



**HESTER**

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**CIN** L99999GJ1987PLC022333

**2 February 2023**

To,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

Scrip Code: 524669

To,  
**National Stock Exchange of India Limited**  
Exchange Plaza,  
Bandra - Kurla Complex,  
Bandra (E), Mumbai - 400 051

Symbol: HESTERBIO

**Dear Sir/Madam:**

**Subject: Transcripts of earnings conference call held on 31 January 2023**

Pursuant to Regulations 30 and 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the transcript of the earnings conference call held by the management of the Company with investors on Tuesday, 31 January 2023 at 2:00 p.m. (IST) to discuss the unaudited financial results for the quarter and nine months ended 31 December 2022.

This is for your information and records.

**Sincerely,**  
**For Hester Biosciences Limited**

**Vinod Mali**  
**Company Secretary & Compliance Officer**

Enclosure: As above



HESTER

“Hester Biosciences Limited  
Q3 FY 23 Earnings Conference Call”  
**31 January 2023**



HESTER



**ICICI** Securities



CHORUS CALL

**MANAGEMENT:** **MR. RAJIV GANDHI – CHIEF EXECUTIVE OFFICER  
AND MANAGING DIRECTOR - HESTER BIOSCIENCES  
LIMITED**  
**MS. PRIYA GANDHI – EXECUTIVE DIRECTOR -  
HESTER BIOSCIENCES LIMITED**  
**MR. NIKHIL JHANWAR – CHIEF FINANCIAL OFFICER -  
HESTER BIOSCIENCES LIMITED**

**MODERATOR:** **MR. ROHAN JOHN - ICICI SECURITIES LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Hester Biosciences Limited Third Quarter FY 23 Earnings Conference Call, hosted by ICICI Securities Limited. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference, please signal an operator by pressing star then zero on your touchtone phones. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rohan John from ICICI Securities Limited. Thank you, and over to you, sir.

**Rohan John:** Thank you, Dorwin. Good afternoon, everyone, and welcome to the Hester Biosciences Limited Quarter Three, and Nine-Months FY '23 Earnings Conference Call. So today, we have the senior management with us Mr. Rajiv Gandhi, CEO and Managing Director, Ms. Priya Gandhi, Executive Director, and Mr. Nikhil Jhanwar, CFO on this call. I thank the management for giving ICICI Securities the opportunity to host this call. Over to you, sir.

**Rajiv Gandhi:** Good afternoon, everybody. As always, it's indeed a pleasure to address this conference and talk about the quarterly results. I would like to highlight on the results are already there, the financials, everything is already with you in your hand. I would like to address subjective issues rather than talk precisely on financial figures.

As you are aware, in Hester Biosciences, we have now three divisions, that's the Animal Healthcare division, Poultry Healthcare division and the Pet Care division. The Pet Care division is the youngest of it all just been a few months that we have started the division and for accounting purposes, we have merged the business of the Pet Care division with the Animal Healthcare division.

This quarter has been a little different quarter than it has been all along. From the time we started till today, poultry vaccines was our flagship in terms of turnover topline, etcetera, and then we added the Poultry Health products, and it was -- and then we started the Animal Healthcare division, which also has vaccines and healthcare, and it had been our endeavour all along that we would want to grow the Company in such a manner that no division, no product, no territory becomes so relevant that any major upheaval in that could actually make a very big difference in the functioning of the Company.

After so many years, today, we have the Animal Healthcare division reach more or less up to the Poultry Healthcare division, contributing to a little less than 50% in the total sales, while historically, the Animal Healthcare division at its highest has never been more than 25% or 28%.

Coming to the actual business, the Animal Healthcare division has done very well in this Q3. As you all are aware, we had the Lumpy Skin Disease problem all across the country and our Company had the Goat Pox Vaccine which actually performed and it is similar to the Lumpy Skin Disease virus, the Goat Pox, so it can protect the Lumpy Skin -- protect the cattle from the Lumpy Skin Disease and we have supplied around 95% of the country's requirement for the Goat Pox Vaccine to immunize cattle.

