

## Press Release

---

Brickwork Ratings assigns “BWR IPO Grade 3” to the proposed Initial Public Offer of Parabolic Drugs Limited.

---

Parabolic Drugs Limited

IPO Grading: BWR IPO Grade 3 (Average Fundamentals)

Brickwork Ratings (BWR) has assigned BWR IPO Grade 3 to the proposed IPO of PARABOLIC DRUGS LIMITED (PDL). Brickwork Ratings’ BWR IPO Grade 3 indicates **average fundamentals** for the issue in relation to the other listed equity securities in India.

The grading factors PDL’s well qualified Management and Board with substantial domain knowledge and experience, good corporate governance practices, R&D efforts, growth in core sales, Good Manufacturing Practices (GMP) accreditation by WHO to one facility, key strategic focus on Contract Research and Manufacturing Services (CRAMS) and key strategy of entering regulated markets. The grading is constrained by company’s track record of negative cash flows from operating activities, moderately diversified product portfolio, exposure to exchange rate risk, stringent norms for entering regulated markets and highly competitive industry especially in CRAMS segment.

Parabolic Drugs Limited was founded in 1996 by Mr. Pranav Gupta & Mr. Vineet Gupta, a first generation entrepreneur. The commercial operations commenced in the year 1998 from PDL’s Derabassi facility. In 2005, the company started another facility at Panchkula, Haryana.

PDL is engaged in manufacturing of *Active Pharmaceutical Ingredients* (APIs) and API Intermediates for the domestic and export markets. The overall product portfolio of PDL comprises of 42 APIs and seven API intermediates. PDL currently exports to approximately 45 countries.

PDL has two R&D centers, one at Derabassi with focus on developing non-infringing processes for new molecules, existing process improvements and production cost efficiencies. The other R&D centre is at Barwala, Haryana. The Company has made eight applications for process patents.

PDL’s organizational structure has strong second line of management comprising of significantly experienced professionals. Company employees approximately 968 employees which include 81 scientists, 24 of whom hold PhDs.

Parabolic Drugs Limited is compliant with the provisions of Clause 49 of the Listing Agreement. There are currently 8 Directors on the Board of PDL, which includes 3 Executive Directors, 4 Independent Directors and 1 Nominee Director. The Chairman of the Board is an independent director.

PDL is undertaking two expansion projects at existing facilities of Derabassi, and two green field projects at Chachrauli and Panchkula. The expansion and green field projects will be constructed on land owned by the company. The project cost is estimated by the company at Rs 116 crs. The company also plans to repay high cost bank loans Rs 37.70 crs from issue proceeds. Funds deployment will be done by the company.

To meet the funding requirements, PDL plans to raise **Rs. 200 Crores** by way of Initial Public Offering of equity shares with Face Value of Rs.10/- at a premium to be decided by book building process. The issue comprises a Fresh Issue of [•] equity shares inclusive of a reservation of 5, 00,000 equity shares for employees and an Offer for Sale of 20, 25,702 shares

Analysts	Media
<p><b>Sameer Singhvi</b>, Lead Analyst <a href="mailto:sameer.s@brickworkratings.com">sameer.s@brickworkratings.com</a></p> <p><b>Mridula Chordia</b>, Co - Analyst <a href="mailto:sameer.s@brickworkratings.com">sameer.s@brickworkratings.com</a></p>	<p><b>Anitha G</b> <a href="mailto:media@brickworkratings.com">media@brickworkratings.com</a></p> <p><b>Relationship Contact</b></p> <p><b>K N Suvarna</b> <b>Director – Business Development</b> <a href="mailto:kn.suvarna@brickworkratings.com">kn.suvarna@brickworkratings.com</a></p>

**Disclaimer**

Brickwork IPO Grading is neither an audit of the issuer by Brickwork nor a credit rating. IPO grading is a present assessment and research result of the analysis of fundamental of the equity issue in relation to other Indian Listed securities. Brickwork does not guarantee the completeness or accuracy of the information on which the grading is based. The Brickwork IPO grading depends on the information provided by the issuer or obtained by the relevant sources by Brickwork. A Brickwork IPO Grading is not a recommendation to buy/sell or hold the graded instruments. It does not comment on the issue price, future market price or relevance for a particular type of investor. Brickwork IPO Grading has a limited validity. BRICKWORK is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers/ users/ transmitters/ distributors of BRICKWORK IPO Grading.