IPO Note

SAI PARENTERAL'S LIMITED

Mar 24th, 2026

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Details of the Issue	
Price Band	₹ 372 - ₹ 392
Issue Size	₹ 409 Cr
Face Value	₹ 5
Bid Lot	38
Listing on	BSE,NSE
Post Issue Mcap	₹ 1,731.83 Cr
Investment Range	₹ 14,136 - ₹ 14,896

Important Indicative Dates (2025)	
Opening	24 - Mar
Closing	27 - Mar
Basis of Allotment	30 - Mar
Refund Initiation	01 - Apr
Credit to Demat	01 - Apr
Listing Date	02 - Apr

Lead Manager
Arihant Capital Market Ltd

Offer Details	
Offer Size	₹ 409 Cr
Fresh Issue	₹ 285 Cr
OFS	₹ 124 Cr

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	205	5.22	5.50	50
NII	61	1.57	1.65	15
Retail	143	3.65	3.85	35
Employ.	-	-	-	-
Total	409	10.43	10.99	100

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Company Profile

Sai Parenteral's Ltd. is a diversified pharma formulations company engaged in R&D, manufacturing, and marketing, operating across branded generics and CDMO segments for domestic and global markets. Its portfolio spans multiple therapeutic areas including cardiovascular, neuropsychiatry, anti-diabetic, respiratory, antibiotics, gastro, VMS, analgesics, and dermatology, with dosage forms such as injectables, tablets, capsules, liquid orals, and ointments. The company serves government bodies, pharma companies, hospitals, and distributors in India, and has expanded internationally post FY23 through two accredited Hyderabad facilities, catering to regulated and semi-regulated markets across Australia, New Zealand, Southeast Asia, Middle East, and Africa. It operates five manufacturing units (four in Hyderabad and one in Ongole via Revat Laboratories), with certifications including GMP, WHO-GMP, TGA, and PIC/S, and had 298 employees as of Dec 2025.

GEPL's Insights & Investment Thesis:

- Sai Parenteral Ltd is a manufacturer of branded formulations to a diverse customer base in domestic and international markets. The company has transformed itself from a pure injectable player to a diversified formulations business.
- The company had a high cash conversion cycle of 350 days, leading to increased working capital requirement, affecting free cash flow. Due to rise in trade receivable and inventories, the company has been reporting negative operating cash flow.
- Based on the FY25 earnings, relative to the company's paid-up capital, the issue is priced at a P/E ratio of 73x. We believe that the issue is overly valued compared to its peers, experiencing higher cash conversion cycle, negative operating cash flow, and modest financial performance. Therefore, we recommend a "**Avoid**" rating for the issue.

Business Highlights & Services

The company has successfully transformed from a pure injectable player into a diversified formulations business across multiple dosage forms and therapeutic segments, reducing concentration risk and expanding its addressable market. Its dual model of branded generics and CDMO provides a balanced mix of growth and stability, with CDMO offering long-term, recurring revenues while branded products support margins. The acquisition of internationally accredited facilities has enabled entry into regulated and semi-regulated export markets, acting as a key growth and margin catalyst. With large installed capacity, strategic plant locations near key ports, and increasing customer additions, the company is well-positioned to benefit from operating leverage.

Further, planned capex for capacity expansion, coupled with investments in automation, digital systems, and quality infrastructure, is likely to enhance efficiency and scalability. Strong regulatory certifications and in-house R&D capabilities add to its competitive moat, supporting consistent product development and global compliance. Overall, the company offers a combination of high growth, improving business mix, and margin expansion potential, making it a compelling mid-sized pharma play. The company has strong technical capabilities, integrated execution model, and high-quality, stable revenue streams across both DG set and renewable energy businesses.

Sai Parenteral's CDMO business offers a strong investment lever, driven by its recent entry and rapid scale-up across domestic and international markets, supported by acquisitions of globally accredited facilities that enabled access to regulated markets. The company has built credible long-term relationships with both domestic and global pharma players, with a portion of revenues backed by long-term supply contracts, providing stability and visibility. Its expanding intellectual property base, including in-house developed and approved dossiers along with technology transfers, strengthens its product pipeline, enhances customer stickiness, and supports future market expansion. Further, the acquisition of Noumed adds significant scale to its CDMO platform, especially in the OTC segment, and materially enhances its dossier portfolio, positioning the company for sustained growth, deeper client engagement, and improved revenue visibility in the high-margin CDMO segment.

