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5 February 2024

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 2 February 2024

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 Friday, 2 February 2024 at 2:00 p.m. (IST) to discuss the unaudited financial results for the for the quarter and nine months period ended 31 December 2023.

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 FY24
Earnings Conference Call”**

2 February 2024



HESTER



1 ICICI Securities



CHORUS CALL®

MANAGEMENT: **MR. RAJIV GANDHI – CEO & MANAGING DIRECTOR,
HESTER BIOSCIENCES LIMITED**
**MS. PRIYA GANDHI – EXECUTIVE DIRECTOR, HESTER
BIOSCIENCES LIMITED**
**MR. NIKHIL JHANWAR – CFO, HESTER BIOSCIENCES
LIMITED**

MODERATOR: **MR. KASHISH THAKUR – ICICI SECURITIES**

Moderator: Good afternoon, ladies and gentlemen, good day and welcome to Q3 FY24 Earnings Conference Call of Hester Biosciences hosted by ICICI Securities.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please sign an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Kashish Thakur from ICICI Securities. Please go ahead Sir.

Kashish Thakur: Good afternoon, everyone. I welcome you all to Hester Biosciences Q3 and 9 months FY24 Earnings Conference Call.

Today from Hester Biosciences 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 of Hester Biosciences for giving ICICI Securities this opportunity to host this call and now I hand over the call to Ms. Priya Gandhi. Over to you, ma'am.

Priya Gandhi: Thank you. Good afternoon, everyone. This is Priya Gandhi – Executive Director at Hester and really appreciates your presence in today's Call where I will be taking you all through the overview of our "Performance" in Q3 FY24.

Starting with the comprehensive overview of our "Financial Performance" our standalone revenue has surged up by 10% and our consolidated revenue saw growth of 13%. However, speaking of Q3 FY24 specifically, we observed a dip in our standalone revenue by 7% and on a consolidated basis, we have seen 11% decrease.

Dwelling into the division wise performance, starting with our Animal Health Care division:

We observed an 18% decline in sales during this quarter compared to the corresponding quarter. This decline is primarily attributed to 2 main reasons:

1. The first being the shifting sales pattern of the Goat Pox vaccine. In Q2 FY23 heightened demand for GPV arose from an outbreak of lumpy skin disease in cattle resulting in a concentrated sales for Q2 and Q3 with Q3 FY23 emerging as the best quarter in terms of the GPV sales. However, in this financial year, the sales have gotten stabilized as the demand has now normalized and in the same manner this has been distributed with a planned immunization program. Consecutively, this distribution has led to a variance between the comparative quarters.
2. The second reason being the discontinuation of our two brands namely CuRx injection and iSumovet due to regulatory changes prohibiting the use of Ketoprofen for animal purposes, which has affected our sales of the health products in the division in this quarter. These two products collectively contributed to about Rs. 4.5 crores in sales in 9 months FY23 the last year. However, moving forward in response to this challenge, we have introduced a new product called CuRx LA as a substitute in the last quarter in fact, I had mentioned this in the last call that we will be introducing the substitute for CuRx and we did that in the last quarter and the positive impact of this introduction is now going to be more evident in Q4 and beyond. We have been actively promoting the new product CuRx LA through aggressive marketing initiatives, including over 200 product launch meetings that we did, which engaged over 4,000 customers nationwide. These factors will continue into the current quarter for the reinforcing our commitment to addressing market needs and the driving growth.

It is important to note that if we exclude the impact of the prohibition of our animal healthcare division has demonstrated an impressive 17% growth in the health product sales. Additionally, we are currently in process of launching line extensions of our existing products and we anticipate these new offerings to mitigate the sales loss resulting from the withdrawal of the mentioned brands, further strengthening our product portfolio and driving a sustained growth.

The PPR and GPV immunization programs with the Government of India are on track as per the predetermined schedule and we are committed towards the well-being of the livestock population across the nation.

Turning on to our Poultry Healthcare division:

We are happy to report an 8% growth. This marks a milestone as after 7 quarters, we are witnessing a growth across the entire segment that is the Poultry segment. While only the trade business showed a growth in last quarter, this quarter we are feeling positive to see growth across the division as a whole. As previously mentioned, the Indian Poultry Industry is experiencing an upward trajectory driven by sustained consumer demand and stable prices of meat and egg products. This positive trend highlights the resilience of our Poultry Healthcare division and positions us well for continued success in this sector.

