
Segment Liabilities	177.66	327.36	0.19	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	13.51	0.83	-	167.72
Year Ended 31 March 2023					
Segment Assets	2,422.77	2,142.83	13.86	112.60	4,692.06
Unallocated Assets					2,007.60
Total					**6,699.66**
Segment Liabilities	273.36	260.73	0.57	88.36	623.02
Unallocated Liabilities					3,191.18
Total					**3,814.20**
Non cash items	2.41	(109.76)	-	0.36	(106.99)
Capital Expenditure	553.58	121.15	0.06	-	674.79

Notes: a) Others segment include sale of other Pharmaceutical products.

b) 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. Unallocated Capital expenditure of ₹ 125.04 million (Previous year: ₹ 438.04 million) incurred on BSL-3 facility during the year.

(iii) Secondary Reportable Segment (Geographical):

Particulars	**In India**	**Outside India**	**Total**
Segment Revenue			
As at 31 March 2024	**2,391.70**	**653.76**	**3,045.46**
As at 31 March 2023	2,169.22	491.69	2,660.91
Non-current operating assets			
As at 31 March 2024	**2,860.20**	**1,279.99**	**4,140.19**
As at 31 March 2023	2,694.87	1,430.02	4,124.89

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	103.25%	3,127.12	128.31%	271.59	72.96%	(0.24)	128.40%	271.35
Subsidiary Company (Indian)								
Texas Lifesciences Private Limited	2.07%	62.65	4.91%	10.40	42.24%	(0.14)	4.86%	10.26
Subsidiary Company (Foreign)								
Hester Biosciences Nepal Private Limited	3.63%	109.98	16.60%	35.15	-	-	16.63%	35.15
Hester Biosciences Africa Limited	(2.62%)	(79.49)	(86.43%)	(182.95)	325.27%	(1.07)	(87.08%)	(184.02)
Hester Biosciences Kenya Limited	1.92%	58.20	0.48%	1.01	516.79%	(1.70)	(0.33%)	(0.69)
Joint Venture Entity								
Thrishool Exim Limited	9.88%	299.27	21.78%	46.09	-	-	21.81%	46.09
Non Controlling interest in Subisidiary Companies	3.66%	110.82	10.76%	22.77	33.44%	(0.11)	10.72%	22.66
Inter company transaction	(21.78%)	(659.80)	3.59%	7.60	(890.70%)	2.93	4.98%	10.53
Total	**100.00%**	**3,028.75**	**100.00%**	**211.66**	**100.00%**	**(0.33)**	**100.00%**	**211.33**

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 10 May 2024 there was no subsequent event to be recognised or reported that are not already disclosed elsewhere in these Consolidated Financial Statements.

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

Arpit D. Shah
Partner
Membership No.: 135188

For and on behalf of Board of Directors

Rajiv Gandhi
CEO & Managing Director
DIN: 00438037

Priya Gandhi
Executive Director
DIN: 06998979

Nikhil Jhanwar
Chief Financial Officer

Vinod Mali
Company Secretary

Date 10 May 2024
Place Ahmedabad

TEN-YEAR FINANCIAL STATISTICS (STANDALONE BASIS)

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

YEAR ENDED ON 31 MARCH	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Sale	889.06	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
Other Operational Income	11.31	26.56	20.91	33.39	8.34	154.02	175.74	38.49	49.13	10.63
REVENUE FROM OPERATIONS	**900.37**	**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**
Other Income	3.57	8.72	7.26	18.77	30.97	29.26	16.48	46.57	53.23	42.62
TOTAL INCOME	**903.94**	**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**
TOTAL EXPENSES	**743.03**	**769.15**	**932.17**	**934.23**	**1,145.33**	**1,311.23**	**1,500.64**	**1,707.52**	**2,153.99**	**2,526.85**
(a) Cost of material consumed	150.01	157.68	177.67	217.04	227.32	211.31	241.75	370.74	292.81	326.86
(b) Purchase of Stock-in-trade	37.23	67.59	88.05	78.42	137.26	171.89	252.09	392.97	553.71	565.95
(c) (Increase)/decrease in inventories	59.58	(29.75)	33.21	(62.35)	(72.45)	(155.74)	40.14	(125.26)	(47.71)	103.64
(d) Employee benefits expenses	123.17	154.40	183.23	222.88	267.42	371.56	334.51	391.19	479.17	567.20
(e) Finance Cost	44.49	36.86	32.08	23.16	35.43	50.34	39.47	24.68	64.97	50.93
(f) Depreciation and amortisation expense	54.94	57.32	55.09	54.51	75.66	93.85	96.33	95.02	97.88	97.78
(g) Other Expenses	273.62	325.05	362.84	400.57	474.70	568.02	496.35	558.18	713.16	814.49
PROFIT BEFORE EXCEPTIONAL ITEMS	**160.91**	**248.49**	**330.87**	**437.07**	**597.51**	**412.28**	**600.61**	**532.56**	**439.24**	**367.32**
Exceptional Items	27.21	-	-	-	-	-	(52.78)	-	-	-
PROFIT BEFORE TAX	**188.11**	**248.49**	**330.87**	**437.07**	**597.51**	**412.28**	**547.83**	**532.56**	**439.24**	**367.32**
Tax Expenses	48.16	56.26	81.47	131.49	158.99	100.05	148.82	137.39	115.82	95.73
PROFIT AFTER TAX	**139.95**	**192.23**	**249.40**	**305.58**	**438.52**	**312.23**	**399.01**	**395.17**	**323.42**	**271.59**