Sai Parenteral offers a well-diversified business mix across institutional, domestic branded, and export segments, ensuring both scale and revenue visibility. Its strong presence in government tenders provides steady demand but comes with a longer working capital cycle, partly offset by faster cash flows and higher margins from exports. The company is steadily expanding in regulated markets like Australia, supported by accredited facilities and strong execution in scaling acquired assets. Strategic acquisitions, including Noumed, further strengthen its global footprint, CDMO capabilities, and presence in high-value markets. Overall, the company presents a balanced play between stable domestic revenues and high-growth export opportunities, driven by improving business mix and execution strength.

Sai Parenteral's is well position to capitalize the growth on the back of strong industry tailwinds and a clear capacity-led expansion strategy, with injectables one of the fastest-growing pharma segments—driving long-term demand due to better efficacy and rising chronic disease prevalence. The company is scaling its capabilities through planned capex, regulatory upgrades (EU-GMP, PIC/S), and expansion into regulated markets, which are expected to improve realizations and enhance global competitiveness. Its focus on niche, high-value segments such as lyophilized injectables and cartridge-based delivery systems further strengthens margin potential. In parallel, the rapidly growing global CDMO opportunity is being leveraged through an integrated service model, supported by investments in R&D, capacity, and regulatory infrastructure. The acquisition of Noumed adds significant strategic value through long-term supply contracts, a large dossier base, and strong presence in Australia and New Zealand, providing revenue visibility and cross-selling opportunities. Overall, the company is well-positioned to benefit from export growth, CDMO scale-up, and a shift towards high-margin, regulated markets, supporting sustained growth and profitability.

Sai Parenteral's investment appeal is strengthened by its strategic expansion through Noumed, which is developing a TGA-compliant manufacturing facility in Australia to enable in-house production, improving supply chain resilience, margin profile, and alignment with regulated market requirements while ensuring revenue visibility through long-term pharmacy contracts. This backward integration, supported by government funding, enhances competitiveness in high-value markets like Australia and New Zealand, which are witnessing strong CDMO growth. The company is further reinforcing its growth engine through a dedicated R&D centre, accelerating product development, dossier filings, and entry into complex generics, supported by a large and expanding dossier portfolio (including access to 451 Noumed dossiers). With a clear focus on tapping the global generics opportunity, upcoming patent cliff, and expanding presence across regulated and semi-regulated markets, the company is well-positioned to drive export-led growth. Additionally, its proven track record of value-accretive acquisitions, strong institutional relationships, and alignment with India's growing generics demand provide a balanced mix of stability and growth, supporting long-term value creation.

Product wise revenue breakup

Particular	1HFY26		FY25		FY24		FY23	
	Amount (In Cr)	% of Total revenue	Amount (In Cr)	% of Total revenue	Amount (In Cr)	% of Total revenue	Amount (In Cr)	% of Total revenue
Injectables	22	25.29%	71	44.94%	71	47.33%	89	92.71%
Tablets	52	59.77%	57	36.08%	56	37.33%	3	3.13%
Liquid Orals	11	12.64%	15	9.49%	15	10.00%	4	4.17%
Ointments	0	0.00%	1	0.63%	1	0.67%	0	0.00%
Capsules	2	2.30%	4	2.53%	4	2.67%	0	0.00%
Others	0	0.00%	10	6.33%	3	2.00%	0	0.00%
Total Revenue	**87**	**100%**	**158**	**100%**	**150**	**100%**	**96**	**100%**

Business division wise revenue breakup

Particular	1HFY26		FY25		FY24		FY23	
	Amount (In Cr)	% of Total revenue	Amount (In Cr)	% of Total revenue	Amount (In Cr)	% of Total revenue	Amount (In Cr)	% of Total revenue
Branded Generic Formulation	63	72.41%	127	80.38%	131	87.33%	91	94.79%
CDMO	24	27.59%	31	19.62%	19	12.67%	5	5.21%
Total Revenue	**87**	**100%**	**158**	**100%**	**150**	**100%**	**96**	**100%**