I had also mentioned in the last call that we are set to launch a modified version of the Newcastle Disease Vaccine, which is a critical component in the poultry health which has been already launched in the market for the strengthening our efforts to enhance our performance in the division. Looking ahead, we remain optimistic about the growth of our operations in the poultry division we are diligently monitoring the performance of our products and providing comprehensive Technical Support in the field.

Additionally, we are also in process of acquiring technology from ICAR-IVRI to develop a modified version of this vaccine called Infectious Bursal Disease vaccine, which is a vaccine which already exists in our portfolio. For a modified version of this, utilizing something called as a Subviral Particle based technology which will offer superior protection, improved safety and eliminate the risk of immunosuppression in poultry highlighting our committing to innovate and excellence in the Poultry Healthcare.

In Q3 FY24, the Pet Care division has experienced a slight decline. However, when considering the cumulative performance for 9 months, the division demonstrated an impressive overall growth of 91% the division commenced last year in Q2 FY23 i.e. and thus far we have focused on establishing a solid

foundation, including refining our workforce, enhancing sales distribution and targeting the right markets. We are surely gaining a better understanding of our operations overall this year. Our products are competitively priced and are of excellent quality, positioning us well in the market. We are also working towards introducing a new category of pet products to further enrich our division, the details of which we will announce in the next quarter call.

Despite the downturn in the Pet Market following COVID-19 characterized by a decrease in pet ownership and reduced demand for pet care products and this is something which is not really on record or you may not find any publication to back this up, but this has been our overall observation wherein the pet ownership definitely has seen a decrease post COVID. But having said that, the division performance since the time we have launched the division definitely shows the potential to capture the market for future growth and we remain very optimistic about this division's trajectory.

Speaking of financial performance:

We have maintained an overall gross profit margin of 67% in Q3 FY24. However, the EBITDA and PAT have experienced a decrease of 7% and 5% during this period. We have been mentioning this for some time now. We have been trying to rationalize our product mix which has also been seeing a little bit of shift in the profitability. Also the withdrawal of the 2 products in the Animal Healthcare Division due to the regulatory changes and our emphasis on expanding the sales of health products across the division has caused this shift. Also, I think last year in Q3, there were a lot of one-time spots we saw whether we speak of the PPR vaccine or the Goat Pox vaccine, which of course this time onwards has gotten very stabilized as I mentioned earlier. So these few things definitely give us reasons to believe that now we will see a little bit stability in the profitability as well.

Moving on to the subsidiary performance of the quarter:

Hester Nepal has generated Rs. 0.8 crores in quarter 3 FY24 and Rs. 8.1 crores in the 9 months of FY24 with an overall net loss of Rs. 0.94 crores in Q3 and a net profit of Rs. 2 crores if we speak of 9 months in FY24. At the moment

we are placing strong emphasis on leveraging the potential of the Domestic Poultry business in Nepal, which also we had mentioned has a great potential and that is something that now we are going to be focusing on looking forward.

Hester Africa has sustained export sales totaling of Rs. 0.73 crores in Q3, mainly to the East African countries, predominantly through our LSD and CBPP vaccines in cattle. Over the course of 9 months in FY24, the export sales have amounted to about Rs. 4.5 crores. However, the company has seen an overall loss of Rs. 3.6 crores in Q3 and Rs. 13 crores in 9 months of FY24. These losses primarily stem out from the unmet sales target and the other fixed and variable costs which we have to anyway incur, whether we meet our sales targets or not. However, we are hopeful in the coming quarters not only with the other East African Vaccine demands, but also with the overall international tender supplies for the PPR vaccine from the Africa plant as well.

Moving forward, as previously mentioned we are committed to capitalizing on the stabilized Poultry Industry by enhancing our existing vaccine. In our animal healthcare division our dedication to immunization program remains unwavering. In fact, we are actively developing new vaccines to expand our portfolio and participate in other important immunization initiatives.

And furthermore, we are excited to announce that the upcoming introduction of line extension of our product in the pet segment this quarter additionally, we are diligently working on introducing newer larger categories of pet products as discussed earlier today and we are working hard towards ensuring that there is no over dependency on any one product segment or division. With these initiatives, I conclude my presentation and thank you all for your attentive participation and we look forward to your questions and discussions.