This has been a very big boost for us in the Q3. We have supplied the Goat Pox Vaccine in each and every state in the country, there is not a single state left where we have not supplied, and in 95% to 90% of the states, we have made 100% of the supplies for the Goat Pox Vaccine.

Also, the Animal Healthcare division grew again further, because of the additional sales that we had on the health products. The health products sale has been boosted exceptionally well, because in the last around six to nine months, we have added a lot of people in the sales team and we have also added more products. In fact, the health product business, overall has grown by 30%. So, these two have been the driving forces for the Animal Healthcare division to grow. And on a quarter basis, on a standalone quarter basis, it has grown by 202% and on a nine monthly basis, it has grown by 127%.

Coming to the Poultry Healthcare division. The Poultry Healthcare division has seen a degrowth. A degrowth of 22% on a quarter-to-quarter basis and 20% on a nine monthly basis. The poultry industry continues to remain under recessionary condition where the input costs are still above -- going higher than what the revenues they achieved by selling the meat and the eggs.

So, this has been a continued trend. We thought it was changing. It has improved a little bit. Hopefully, in this Q4 or by Q1, we would see drastic changes in the poultry industry. And this would lead again to revival of the poultry industry. These features happened in a cyclically manner. This cycle has gone on a little bit longer this time but we have reasons to believe that this cycle would now take a turn, and it would be an upward and in days to come our sales and our business of the Poultry Healthcare division would also seemingly go up as far as the division and the business is concerned.

Looking into the EBITDA, our EBITDA grew by 13% due to the growth in sales. Our Q3 gross margins have shown a little bit of a negative, it has been a degrowth of around 3%. In reality, there are two components that have actually impacted the gross margins. One is that, the margins on the health products in the Poultry Healthcare division, as well as the Animal Healthcare division have improved drastically. And therefore, our margins did go up on the health product sales.

But on the negative side, we had to write-off expired poultry vaccine stock worth INR1.6 crores, which again pulled down the gross margins. This pull down because of the write-off of the expired stocks, we had to take hit on that because of the poultry industry not really doing as what it should have been doing. In fact, we produced vaccines against disease which we thought was going to flare up. Fortunately, in a way for the poultry industry that disease is not flared off and unfortunately for us, we had stocks of the particular vaccine, plus the recessionary condition in the poultry industry. But the two together, have pulled down our Q3 gross margins by 3%.

Taking business further from here, I would like to talk on the vaccine side of the business. PPR has been disease which the world has taken up for eradication. Government of India has embarked on to a massive immunization program. Actually, any eradication program has to first have a very strong immunization program with good immunization, the disease incidences go down and then ultimately the disease gets eradicated.

Government of India has embarked on national immunization program in sheep and goat against PPR. Hester has won the tender. As you are already aware, as this was already mentioned in the last quarter, we have been awarded the contract to supply PPR vaccine all across the country.

There was a delay in the commencement of the supplies of PPR because the government, it was solely due to governmental reasons, nothing to do with us. We were prepared to supply the PPR vaccine. Nonetheless, the supply of vaccines has started from January 2023 and we hope that this supply would also be a very big boost to our Company. And if the tender goes as per the schedule, by March 2024, we should have supplied PPR vaccines to a value of little over INR 40 crores. So, this would be an all-time high sale of PPR and this is an unprecedented sale that we are hoping to have for the PPR vaccine.

Talking about the Lumpy Skin Disease in cattle. Lumpy Skin Disease vaccine needs to be given once a year. In fact, once in 10 months and because of the disease situation, most of the cattle in the country were immunized with the Goat Pox Vaccine. We are in talks with the government and in fact, government is also looking into the prospects to make this into yearly vaccine under their immunization program.

So that's one of another avenue, which would make the Goat Pox Vaccine continue its business the way we had in the earlier quarter in this financial year. And besides that, we would be also pushing the Goat Pox Vaccine through our trade, which we also see that there should be a boost in the sale of the Goat Pox Vaccine. Incidentally, Lumpy Skin Disease vaccine has been developed by Indian Veterinary Research Institute. And we are in the process of acquiring the technology for the Lumpy Skin Disease vaccine.

