

Hester Pharma plans acquisition in Europe

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Ahmedabad-based Hester Pharmaceuticals, one of the leading manufacturers of poultry vaccines in India, is planning its first acquisition in the veterinary biologicals space in Europe.

The company will look at targets nearly four times its size in the coming months. The company has not set a time-frame for the acquisition. Sources said the earmarked sum could be around Rs 100 crore.

Confirming the development, Rajiv Gandhi, CMD of Hester Pharmaceuticals, said,

“We will soon start identifying companies in Europe. We will be looking at companies three-four times our size since we want to strengthen our foothold in the EU market.”

Funding for the proposed acquisition is expected to come from private equity firms.

The company will also soon enter the large animal vaccine space. It will start producing vaccines for cattle, sheep and dogs by the second quarter of 2008. The company's vaccine production capacity has risen from 1.2 billion doses to 5 billion at its Kadi plant.

The company will soon set up a new R&D lab at its Kadi

plant with an investment of Rs 6 crore. “We will research both on poultry and large animals diseases,” said Gandhi.

Currently, close to 2 per cent of its sales come from exports and the company is in the process of registering its products in Korea, Taiwan, the Phillipines, Indonesia, Ghana, Nigeria, Senegal, Kenya, Uganda, Tanzania, Zambia, Lebanon and Congo.

The market for animal vaccines in India is estimated at Rs 300 crore, where poultry vaccines account for Rs 150 crore.

Hester Pharma is expecting a growth of 45 per cent this year.