Moderator:

Thank you very much. We will now begin the question and answer session. Our first question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi:

Sir, my question is pertaining to our Domestic Poultry Vaccine division, sir, because the poultry prices in the third quarter domestically, they decline quarter-on-quarter and the whole industry is in losses and even in the fourth

quarter, Domestic Poultry prices, the farmgate prices though are still in losses? So basically, when do we foresee recovery? And sir is there any possibility of our vaccine division, poultry domestic vaccine sales picking up without Domestic Poultry prices picking up?

Rajiv Gandhi: So your question is more on the Poultry Industry and your concern on the poultry product prices, have I understood it right?

Madhur Rathi: Sir, my question is that whether our business can recover without the Domestic Poultry prices, broiler meat prices going up?

Rajiv Gandhi: Yes, we are on the route to recovery in fact, if you would have heard Priya Gandhi speech, she did mention that there is an upswing in our poultry sales or vaccines as well as on health products. So we are now confident that there is an upswing towards this, another point to be noted is that the feed prices have now stabilized rather gone down in some cases, so it is a big relief to poultry farmers at this point of time and egg prices are even up.

Madhur Rathi: So basically, sir quarter-on-quarter our domestic poultry division sales are also down from Rs. 36.67 crores to Rs. 34.6 crores. So what is the outlook for the fourth quarter as well as for FY25 for our Poultry Division? What kind of growth are you expecting?

Rajiv Gandhi: Our outlook is that now poultry has started the upswing and we see a very positive trend towards poultry vaccines and health products sale and we are confident it will continue in the next financial year throughout.

Madhur Rathi: Sir, so would you like to quantify any kind of number like 10% growth, 15% growth, what kind of growth are we?

Rajiv Gandhi: We as a company we are looking at a high growth, but it would not be appropriate for us to make a percentage commitment on a call like this because it would just be rather inappropriate to make a call without we have done all our calculations everything internally, but we see a double digit growth for sure.

Madhur Rathi: Sir, so in Q4 of FY21, 3 years back, sir, we did Rs. 53 crores revenue in our Poultry division, which has now come down to some less than Rs. 35 cores. Sir so by when do you foresee our quarterly Poultry division revenue again go back to the peak sale of Rs. 53 crores per quarter that we did in Q4 FY21?

Rajiv Gandhi: See you are referring to a quarter when there was an outbreak in the country on Avian influenza and there was a very big demand for poultry vaccines and health products towards curative and preventive control of Avian influenza. So if there is an outbreak it can definitely shoot up at any point of time, so we cannot predict an outbreak, but let us put outbreaks on a side. We cannot have the basis of an outbreak sale as the basis of our whole business. Poultry division is now growing and it will continue growing.

Priya Gandhi: So just to add on to this 2021 in poultry similar to what we have seen in animal health in 23 and 24. The lumpy skin disease outbreak as we mentioned here was the one of the worse that we see which are bases of particular disease outbreak of course it is a good benchmark to have but like our performance cannot just be calculated or evaluated just on such an external factor.

Madhur Rathi: And also lastly, sir in our Animal Health division like you have mentioned that the 2 products which have been banned, we have launched another CuRx substitute, so how much time in your judgment it will take for this new product to claw back our sales that we have lost?

Priya Gandhi: I think it is very difficult really to say, I can't tell you in 1 or 2 quarters, but I mean already it is showing very promising results and in Q4, whatever efforts that we have taken in terms of the launch strategies that we had in the field, etc. is definitely going to show us results in the next Q4. I think in the next one year, I think it should be able to replace it.

Rajiv Gandhi: We should be able to neutralize the negative impact in one year's time.

Moderator: Thank you. Our next question is from the line of Manish Gupta from Solidarity. Please go ahead, sir.

Manish Gupta: Mr. Gandhi, my question was on our Africa business, now we have got the plot in place, the registrations are coming in place do you see availability of dollars in African country as a new constraint that might come up that might act as a hurdle on our ability to fill out that entire plant there?

Rajiv Gandhi: What you have perceived is definitely true. Countries do not have foreign exchange. In fact, 3 of the countries where we have reasonable large size orders, namely Egypt, Ethiopia, Nigeria, all the 3 have a dollar constraint at this point of time. So yes, it is a world order that we have to live with and we are trying to cope up the situation in these circumstances, but having said that the poultry, the cattle industry has to grow in those countries or even has to be kept at the bare minimum level, so I am sure in days to come we will find solution because this cannot become a permanent feature and on the second side we are ourselves pushing a lot of domestic sales in Tanzania itself, so that is also an aspect which we are looking at. At the moment there is no trade agreement between these Tanzania and a few other countries into transaction in the local currency. With India and Tanzania, it is also a move towards that direction. So let us see how does the world get to adjust itself in this current scenario. It is a macro issue.