So, till the time the vaccine is not developed, we anyway have the Goat Pox Vaccine to immunize against LSD and once the LSD vaccine is ready, we would be supplying the LSD vaccine itself. Incidentally, we produce the LSD, Lumpy Skin Disease vaccine in Hester Africa, and that seems to be one of our biggest sales prospective in these coming months from Hester Africa to all the African countries.

Another vaccine technology, which we have acquired from IVRI is the Avian Influenza for the Poultry. Avian Influenza has caused havoc in the poultry industry for more than 12 to 15 years, and Government of India has now taken a decision to allow the manufacture and the administration of the low path Avian Influenza, that is H9N2. We have already acquired the technology and we are in the process of commercializing this technology. So, these are the two additional vaccines for which we have bought the technology and we are working on it.

Besides, of course, the vaccines, we are already working is the improved version of the Brucella vaccine, and we are also trying to develop a PPR and Goat Pox vaccine. The combined vaccine could be used for sheep and goat and in one shot you could give both the vaccines. So that is also a vaccine which we are currently working on.

On the health product side, it's been a good business so far and we are here to increase the range as far as the health products is concerned. We have already increased the field force with a specific objective to increase the sales with health product. If you look at any company worldwide, it is always that their health product business is larger than any of the segment and we are here to now aggressively grow the health product business, which, as I just mentioned to you, grew by 30% on a quarter-to-quarter basis.

Our production capacity, we had two expansion plans. One was the fill-finish, which was supposed to have got completed in Q3, but there has been a little delay of the main equipment and we hope to commence that facility, not hope, sorry, for sure, we would commence it in the beginning of the Q1 FY '24. And our other facility, the drug substance facility, the bulk antigen manufacturing facility has already commenced. And once the fill-finish facility is ready, we would have our poultry vaccine capacity increase to double than what it is at this point of time.

Talking about the Pet Care division, I would let Priya talk a little bit on the Pet Care division. Over to you, Priya.

**Priya Gandhi:**

Good afternoon, everyone. As mentioned earlier, the Pet division is our recent, the newest division, which started the front-end operations in Q2 this year. It is gaining traction now. However, for the time being, we merged it with the Animal Healthcare as you can see.

We launched 10 products in the last two quarters, which show good results in the field so far. And we'll be launching another three products in the therapeutic category, keeping the seasonal demand in mind in this quarter, which is quarter 4. We're going to be increasing our field force substantially to twice as what it is right now. And also, in terms of territories, we will be catering to territories, which is twice as what it is right now to gain further penetration.

We are currently focusing on healthcare products, which have good demand, and we'll then also look at biologicals and diagnostics in the long-term plan. For the time being, our focus continues to be on good quality products, maintaining a healthy bottom line and hiring good people who are front-facing, as well as technical people to manage the back-end operation. So, this is where the Pet division is. Thank you.

**Rajiv Gandhi:**

Okay. Thank you, Priya. A little update on the COVID-19 vaccine plant, which would be now going on-stream in the sense that, as you are aware, with the help of the Department of Biotechnology and BIRAC, under the COVID Suraksha program, and in collaboration with Gujarat Biotechnology Research Centre, we have constructed a BSL-III laboratory to produce the drug substance, that is the bulk antigen for Covaxin for Bharat Biotech and supply the bulk antigen to them for their production for the Covaxin vaccine.

As we all are aware, at this point of time, COVID, more or less, has been on absolutely reducing trend. Therefore, in a way, good as far as mankind is concerned, we have left COVID behind. Now, we have the facility with us, it's a BSL-III laboratory. We are looking at various options on what to do in this facility. We have some ideas, may it be human vaccine, veterinary vaccine. So, there are thoughts that are in our mind. Once there is full clarity on way ahead that we would not be manufacturing Covaxin drug substance, we would embark on immediately another alternate product line.

