

1. I have joined bilcare in 2017 and started my career in Mumbai so one person was going to be retired from north hence I took his position and now manage the north region
2. So, I am a AGM (assistance general manager) but whatever happens in north happens through me
3. So, our key accounts like acumens, synochem so the big accounts I take care of sales and servicing and along with that I do business development
4. I manage 50cr of sale under me yearly
5. The solid dose packaging happens 80% form western and southern part only 20% happens from north india . Like one of the major clients is alchemy they have office in Mumbai so all decision form Mumbai though they have 7 plants 3 plants in north so quantum wise lot of material comes here but decision happens in north india. So mankind is the only large brand where decision making happens form north india.
6. So the largest client here in terms of volume is akums drugs. So like acumes in alu alu approx. 135-140 MT per month consumption they have
7. So to maintain international quality standard as on date there is ACG and my company so we are slightly higher on rate due to better quality and in north india 90% of the drug makers are contract manufacturing hence for them pricing of the RM is very important than quality
8. So in manufacturing 1 is the top class creamy layer then there is one category who somehow want to pack and sell so that their machine is running. So this kind of market in north is very huge
9. India domestic level potential in alu alu is 5k ton per month and avg selling price is 350 so 2100cr now 2000 – 2500 MT is supplied is north out of this.
10. Aurobindo is the largest buyer in the alu alu market
11. So roughly 50% is price sensitive who don't care much about quality and 50% is quality sensitive so like auribando is 100% so they will not go to local players hence they need high quality
12. If u have your own company with your own branding in medicine you would be quality consious unlike 3rd party manufacturing
13. So like alkem has 7 factories so now their product demand has increased so much like pandy like even if he devotes 1 or 2 plants he is not able to fulfil the demand hence he will now go to ackumes and tell them to make it for them and tell them to take alu alu form bilcare and this would be the price
14. So larger companies who even give it on contract manufacturing they would even mention the vendor with the price
15. Now there will be other kind of pharma companies who would say plz get my drug packed form where ever you want we don't care these kinds of people don't care about quality
16. So ACG, svam and bilcare we roughly do 2000 ton
17. Generally in alu alu at export level if drugs are being supplied to Europe or USA or ROW so if the drugs are going to ROW if the pricing is good the manufacturer will change the vendor quickly for alu alu but if it is going to Europe/USA first 6-8months go into stability testing, then registration so if a company wants to change the packaging vendor it would take at least 1.5yrs
18. So generally, the clients avoids changing vendor at export level if drug going to USA/europe
19. So, at domestic level you would do only 3 - 6 months of stability testing and then form 6th month you can change the vendor

20. So, clients generally keep 2-3 vendor at least
21. Existing clients do their audit every 1 or 2 yrs for their vendors
22. My client retention has been very good nobody left till now moreover I have grown my client base by 8-10%
23. Uflex is very less in pharma, so 3-4yrs back uflex was trying to enter the alu alu market but they had few rejections so in pharma once you have few rejections you tend to avoid that segment as your name can go for a toss hence they don't have a presence in this segment
24. So in our industry the production expertise plays a huge role also the machine structure plays a huge role like few machines you will have a process where 2 layers are attached together and then in the second machine their layer is attached with the double layer and in another way of operating all 3 layers are attached together so the thickness uniformity is very good but in the double pass process there can be thickness dis uniformity
25. So another issue is if the foil is kept for more than 6-8 months that create a problem so the curing way the temperature all of this matter a lot so lot of quality parameter
26. So lot of players have come in our industry in the last 3yrs only. In north one player fine pharma has set up a huge capacity but they are now looking to sell their business cuz they are not able to breakeven so I think lot of players would leave this segment as maintaining the quality is very difficult
27. Lot of players entered in last 3yrs cuz due to corona the demand for pharma short up and it became a very lucrative sector
28. We take aluminium for a Greece supplier symetal, we tried with Hindalco and what we observed over a period of 2 yrs our rejection rate if we used domestic foil used to be very high
29. Now we have a 1-1.5% rejection rate this generally gets wasted and if we take form Hindalco the rejection rate goes up to 4-4.5%
30. The aluminium foil pricing difference should not be more than 20rs in Indian rupees on a per kg basis if we take form domestic supplier compared to our current supplier
31. So the anti-dumping duty is something has been applied on all of the players hence it is an industry wise problem hence mostly it should be passed on and larger clients generally don't mind a 10-20rs of price increase
32. In our industry mutual understating players, a larger role if there is a major difference in pricing change the client agrees and takes on the price hike
33. In our industry normally you can only reach 60-70% utilization
34. Also, for example if I am selling at 100rs now I have premium clients so I will get a better rate now for a new player firstly he will have to sell it to the unorganised market when the rates are going to be lower hence if he is not able to sustain profitability there cuz u have lower rates + if u are not able to maintain capacity utilization you would mostly shut shop
35. So we get a premium of at least 30-40 rs on our product which we sell to our clients
36. So wahren parent company is creative they are a very know company in printing so they already had contacts, so they had a good base. Second thing what they did is svam has collaboration with Japanese company toval engineering now Japanese have a different standard so the team who did the set up of svam one of the key person wahren took him in his team so that guy knows in and out every client form toe to bottom so that is how he played
37. Moreover they play on price as well like places where we have a 400rs rate they will bid for 380 if it is 370 they will bid at 350 so they play very smart.