Manish Gupta: And given all these global conflicts that we are seeing now and the need for a lot of countries also to fund reconstruction in Ukraine, rebuilding Gaza, I guess our PPR orders are also dependent on the UN getting funding from global powers. So what is your considered view on the PPR opportunity now in light of how the world has changed?

Rajiv Gandhi: I tell you, there are financial constraints that the United Nations also has we are all aware of it, there is nothing new in this. What we have done is we are pushing sales through the private channel all across. We are now trying to create our distributors and make sure that we go by the private route. One thing is that the rates that we get in through the private sector are definitely higher than that as far as the rates that we are offering into tenders, but of course there is a market creation activity also that is required. So that is the way we are working towards it. And just to clarify if at all you may not be aware or if you are aware I do not know PPR as disease is not there in EU. EU

and the West, the northern hemisphere are mainly the financiers and the funding agencies the developed countries for United Nations and also some of these countries do direct funding with African countries, so just to make you aware on that.

Moderator: Thank you. Our next question is from the line of Dhruv Bajaj from Smart Sync Investment Advisor. Please go ahead, sir.

Dhruv Bajaj: Sir I wanted to understand the FAO situation a little better. So since it has been close to now 7 years to 8 years that we have been guiding for better FAO orders in the coming years and meanwhile we have used the domestic market of Nepal to use our assets, but now since Indian government is actually ramping up its PPR vaccine orders, so I wanted to understand how big is the Indian opportunity? And if we have any scope of utilizing the Nepal facility for our domestic market or the current capacity in India is enough to meet the current demand?

Rajiv Gandhi: The PPR vaccine in India is manufactured from the Sungri strain. The PPR vaccine in Nepal for the world market is manufactured with the Nigerian strain, so the strains are different, so we are not looking at importing the vaccines into India from Nepal had this issue not been there, probably there would have not been a plant in Nepal to cater internationally. Talking about the PPR demand worldwide United Nations is slow at this point of time in putting out tenders etc. We are working towards it, but as I just answered in the previous call, we are now aiming at the private sector creating demand, making sure distribution is there, the vaccine reaches up to the last mile. So that is also an area which we are working on. And I firmly believe that if people like us who produce animal vaccines put efforts towards that rather than just waiting for tenders to come, it will be a much better thing for the suppliers as well as for the actual users, like for example in India, in the poultry industry, there is hardly any government intervention and most of the poultry is immunized using medicines, health products, etc., today. So ultimately the world will have to move towards this private market and self-procurement and self-vaccination. So that is an area which we are working on at this point of time,

sir. The results cannot come immediately, but this is the basis of creating a very strong foundation for marketing and distribution.

Dhruv Bajaj: Sir, I wanted to understand, so what products have we commercialized in the African market since? If I remember correctly, we were producing both types of variants of PPR vaccines there?

Rajiv Gandhi: We are only producing the Nigerian strain of PPR vaccine over there, then we have Contagious Bovine Pleuropneumonia disease vaccine, we have lumpy skin disease. Then in the poultry, we have the LaSota strain, the Newcastle strain, the Gumboro strain, we have CCPP that means Contagious Caprine Pleuropneumonia sorry, I forget these scientific names not being a scientist myself, and Sheep and Goat Pox Vaccine.

Dhruv Bajaj: And, sir, regarding the dollar constraint that you mentioned earlier, which has actually impacted your sales in the African region, so I actually asked this question in the previous concall where you mentioned that we won't be affected too much since we are using rupees for trade, so can you please explain the current scenario and what is our strategy since I am a little confused?

Rajiv Gandhi: No, we have not mentioned any rupee trade in African country. It is just that Tanzania and India have a rupee trade agreement. We are not in a position to trade in rupees in Egypt or Nigeria or Ethiopia which are our market.

Dhruv Bajaj: Any updates on the commercialization of our human vaccine facility?

Rajiv Gandhi: The human vaccine facility we have applied not only us, all the people under this scheme who had set up projects to manufacture the bulk antigen or the drug substance for COVAXIN have all applied towards repurposing of the facility. Our file is with the Department of Biotechnology and within a months' time we will get a concurrence to use this facility for other use repurposing it.