While it does sound a little strange that we have INR 100 crores investment project and we are not yet sure on the project, but the fact remains that this was created to make Covaxin and Covaxin has gone, thank God for that, but now that the facility is created, we will use this facility to produce other vaccines. We as a Company do not see this as a concern, except, of course, as now mainly to finalize on what we would do it. And I think in the next three months' time, decisions would be taken on what would be done with this facility and how we would take it further.

There are also thoughts and ideas that we would have another expansion because this facility is ready to produce the drug substance, that is the bulk antigen and for human vaccines, we would need a fill-finish line. So, we could add a fill-finish line. We are in talks with human vaccine companies who are: one, willing to buy the antigen; two, if

we produce the finished vaccine, they are willing to take up the marketing or even give us a loan licensing agreement with us.

And in fact, there are few veterinary vaccines, which can be -- the bulk antigen can be produced here. And for the fill-finish, we do not need to construct anything because we already have a veterinary fill-finish line. So, these are a few options that we have. And we are working on the options and we would take it further.

Looking at our consolidated balance sheets. It's more or less in line with the standalone balance sheets. Our company, Texas Life Sciences, it has been doing very well, feeding Hester Biosciences with all the health products, which, as we mentioned, we are increasing the sales, we're increasing the profitability of Hester by the sales of those products. Then we have Hester Africa, wherein we have got a few licenses and now we are trying to get the sales from there to various African countries, we have begun minor sales in the country of Tanzania, other countries need registration. So that is the registration activity is ongoing over there.

The third entity of relevance is Thrishool Exim, wherein Hester has invested money. We have 50% equity in Thrishool Exim. And there the turnover has been reasonably good, profitability has been reasonably good. And that's all added on to the consolidated balance sheet.

In Nepal, we continue to work and try to push FAO to give us tenders. There are some tender businesses is coming, and I think we have been in touch with FAO and now they have also been talking that there would be a spot in the tendering for the PPR vaccine for all over the world and we hope that it happens fast and to take that project further. So, this is an update on Hester India, our subsidiaries, as well as the financials of all the companies put together.

Thank you for patiently hearing me out. Over to all of you for any questions that you might have.

**Moderator:** The first question is from the line of Manish Gupta from Solidarity.

**Manish Gupta:** Rajiv, my first question is, the decline in sales of poultry vaccines, one would have thought that poultry vaccines would at least have some correlation with consumption of poultry. Do you think that is there or poultry vaccines have no correlation with consumption of poultry? Because typically, as countries get richer, people tend to consume more meat. So, do you see this phenomenon in India or no?

**Rajiv Gandhi:** Technically, everything has to be in proportion and correlated, more the poultry grows, the more the vaccines, the more the vaccines, etcetera. And yes, there has to be a correlation, but at this point of time, in a way, there is a correlation in any case because



today the poultry industry is not doing so well. And the reason is not that people are not eating meat or people are not eating eggs. They are not able to produce and make money by selling eggs or meat. So, it is not the question of consumption, it is the question of the high input cost and the inability of a poultry farmer to pass on those costs onto the consumers for their final products. So, this is the issue.

**Manish Gupta:** But sir, does that mean that the same number of eggs, for example, are being produced. But the usage of vaccines to produce these eggs is declined.

**Rajiv Gandhi:** No. The eggs produced are less, therefore the vaccines used are also less.

**Manish Gupta:** So that would mean sir, the consumption of eggs in poultry in the country would also be declining?

**Rajiv Gandhi:** Yes.

**Manish Gupta:** My second question, sir, was, did I understand you right that the sale of Goat Pox vaccines, the animal would need to be vaccinated every year?

**Rajiv Gandhi:** Yes. One correction. Immunity last for 10 to 12 months. The individual, a farmer would want to, would not want to vaccinate, that is a decision based on the farmer, ideally, they should.

