

'We want to get out of the only-pharma image bracket'

After making its presence felt in the domestic market, the company is now focusing on the international market, with quite a few projects already in the kitty. **Aasif A Khan**, Managing Director, Fabtech Technologies, discusses the business performance in conversation with **Arshiya Khan**



What has been Fabtech's growth rate?

We have grown at 15 percent over the last year. In the current year we are projecting a 50 percent growth and are already on our way to achieving it. We should be closing this year at anything between Rs 80-85 crore.

What is the business model adopted by your company? Are you looking at any distribution or marketing tie-ups in countries that you are present in?

We follow the 'high volume low margin' and 'low volume high margin' route in different segments. Depending on the market (India, China or Europe). We are working on building stronger marketing networks and cheaper manufacturing options for our non-critical components while maintaining our world-class quality. We have acquired a facility in China, 100 km from Shanghai. FabtecLite will come from there. For urgent deliveries, we have imported the technologies and shall be producing FabtecLite here in India too. We are utilising the blend of Chinese economy and Fabtech design/production capability of typical components. For example, Indian inner box (pharma application) demands hollow walls, service panels, return air inbuilt risers, which the Chinese lack.

Making panels is very simple, but the simplicity ends there. What separates us from the crowd is our pharma expertise, in-house design and development capabilities.

Who are your clients and what are Fabtech's revenues from the domestic and the international markets?

We do not take any market for granted. In domestic markets, our reputation precedes us, so delivery times are tight and quality expectations are equally high. The international clients focus a lot more on processes and ensure that we adhere to systematic schedules and documentations while delivering world-class products.

Also, we were strongly focused on exports when we started. We entered Argentina with Glenmark, South Africa with Ranbaxy as their comfort levels with us were higher. However, gradually our focus on the domestic market has increased over time.

How is your business performing?

We are doing extremely well on both domestic and international fronts. Our ability to adapt to different business conditions holds us in good stead. Let me share a few examples—the movable modular partition is doing really well. We have added a host of new Indian clients like Serum Institute of India, Unichem, Nirma Lifesciences and also made an entry in European markets. We have a project in Denmark and have also bagged one in Switzerland.

In our partition business, we have introduced 'FabtechLite' which is a low cost offering. It is ideal for non-classified areas: stores, canteens and other non-sterile, unclean environments. Besides being used in these areas, some clients are using it in process and production areas too. This is also ideal for non-pharma/non critical applications.

The isolator is also performing well. Acceptance by Dr Reddy's Laboratories (DRL) has made it a huge success for us. Clients now prefer us over the others in the market. Our core competency is quality performance and our experience in handling international projects, which is very different from handling domestic jobs. The acceptance by international clients lends credibility to our products.

We have also spent heavily on promotions and exhibitions like ACHEMA, CPhI, Pharmatech and P-MEC and our efforts are starting to pay off.

What are the accreditations required for entering the regulated markets?

International clients are demanding in quality and accept no less than the best standard of accreditation. Among their top most requirements is the fire test certification. We have recently got Bodycote Warringtonfire Testing Certification BS476:PART22:1987 for 96 minutes.

While most companies opt for BS476:PART6: 1989, the method to test fire propagation of products and BS476:PART7: 1997, for surface spread of flame test for materials, we have opted for a far more stringent test. BS476:PART22 is a method for determination of fire resistance of non-load bearing elements of construction.

Ranbaxy-South Africa (Betalabs) trusted us with their business essentially due to this difference in certification vis-a-vis other companies.

With P-MEC on the anvil, how will Fabtech position itself?

With a well-established presence in India and strong relations with our clients who continue encouraging us with repeat orders, we are now training our sights higher. We have nothing new to showcase and are therefore working on making our service record even better and offering more benefits to our customers.

We expect the Indian scene to take another year for the financial situation to stabilise. Meanwhile, we are putting our money where our mouth is.

Soon, our comprehensive advertising campaign will hit the market to create visibility and help us strengthen our reputation as a company of real worth.

What are your future plans?

We want to get out of the only-pharma image bracket. Our next offering is something very revolutionary. It is not only going to excite the pharma industry but will benefit many other industries too. Watch Out!