Parenteral vs Non-Parenteral Business

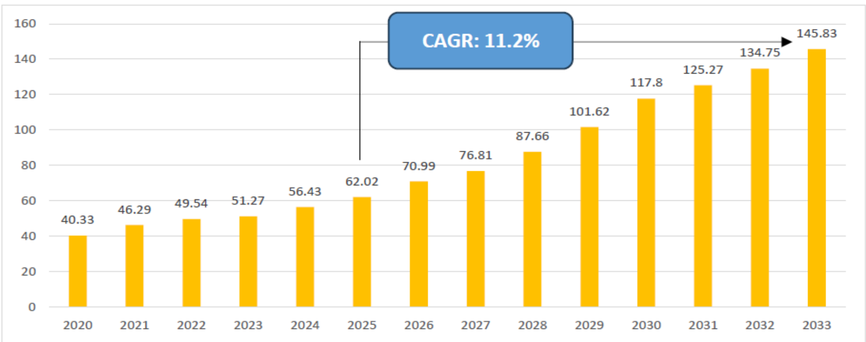
Particular	1HFY26		FY25		FY24		FY23	
	Amount (In Cr)	% of TR	Amount (In Cr)	% of TR	Amount (In Cr)	% of TR	Amount (In Cr)	% of TR
Parenteral	22	25.29%	71	44.65%	72	47.83%	89	91.75%
Non-Parenteral	65	74.71%	88	55.35%	78	52.17%	8	8.25%
Total Revenue	**87**	**100.00%**	**159**	**100.00%**	**150**	100.00%	**97**	**100%**

Domestic vs Export Business

Particular	1HFY26		FY25		FY24		FY23	
	Amount (In Cr)	% of TR	Amount (In Cr)	% of TR	Amount (In Cr)	% of TR	Amount (In Cr)	% of TR
Domestic	66	75.86%	133	83.65%	141	94.00%	94	96.91%
Export	21	24.14%	26	16.35%	9	6.00%	3	3.09%
Total Revenue	**87**	**100.00%**	**159**	**100.00%**	**150**	100.00%	**97**	**100%**

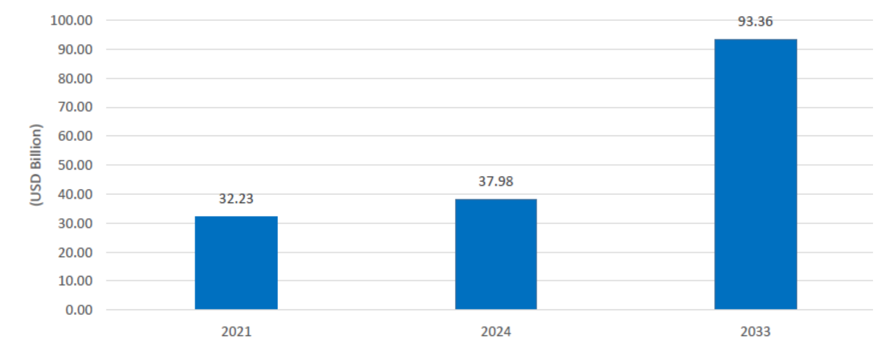
Industry Outlook

FIGURE 29. INDIAN PHARMACEUTICAL INDUSTRY SIZE, 2020-2033P, $ BN



Source: Marketysers analysis

FIGURE 30: INDIA GENERIC PHARMA MARKET, 2021–2033P, $ BN



Source: Marketysers analysis

Peers Comparison

Name of the company	Face Value (₹)	Total Revenue (₹ Cr)	EPS	NAV (₹)	P/E (x)	RoNW(%)
Sai Parenterals Ltd	**5**	163	**5.43**	**35.98**	**NA**	**15.09**
Peers Group						
Sai Life Sciences Ltd	1	1,695	8.61	102	108	7.99
Innova Captab Ltd	10	1,244	22.41	168	32.45	13.37
Senores Pharmaceuticals Ltd	10	398	16.12	176	64.30	7.18
Gland Pharma Ltd	1	5,617	42.40	555	44.71	7.63

Company's Competitive Strength

- Diversified generic formulations player with an established track record.
- Strategically located and accredited Manufacturing Facilities.
- Strong focus on CDMO business.
- Well-established distribution network in India and overseas.
- Track record of value-accretive acquisitions.
- Experienced Promoters and Senior Management with extensive domain knowledge.

Key Strategies Implemented by Company

- Branded Generic Formulations.
- Domestic Branded Generic Formulations.
- Branded Generic Formulations (Exports).
- CDMO products & services.
- Research & Development.

Particular (INR in Cr)	1HFY26	FY25	FY24	FY23
Equity Capital	19	13	13	7
Reserves and Surplus	190	82	63	24
Net Worth	209	96	76	31
Revenue	87	163	154	97
Growth (%)		6%	59%	
EBITDA	16	39	32	18
EBITDAM (%)	19%	24%	21%	18%
PAT	8	14	8	4
PATM (%)	8.9%	8.9%	5.5%	4.5%
ROE (%)	5.1%	15.1%	11.0%	13.9%
ROCE (%)	9.3%	28.9%	20.5%	21.0%

Notes

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