Dhruv Bajaj: So have we considered a scenario wherein if we get a right price for the facility, then we might as well sell the human vaccine facility to some other players

since we already have sufficient capacity both in the domestic and export market? And balance sheet is actually pretty levered?

Rajiv Gandhi: No, there is no plan, desire or even thought of selling of any of these facilities. It is a facility to generate antigen, whether it is human, whether it is veterinary and antigen generating facility is more or less common. We have enough avenues to use this facility. Once it is repurposed we will take on towards looking at other vaccines and it is one of the only BSL-3 Laboratories available in the country and we are working on it for the repurposing.

Dhruv Bajaj: So if I can just squeeze in another question, so I just wanted to understand like how is our management team placed in terms of how are we operating both the Indian operations which is currently going through some consolidation as well as our African unit wherein it is looking like a substantial time will be required to penetrate or rather create the market going forward?

Rajiv Gandhi: No, you are asking about our bandwidth, our human resources capability?

Dhruv Bajaj: Yes, sir I just wanted to understand that, for example, if someone is looking after African units, so who is looking into Indian operations then like to get the idea?

Rajiv Gandhi: We have a manager who is head of Africa operations. We have a manager who is in charge of Nepal, we have the bandwidth and we are in it. So we have the bandwidth.

Moderator: Thank you. Our next question is from the line of Richa from Equitymaster. Please go ahead.

Richa: Sir in your press release you have mentioned something about Newcastle Disease that you are launching a modified version of it. I just wanted to know how big it was for you? And in the modified version, how does this opportunity for you?

Rajiv Gandhi: We are talking about the Newcastle Disease genotype some modified vaccine.

Priya Gandhi: So the Newcastle Disease vaccine, ma'am, if you see, everyone is aware our poultry vaccine portfolio has always been big in terms of topline always and the Newcastle Disease vaccine within the vaccine is almost about 60% to 70% of within that portfolio. This modified version that we have created it doesn't increase any of our market shares, but what it does is it just improves the performance of our already existing vaccine.

Richa: So from an efficacy perspective, it is better, but not really from a financial perspective, is that understanding correct?

Priya Gandhi: Well, yes it is better from the performance perspective, not financial perspective. In a way you can say that, but that also sort of yields into us being able to capture the market a little bit more and compete with the multinational who are supplying a similar modified version. So in a way of course it will yield into better financial performance also.

Richa: Sir, in your press release again you have mentioned that in two quarters you expect or envisage some improvement or turn around in Africa situation. If you could just add a little more color on what will be different in two quarters, is it the registrations or something about that and what kind of improvement can we expect in 6 months?

Rajiv Gandhi: One is registration activities are going on aggressively, so we hope that from that we will yield on to results and once registered we can start supplying in a few of the countries. So that is something which is mainly and all these countries definitely need these animal vaccines. If at all the situation improves faster we could even get some purchases from their respective governments. So these are the two hopes that we are having at this point of time.

Moderator: Thank you. Our next question is from the line of Manish Jain from GormalOne LLP. Please go ahead Sir.

Manish Jain: I had few questions. The first one was pertaining to our product development and product launch plan. We have been developing some very innovative recombinant vaccines and update on that will be very useful?

Rajiv Gandhi: Our team is working on poultry recombinant vaccines and one is in cattle it is the Brucella vaccine, so that is also a recombinant vaccine. So the Brucella recombinant vaccines we have acquired it from IVRI, which is the Indian Veterinary Research Institute, some of these recombinant vaccines we are developing on our own. It is a bit difficult to give you a timeline at this point of time on this, but we are working on it and I will keep you updated shortly on where we are at this point of time, just a moment Priya even wants to add.

Priya Gandhi: Just to add on this, Manish, I think after COVID also the regulatory norms even in the veterinaries here have become just as close to as stringent in human while it is great in terms of a kind of promises of quality but at the same time there are certain external factors also with respect to the regulatory requirements. So even though we finished the development, but like the post developmental activities also and testing etc., which have to go through IVRI etc., that is also sort of is a is an external lengthy factor which is not always in our hand.

Rajiv Gandhi: Relatively, this all has become much longer, Manishji.

Manish Jain: Second question was regarding the COVID facility, assuming that we get the NOC from the government for repurposing and using it for other vaccines what is our preparedness? Whether it will be for more animal vaccine or do you have options created for non-COVID human vaccine?