BALANCE SHEET AS AT 31 MARCH	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	775.21	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
Grants		-	-	-	-	-	-	-	240.00	500.00
Borrowings	345.55	340.61	363.27	388.49	323.54	393.99	162.04	1,224.66	1,650.25	1,342.67
TOTAL	**1,205.83**	**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**
APPLICATION OF FUNDS :										
Property, Plant & Equipments and Intangible assets	668.35	720.38	821.45	972.13	1,012.26	976.38	904.12	1,662.18	2,568.24	2,748.59
Investments	86.54	86.70	86.02	144.78	282.19	406.71	438.85	646.89	646.89	646.89
Non-Current Assets	88.54	51.47	128.81	96.67	113.93	152.57	81.12	270.63	82.54	55.86
Current Assets	563.33	671.51	748.12	891.30	994.02	1,214.99	1,396.06	1,664.72	2,160.48	2,044.12
Current liabilities	**(107.88)**	**(152.58)**	**(164.32)**	**(182.36)**	**(181.02)**	**(242.96)**	**(205.56)**	**(259.34)**	**(551.03)**	**(425.56)**
Provisions	(39.23)	(0.23)	(0.43)	(0.01)	(2.59)	(0.01)	(8.67)	(13.16)	(21.58)	(29.26)
Deferred Tax Liabilities	(53.81)	(22.18)	(35.46)	(73.23)	(100.89)	(82.89)	(68.06)	(62.92)	(71.47)	(70.85)
TOTAL	**1,205.83**	**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**
Equity Dividend	31%	41%	53%	100%	110%	66%	100%	100%	80%	60%

ABBREVIATIONS

1	**Act**	Companies Act, 2013
2	**AGM**	Annual General Meeting
3	**ADRs**	American Depository Receipts
4	**AS**	Accounting Standards
4	**Board**	Board of Directors
5	**bps**	Basis points
6	**BSE**	The BSE Limited
7	**bn**	Billion
8	**Capital W.I.P.**	Capital Work in Progress
9	**CARE**	Credit Analysis and Research Limited
10	**CAGR**	Compound Annual Growth Rate
11	**CGWA**	Central Water Ground Authority
12	**C.I.F.**	Cost Insurance and Freight
13	**CDSL**	Central Depository Services Limited
14	**CEO**	Chief Executive Officer
15	**CFO**	Chief Finance Officer
16	**CIN**	Corporate Identity Number
17	**CLID**	Client Identity
18	**CS**	Company Secretary
19	**CSR**	Corporate Social Responsibility
20	**DIN**	Director Identification Number
21	**DPID**	Depositroy Participant Identity
22	**DSIR**	Department for Scientific & Industrial Research
23	**EBIDTA**	Earnings Before Interest, Depreciation, Taxes and Amortisation
24	**EPCG**	Export Promotion Capital Goods
25	**EPS**	Earning Per Share
26	**ESOS**	Employees Stock Option Scheme
27	**ETP**	Effulent Treatment Plant
28	**FAO**	Food and Agriculture Organisation
29	**FD**	Fixed Deposit
30	**FOB**	Free On Board
31	**F.Y.**	Financial Year
32	**GAAP**	Generally Accepted Accounting Principles
33	**GALVmed**	Global Alliance for Livestock Veterinary Medicines
34	**GDRs**	Global Depository Receipts
35	**GMP**	Good Manufacturing Practices
36	**GLN**	Global Location Number
37	**GLP**	Good Laboratory Practices
38	**HBL**	Hester Biosciences Limited
39	**HBAL**	Hester Biosciences Africa Limited
41	**HBNPL**	Hester Biosciences Nepal Private Limited

42	**HUF**	Hindu Undivided Family
43	**IBR**	Indian Boiler Regulations
44	**ICAI**	Institute of Chartered Accountants of India
45	**ILRI**	International Livestock Research Institute
46	**IEPF**	Investor Education and Protection Fund
47	**IPO**	Initial Public Offer
48	**ISIN**	International Securities Identification Number
49	**ISO**	International Organisation for Standardisation
50	**KMP**	Key Managerial Personnel
51	**LLP**	Limited Liability Parternership
52	**Listing Regulations**	SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015
53	**LODR**	Listing Obligations and Disclosures Requirements
54	**MAT**	Minimum Alternate Tax
55	**MBL**	Maine Biological Laboratories
56	**MCA**	Ministry of Corporate Affairs
57	**mn**	Million
58	**NEAPS**	NSE Electronic Application Processing System
59	**NGO**	Non-Governmental Organisation
60	**NIC**	National Industrial Classification
61	**NSDL**	National Securities Depository Limited
62	**NSE**	The National Stock Exchange of India Limited
63	**OHSAS**	Occupational Health and Safety Assessment Series
64	**OIE**	World Organisation for Animal Health
65	**PAT**	Profit After Tax
66	**PBT**	Profit Before Tax
67	**PBIT**	Profit Before Interest and Tax
68	**P/E**	Price-Earnings
69	**PPR**	Peste des Petits Ruminants
70	**PAN**	Permanent Account Number
71	**P.Y.**	Previous Year
72	**QIP**	Qualified Institutional Placement
73	**R & D**	Research & Development
74	**ROC**	Registrar of Companies
75	**SCRA**	The Securities Contracts (Regulation) Act, 1956
76	**SCORES**	SEBI Complaints Redressal System
77	**SEBI**	Securities Exchange Board of India
78	**SLM**	Straight Line Method
79	**SS**	Secretarial Standards
80	**the Company**	Hester Biosciences Limited
81	**WDV**	Written Down Value
82	**WHO**	World Health Organisation

Hester Biosciences Limited
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PUBLICATION DESIGN

Ruchika Nambiar
www.ruchikanambiar.com

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