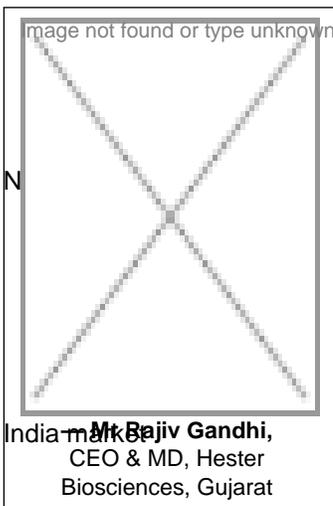


## 'We intend to invest Rs.40 crore in India R&D lab'

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Hester Biosciences Limited (HBL), an Ahmedabad-based company, has been in the business of manufacturing of poultry vaccines since 1997. The company has 39 licensed poultry vaccines and markets those products in India, Asia, Europe and Africa. HBL made its strong footing in Nepal last year by signing a joint venture agreement with Him Electronics Private Limited (HEPL), Nepal, to establish a first-of-its-kind animal vaccine manufacturing plant in

The proposed company – Hester Biosciences Nepal — will manufacture a range of poultry, sheep, cattle and swine vaccines for the Nepal as well as the global markets. The company believes that its presence in Nepal would open up new vistas and avenues of opportunities and simultaneously take HBL to the next level of growth. In an exclusive interview with *BioSpectrum*, Mr Rajiv Gandhi, CEO and managing director of HBL talks about the company's strategy for Nepal, investments made for the animal manufacturing facilities and its future plans for the

**Q** How will the establishment of HBL's operations in Nepal strengthen its animal vaccines business?

**Mr Gandhi:** Hester Biosciences Nepal will be Nepal's first biological unit. We got very good support from all levels, both from the Government of Nepal as well as from the business community. Nepal has good manpower resources in the field of biotechnology who are trained in different countries including India, the US and the UK. Also, culturally, Nepal is very similar to India. Climatic conditions are ideally suited for a biological plant. Nepal's livestock sector is in a developing stage. Besides being assured of the local market, we intend to export certain large animal vaccines manufactured using the locally available

strains.

**Q** What is the capacity of the proposed animal vaccine manufacturing facility and what are the terms of your JV with Him Electronics?

**Mr Gandhi:** HBNPL is a joint venture between Hester and Him Electronics, which is part of the Golchha organization, a leading business house in Nepal. Hester Biosciences India holds 65 percent of the stake while Him Electronics holds 35 percent in HBNPL. We have a plan to start up with vaccines for swine, sheep, goat and a few poultry vaccines. We intend to do toll manufacturing for international companies. So, we are integrating most of our manufacturing capacity.

**Q** What has been the investment in terms of money, manpower and infrastructure for this new entity?

**Mr Gandhi:** The estimated investment is \$3.30 million (15 crore). The facility will generate 150 jobs for skilled and unskilled people. Animal vaccines based on in-house advanced capabilities will be manufactured in the areas of virus propagation in specific pathogen-free embryos, tissue culture and fermentation processes for bacterial vaccines. The facility will qualify for WHO-GMP certification, besides getting ISO, EMS, OHSAS accreditations.

**Q** When will production of these vaccines commence and to which countries will these vaccines be supplied ?

**Mr Gandhi:** The commercial production of these vaccines is expected to commence from January 2013 onwards. Exports would be the focus area with 95 percent of the sales coming from exports. Target markets for animal vaccines produced from this facility are Asia, Europe, Africa and the US.

**Q** Are there any other projects in the pipeline for Hester Biosciences Nepal in terms of growth, revenues and expansion plans?

**Mr Gandhi:** Besides addressing animal disease eradication programs implemented by the Government of Nepal, Hester Biosciences, as a company, will focus on planning strategies to find remedy for foot and mouth disease.

**Q** In the last one year, what were the new developments at Hester Biosciences in India?

**Mr Gandhi:** Besides maintaining a consistent growth, Hester Biosciences is in the process of registering additional poultry vaccines as well as a few major animal vaccines in India. We are also working towards setting up an R&D wing to develop recombinant vaccines for poultry. We are also planning to expand our marketing presence globally.

**Q** What are the future plans for Hester in India, in terms of investments, products/ vaccines launches and business expansion?

**Mr Gandhi:** In India, we intend to invest \$9 million (40 crore) towards a modern QC/QA and R&D lab. We are also planning to venture into clinical trials for animal vaccines.

**Q** How do you view the animal vaccine market in India and what are its prospects?

**Mr Gandhi:** The poultry business in India bounced back to its strong position after a year of recession. The foot and mouth disease vaccine market clocked \$40 million (180 crore (300 million doses per annum)]; peste des petits ruminants (PPR) vaccine clocked \$80 million (36 crore (180 million doses per annum)]; swine fever vaccine clocked \$3.5 million (16 crore (13 million doses per annum)]; haemorrhagic septicaemia (HS) vaccine clocked \$13 million (600 million (300 million doses per annum)]; goat pox vaccine clocked \$5 million (24 crore (120 million doses per annum)]; and poultry vaccines market clocked \$33 million (150 crore). The current growth rate could be taken at eight to 10 percent. The Government of India has already initiated foot and mouth disease eradication program and whereas, PPR and brucella eradication programs are under consideration, this is expected to boost the growth of animal vaccine industry.

**Nayantara Som** in Mumbai