



## PHARMACEUTICALS EXPORT PROMOTION COUNCIL

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News / Story reproduced with thanks:- **Outsourcing pharma**

### API maker Parabolic to join CRAMS sector

Direct link to the News/Story:-

<http://www.outsourcing-pharma.com/Contract-Manufacturing/API-maker-Parabolic-to-join-CRAMS-sector>

Parabolic Drugs will enter India's CRAMS sector with new dedicated manufacturing facilities designed to attract "global innovator companies" enabling its business to grow in regulated markets.

According to various reports, Parabolic's investment will add capacity at its plant in Derabassi and establish new facilities in Chachrauli and Panchkula, the latter of which will also be used for custom synthesis. The firm, a Chandigarh-based active pharmaceutical ingredient (API) maker, will fund the construction project with the proceeds of an IPO opened today on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

Parabolic's MD, Pranav Gupta explained that the investment is part of a new strategic direction for the firm, telling CNBC-TV that: "The focus of the company going forward is [contract research and manufacturing services] CRAMS."

"We have commissioned a large CRAMS facility earlier focusing on the global innovator companies. We are getting a lot of visibility there and [a] large part of the proceeds are going to be invested in putting up another CRAMS facility."

Parabolic's strategy fits with predictions about the growth of the market in India. In May for example, established player Jubilant Organosys said resurgent demand for CRAMS services help it finish fiscal 2010 with a quarter of growth.

And prior to that, Mumbai-headquartered contractor Dishman predicted that increasing demand would fuel a 20 per cent expansion of its CRAMS business in the current financial year.

But while the primary driver for the investment may be to attract CRAMS contracts from innovative international pharmas, Gupta also acknowledged the continuing importance of non-branded firms to Parabolic's business.

"This capacity addition of 80-90 per cent is backed by a lot of contract with global generic companies. One of the contracts we signed earlier this year was Ranbaxy."

He went on to explain that Ranbaxy has outsourced the production of two of its strategic molecules to Parabolic in an exclusive manufacturing agreement across global regulated markets.