**Manish Gupta:** Is this 10 to 12-month immunity that you mentioned. So, the same for Lumpy Skin Disease and PPR?

**Rajiv Gandhi:** Yes.

**Manish Gupta:** So technically, [inaudible 0:24:48] we achieved should at least be that [inaudible 0:24:51]

**Rajiv Gandhi:** Theoretically, yes. Practically, it really doesn't happen because what happens is that, the animal rearing people in the country, leave aside the poultry, which is a little more organized. It's all a fragmented business. So, what happens is that, they sometimes use the vaccine, because the government is giving them free or because of a knee-jerk reaction in an outbreak, etcetera

So, people tend to forget during the days when there is no disease and they tend to forget the usage or the administration of that disease. Now, it's not necessarily that by not giving the vaccines, the disease will come, but the chances shoot up very high. And then fortunately disease might not come, unfortunately, it might come. Theoretically, yes, this what we have supplied in the last three, four months should be the ideal sale of a year.

- Manish Gupta:** My next question is, sir, that will that be fair in assuming that a large part of our revenue on the animal's side would really be dependent on what allocations the Central Government of India does towards these immunization program?
- Rajiv Gandhi:** Your voice was not clear, but I presume you said that we are dependent upon the Government of India for its tenders?
- Manish Gupta:** Yes. I wanted to understand is, is that going to continue?
- Rajiv Gandhi:** The vaccine business, yes, the health product business, no.
- Manish Gupta:** Next question, sir, is that, have we looked at Indonesia as a market for our poultry vaccines?
- Rajiv Gandhi:** We have not looked at Indonesia. We are supplying to Vietnam, Cambodia, in the Southeast Asian markets over there. We did make an attempt to do something with Indonesia. Unfortunately, we could not take it further. The option remains or rather we would still want to look at that opportunity.
- Moderator:** The next question is from the line of Manish Jain from GormalOne LLP.
- Manish Jain:** I just wanted to know what factors drove the positive growth in the Poultry Healthcare products? Because vaccines declined by 28%, whereas the overall decline in the Poultry business was only 22%?
- Rajiv Gandhi:** So first, let me talk about what led to the higher growth on the health product. What has happened is that, the market share in poultry vaccines is reasonably high. And our market share in health products is reasonably low. So, getting traction in -- for a product where our market share is very low that becomes much more easier and doable, even at a time when the overall market is not growing, wherein vaccines, we could not manage that.
- The growth of the -- you are saying that the degrowth was 22% while our sales grew down by 28%. Now, I would not really have the exact figures, because it would not actually move on a mathematical basis. But a little bit of a plus or minus, some customers using our vaccines, they would have changed their vaccination schedule, decided not to use, while the smaller poultry farmers would have used. So, I'm not exactly able to pinpoint directly as to what would have been the difference between the industry degrowth and our degrowth as far as vaccines is concerned.
- Manish Jain:** And in Nepal, we have developed the Live LAS MAS Newcastle Disease vaccine. What's the advantage that -- is there any significant advantage this vaccine gives you over existing Newcastle disease vaccine?

- Rajiv Gandhi:** The vaccine that we are producing there, what we have done is, now all the smaller dose vaccines being produced in India, we are shifting them to Nepal, so that the Nepal plant gets that business and here anyway our large animal -- the Animal Healthcare division business is growing in terms of vaccines. So, whatever -- most of the vaccines produced in Nepal are being exported to the African continent from there rather than it being exported from here. So, it's just a transfer of business and more rationalizing the capacities that we have everywhere, the same vaccine, the same quality, the same price, the same customer, the same label.
- Manish Jain:** Moving on to the dairy Brucella vaccines. The way you have taken an outstanding decision to promote Lumpy vaccine on a private trade basis. Would you plan to do that something similar for Brucella as well, not depending on tenders, but...
- Rajiv Gandhi:** This is my personal take, and I've been pushing this and I have been talking to all the manufacturers and all. In a free economy as what we are in India, we companies should actually invest in promoting all these vaccines in the trade by themselves and try to generate business rather than being dependent on tender business. And it is my endeavour to make sure that all vaccines that, even which are under tender, we will want to push them hard in the private sector through their distribution. In fact, in one or two states in the Lumpy Skin, that is the Goat Pox Vaccine, our sales in trade was higher than what was bought through the government channel.
- Moderator:** The next question is from the line of Keshav Garg from Counter Cyclical PMS.
- Keshav Garg:** Sir, I am trying to understand our results have bottomed out in the second quarter and in the third quarter, we can clearly see some recovery at least in the large Animal Health products segment. Sir, so firstly, is this a one-off or is this a run rate of INR 38 crores in large animal products expected to continue in fourth quarter and also the next year? And also the poultry vaccines segments, sir, what are you hearing from the government that when can this segment really recover?
- Rajiv Gandhi:** I think the poultry have been always telling that it will recover, recover, but it can't go beyond a point, because at the end of the day and industry has to sustain itself, water finds its own level. And I'm sure the poultry industry would turn around sooner than later. So I really don't think that -- I mean, this can't go on-and-on.
- Looking on to -- and your earlier question was that, is this growth sustainable or not sustainable? That was your question, right, of this quarter?
- Keshav Garg:** Yes.
- Rajiv Gandhi:** Yes. Okay. To answer that question is that, we had a good stint with the Goat Pox vaccine. The Goat Pox Vaccine is going to continue. We have the Lumpy Skin Disease