Rajiv Gandhi: BSL-3 facility could be used for either human or veterinary. While we have the capability to make a few human vaccines, I would not want to mention any names or etc., but a big advantage to us if we make the animal vaccines is that while these facilities for the drug substance, if there is a human vaccine we will have to make an additional investment to produce the drug product that is the final vaccine. If we produce an animal vaccine, we can use the current fill finish facility and make the drug products. So the 2 options best available to us get into a veterinary vaccine wherein we manufacture or get into a bulk antigen or the drug substance of a veterinary vaccine or vaccines by using it in campaign production and do the fill finish that is make the drug product in our existing line or we tie up with a human vaccine manufacturing company and just produce a drug substance and give it to them. Out of the

two, our preference would be on the first option because we have a market, we have a capability and there will be much more value addition in doing that.

Priya Gandhi:

Also to add on to that just in continuation to what I just mentioned is that post COVID regulatory norms have gotten little bit more stringent and which is something we are anticipating, which is that going forward a lot of veterinary vaccines will also have a requirement of being handled in BSL-3 and not 1 or 2 because of just the overall biosafety just to keep the biosafety standards high, so that is also something that we have been anticipating. So I guess it is like blessing in disguise if something like that come.

Manish Jain:

And you have been undertaking lot of market development strategies both in India and the African market, so the current employee team that you all have, is it sufficient to under all these initiatives? And if yes, what kind of sales can the existing team generate in the next 3 to 5 years?

Rajiv Gandhi:

So Manishji, the situation in such cases, sometimes you are at a crossroad when sales are low, investments are high with the sale come in first or we create the infrastructure first. So partly we are at that juncture one thing is that at the moment we need to recruit people more in the African continent for getting the sales over there. But to mitigate this to some level to start with, we have started appointing exclusive distributors in countries and once our 3 or 4 products are registered, the registration we are keeping it in our name and then we will hire people in each of these countries and then they will push the sale. The whole game plan today with the current situation where we have got an acid which is not sweaty we are just waiting to get the registrations, once we get that, we will start this ball rolling in hiring people, mainly in the African continent. As far as the CIS countries are concerned, as far as the Southeast Asian countries are concerned and even some of African countries our international division out from here and with the support of the local people in Tanzania, we are doing the marketing.

Manish Jain:

And also wanted some insight on the debt situation on a consolidated basis what is our current debt both long term and short term? And what is our CAPEX plan for next financial year?

- Rajiv Gandhi:** Debt let Nikhil answer and then I will take over. Nikhil over to you.
- Nikhil Jhanwar:** Our net debt as on 31st December has been Rs. 232 crores on a consolidated basis and Rs. 135 crores on standalone basis.
- Manish Jain:** And CAPEX plan?
- Rajiv Gandhi:** Now in terms of CAPEX, we are at this point of time we are only going to make expenditure which is needed to rejig a few things to make sure that whatever we have committed so far and whatever we intend to do to we will take on to that. All the vaccines that are in the pipeline, most of them do not need any additional capital expenditure. There is one expense that we need to run CAPEX that we need to do in creating a pilot R&D plant and we are thinking on whether to do and when to do. So that is one of the big thing big ticket items that is there rest we managing within this expenditure which has already been incurred.
- Moderator:** Thank you. Ladies and gentlemen, I now hand the conference over to the management for closing comments.
- Rajiv Gandhi:** Rajiv here, as always, it has been nice to interact with all of you and we as a management team, always try to give as much precise open transparent answers to all the questions. Sometimes we may not be able to answer specific questions. It is not with any reason not to answer or dodge a question, but one is that we might not have information with us. Two is that it could create a statutory issue in giving some classified information besides when there is absolutely no reason whatsoever. I hope you all got the answers to all the questions that you all asked over to Priya if she wants to say anything.
- Priya Gandhi:** Thank you all for your participation in the call and your attention also in terms of hearing us out. We are mindful of the fact that last couple of quarters there would have been certain explanations that may have seen repetitive. However, this time 1 or 2 points you all must have noticed I did follow up on what was said in the last call and I gave you all updates with that and we are mindful on whatever that we are committing to you all, and of course I think each industry has their own ways of working, being in biological, having certain questions on

R&D etc., sometimes these projects and these commitments, sometimes even we don't know the surprises that they come with. This is not a justification for any underperformance, but all I want you all to know is that we are working hard and keep having faith in us. That is it. Thank you.

Moderator:

Thank you. On behalf of ICICI Securities, that concludes this conference. Thank you for joining and you may now disconnect your lines.