38. Wahren product is also stable apart from them any new player in market nobody's product is stable even uflex could not achieve a stable product for 2yrs
39. Wahren biggest + point is in the last 2yrs they have not even got a single rejection so that is a huge thing and on top of this they break the market
40. They are eating most of the share of svam so the biggest shock has gone to svam. I think in the last 1yrs they have almost grabbed 40% business of svam
41. The shelf life of an alu alu product is 2yrs and they have been in this market only for 2yrs now hence in the next 1-2yrs their quality parameters would actually come to test
42. Secondly, they are breaking price so if they have just done this to capture market and are not profitable, they won't be able to sustain but if they are profitable, they would definitely capture more market
43. I mostly feel they would do good in quality due to exceptional team
44. Between domestic and export the pricing of alu alu is almost 25-30% higher
45. But the regulatory cost to sell outside india is also very high in alu alu segment
46. So ACG, bilcare and constantia are the largest international players
47. The domestic market of alu alu is growing at 6-7% and my personal portfolio is also growing at similar rate
48. Now let's say there is a product called acalabrutinib – marketed as Calquence so this is a very sensitive drug, the WBTR rate (moisture) has to be almost 0 so only alu alu give 0 barrier now lets say a drug which has a PVC or PVDC packaging lets say it has some problem and needs a lower WBTR so what is happening alu alu is becoming a go to packaging for clients.
49. So, because of this the PVDC market is not growing that well and that market is getting converted to alu alu moreover the drug market is also growing so both of this is pushing demand in alu alu market
50. PVDC market in india is roughly 2000 MT per month
51. There are very few people who import alu alu foil in india like there is a koren supplier who sells via a company called dell trade in Indian market. So importing is mostly rare since there are good amount of Indian players in this space
52. PVDC has a lot of variants so the PVC used can be of 200-250-300-350 micron then the PVDC coating on PVC can be of 40-60-90-120 Gsm
53. So as a manufacturer you need a very detailed understanding of you client needs and you should be in a position to suggest a new drug maker as to what kind of product variant would suit them
54. So, in PVDC market the pricing range is 240-350 based on the kind of combination and alu alu is 380-420 so that is the range
55. The easiest to sell is a PVC product which is a commodity product where all moves on price but when we are talking about PVDC it is going to be slightly complex. So it would take atleast 3months for stability in domestic and from the 4th month u can start selling in PVDC
56. So for a wahren if they have been able to sell alu alu so fast so they should be able to sell PVDC as well and I think wahren has been on of the fastest player to grow so fast in our space in the entire world and that has only been because of the kind of contact/quality they have maintained
57. In PVDC they have acquired machines from radha madhav and they are buying very old machine from them hence I doubt if they would be able to maintain the quality moreover svam team has experience in only alu alu