-- sorry, the PPR tender also now which we have already started the supplies. And the poultry industry, things will turn around for sure. And with the introduction of the Avian influenza vaccine, we should be able to keep this -- the trend on and it is our endeavour that this trend continues and it even goes higher than that. That is what is definitely our endeavour.

**Keshav Garg:**

Sir, and also you mentioned that the poultry industry is not in the best of health in terms of profitability. Sir, but recently in this year 2023, sir, we have seen egg prices in domestic market have reached all-time high levels. And also exports of, especially egg products are booming to all-time high level. Sir, so does that help us going forward? I mean, since egg prices are at all-time high, and obviously, the farmer would be making a lot of money. So would that help us?

**Rajiv Gandhi:**

So the egg prices being all-time high, one of the reasons is that, there is a shrinkage in the production of egg and/or meat and whatever eggs or meat are available, they are being sold at a higher price because there is no proper intersection of demand and supply. So therefore that could be the thing.

And in terms of exports, there have been egg powder, etcetera, the exports have improved and there would be certain contracts, etcetera, going over there. But if you look at overall the whole economy as such, there is still a lot to happen in the poultry industry to stabilize that industry. And see, whenever you supply lesser quantity at a higher price it does not mean that there is a boom in the industry. That's all that I am trying to say.

**Moderator:**

The next question is from the line of Kuntal Shah from Oaklane Capital.

**Kuntal Shah:**

This is regarding the Hester Nepal. Can you just briefly outline the funding status and the order status of the tender is being rolled out for PPR? And second question is for India, the NADCP program was very ambitious in terms of 50 crores animal livestock to be vaccinated by 2025 covering range of diseases. What do we stand on the rollout orders and the funding of the same, too?

**Rajiv Gandhi:**

So first let me address the rollout. As far as we are concerned, we are linked and synced with the government for the Goat Pox Vaccine against LSD and the PPR vaccine at the moment. So in both these cases, we are -- in PPR, we'll be supplying 100% of the requirement and Goat Pox Vaccine, we have supplied to 95% of the government's requirements. So that is where we are at this point of time. Now, coming on to Nepal. Yes. I think Nikhil, yes.

**Nikhil Jhanwar:**

In case of Nepal, the bank borrowings has been INR 7 crores on 31, December, which primarily the combination of both the working capital and few portion of the long-term debt, which is to be paid in the next seven months -- in next one year.

**Kuntal Shah:** Sorry. I was referring to the funding status by the agency doing the eradication program, what is the reason for delays in tender?

**Rajiv Gandhi:** You are talking about the PPR vaccine eradication program funding.

**Kuntal Shah:** Yes. Because ultimately that's a -- where we are going to get orders from, right?

**Rajiv Gandhi:** Your voice is cutting, but let me answer you is that, FAO is trying hard to get the funding for the PPR. In fact, they are now releasing tenders even for some other vaccines, also like CCP, CBPP, LSD, etcetera, in smaller quantities, but as soon as they get funding, they are trying to do it. There is going to be a major conference on all PPR manufacturers worldwide in -- organized by FAO in the month of March. So that is the time when they are going to be discussing on the funds availability that they have and how they would want to roll out the eradication program. At the moment, yes, they are trying to gather the funding and probably they are working towards consolidating on their funding plan.

Now, this depends upon -- this is just not in our hands. We are dependent on FAO, United Nations for these things. So we will take it as it comes. And in order to make sure that our plant does not go into any loss of business, etcetera. As I mentioned in earlier question, we have moved all small size vaccine, poultry vaccine manufacturing to Nepal, from where we are exporting and here we are using the -- our capacities to supply to the local government tenders, etcetera.

So to answer, again, your question, we are dependent on FAO. FAO is working hard towards it. I mean, this has to happen, it's just a matter of time.

**Kuntal Shah:** The local program, the [inaudible 0:40:24] Brucella and all, what is the funding status and order status? What do you think is a roadmap likely for a year or two under the government...

**Rajiv Gandhi:** Yes. Under the Government of India, National Eradication or Immunization program, it is going on absolutely well, and the government, whatever they have committed, the funds are being allotted, supplies are being made and that is how we were able to do such a big immunization program for Lumpy Skin Disease in three to four months' time. And that is -- and also PPR, they have given us a complete schedule for supplies to be done until March 2024, and we have reasons to believe that the funds for that would come as they have come in Lumpy Skin Disease, there is a credit period. We will get it in this month because many suppliers who made last month. But it is going on on-track. The Indian Immunization programs for animals is going on-track.

**Moderator:** Thank you. The next question is from the line of Mithun Aswath from Kivah Advisors.

**Mithun Aswath:** My question is more on the African business. I just wanted to understand, you had mentioned last time, because of the recessionary environment and inflation, there was not a uptick in that business from the Tanzanian plant. Just wanted to understand what is the roadmap for that plant, because you had invested quite a lot of money? So just wanted to understand how the utilization of that plant would move over the next year or so?

**Rajiv Gandhi:** We would continue to make vaccines first for Tanzania and then for the African Continent. There are totally three ways in which we expect to get business in Africa from each country. One is FAO tenders. Second is the country tenders and third is, through the trade business in each of the countries. What we have done at this point of time, we are trying to create the network so that the third channel, that is through the trade, we are able to place our vaccines and try to grow the business. This is the -  
- there are lot of hurdles to it, because the African economies today there is no money or there is lack of finances, plus the demand creation has not happened in the past.

But on the other side, we look that as a very big opportunity, because we are the first to do it. And so, we are trying to create demand through the trade business in a few African countries at the moment, and at the same time, we are working with FAO, as well as with each of the countries, if at all the tenders come.

We are very sure the Continent is big, the requirement is big, everything has to fall in place and it has to happen. And it is an effort to be done in order to do that. We are here to put the effort, and I'm sure the results would come in, if not immediately, maybe a little later, but we are very confident on the path.

**Mithun Aswath:** And what is the current level of revenue, sir, on an annual basis from this Tanzanian facility? And what actually could it deliver when things go to an optimal capacity utilization?

**Rajiv Gandhi:** Optimal capacity more than 20 million. At this point of time, our sales is than 1 million.

**Moderator:** Thank you. Ladies and gentlemen, that was our last question for today. I now hand the conference over to the management for closing comments.

**Rajiv Gandhi:** Thank you all. I hope I was able to answer all your questions. And it is our endeavor, myself, our whole team to work towards the betterment for the Company to make sure that our Company is valued at a very nice level. When I say value, I just don't mean in terms of share price or a quantified thing, qualitatively also we believe in our value system and that value system needs to reflect in our functioning, in whatever we do, in our actions. So that is what our endeavor is. It shall continue to be the same. Thank you all for giving time for this call. Hope to again meet you all in the next quarters' investors call. Thank you.

**Moderator:** Thank you. On behalf of ICICI Securities Limited, that concludes the conference call.  
Thank you for joining us, you may now disconnect your lines.

**Priya Gandhi:** Thank you.