

Retail Research	IPO Note
Sector: Pharmaceuticals	Price Band (Rs): 372 – 392
20th March 2026	Recommendation: SUBSCRIBE for Long-term Investment Horizon

Sai Parenteral's Ltd.

Company Overview:

Sai Parenteral's Ltd. (SPL) is a diversified pharmaceutical formulations company, engaged in the business of (a) Branded Generic Formulations, and (b) Contract Development and Manufacturing Organisation (CDMO) products & services for the domestic and international markets. The company's portfolio includes formulation products, covering both high-value and high-volume categories across therapeutic areas like cardiovascular, neuropsychiatry, anti-diabetic, etc., with offerings across dosage forms such as injectables, tablets, capsules, liquid orals and ointments.

Key Highlights:

1. Diversified generic formulations player: SPL manufacturers and sells Branded Generic Formulations to a diverse customer base including central & state government agencies, pharma companies, public & private hospitals and super stockists in the domestic market. The company started its export business in FY23, and currently exports its products to the Regulated and Semi-Regulated markets of Australia, New Zealand, Southeast Asia, Middle East and Africa through distributors. The CDMO business includes product development which involves design & development of new pharma products, validation batches, dossier compilation, regulatory filings, and commercial manufacturing. As of Mar'26, the company has 55 dossiers developed in-house, of which 45 dossiers are approved by FDA, Philippines and another 14 dossiers transferred by third-party CDMO customers under technology transfer agreements. To support its global growth objectives, the company plans to file 60 new product dossiers across key Regulated and Semi-Regulated Markets by FY28.

2. Internationally accredited manufacturing facilities: SPL owns and operates a total of 5 manufacturing facilities, of which 4 are located in Hyderabad, Telangana and 1 in Ongole, Andhra Pradesh. As of FY25, the company's total installed capacity stood at 1,160 million units per year on a single shift basis. These facilities are strategically located near ports, airports and rail links, including access to JNPT Port, Navi Mumbai and proximity to the Visakhapatnam Port, thereby enabling efficient domestic distribution and cost-effective exports. Going forward, the company plans to establish a new R&D centre at Unit IV, Telangana by utilizing part of the net proceeds of the fresh issue.

3. Acquisition of Noumed Pharmaceuticals: SPL through its wholly owned Singapore subsidiary, executed a Share Purchase Agreement during Oct'25, to acquire a 74.6% controlling stake along with an equity infusion of AUD 4 million in Noumed Pharmaceuticals Pty Ltd, an Australia-based pharma company engaged primarily in the business of supplying OTC pharma products to retail pharmacy chains in Australia. Noumed also operates in New Zealand through its wholly owned subsidiary, offering both prescription and OTC products, with a focus on securing government procurement contracts through Pharmac tenders. Post the acquisition, SPL has obtained access to Noumed's 451 dossiers, which will aid in further strengthening the CDMO business, particularly in the OTC segment. Noumed is currently developing its first manufacturing facility in Adelaide, South Australia; designed to produce oral liquids, nasal sprays, creams, ointments, tablets and capsules to supply in Australia and other regulated markets. The facility is expected to be operational by 4QCY26, with certification from the TGA.

Valuation: SPL operates in the Branded Generic Formulations and CDMO businesses, with the product portfolio covering both high-value and high-volume categories across various therapeutic areas. SPL's offerings span across dosage forms such as injectables, tablets, capsules, liquid orals and ointments. Of these, the injectables dosage is a high margin segment for the company, and it plans to increase the share of injectables in the total revenue mix in the coming years. At the upper price band of Rs 392, the issue is valued at FY25 (proforma) P/E and EV/EBITDA multiples of 88.2x/46.3x respectively based on post-issue capital, which appears to be at premium to its peers. However, we believe Noumed's 451 dossiers offer huge growth opportunity for SPL. Hence, we recommend investors to SUBSCRIBE to the issue at the cut-off price for a long-term investment horizon.

Issue Details	
Date of Opening	24 th March 2026
Date of Closing	27 th March 2026
Price Band (Rs)	372 – 392
Issue Size (Rs cr)	408.8 @ upper price band
Fresh Issue (Rs cr)	285.0 @ upper price band
Offer for sale (Rs cr)	123.8 @ upper price band
Total issue size	1,04,28,288 shares
Face Value (Rs)	5.0
Post Issue Market Cap (Rs cr)	1,732 @ upper price band
BRLMs	Arihant Capital Markets Ltd
Registrar	Bigshare Services Pvt Ltd
Bid Lot	110 shares and in multiple thereof
QIB shares	50%
Retail shares	35%
NII shares	15%

Objects of Issue	
Particulars	Estimated utilization (Rs cr)
Capacity expansion and upgradation of manufacturing facilities	110.8
Establishment of a new R&D Centre	18.0
Repayment/prepayment of certain outstanding borrowings	14.3
Working capital requirements	33.0
Repayment of bridge loan and term loan availed for investment in wholly owned subsidiary, Sai Parenteral's Pte Ltd (Singapore), in relation to the acquisition of Noumed Pharmaceuticals Pty Ltd (Australia)	35.6
General corporate purposes*	-
Gross proceeds from the issue	285.0

*The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	2,26,00,001	61.2
Public & Others	1,43,08,822	38.8
Total	3,69,08,823	100.0

Post Issue @ Upper Price Band		
	No. of Shares	%
Promoter & Promoter Group	2,26,00,001	51.2
Public & Others	2,15,79,230	48.8
Total	4,41,79,231	100.0

Source: RHP, SBICAP Securities Research

Key Financials & KPIs

Particulars (Rs cr)	FY23	FY24	FY25	1HFY26	FY25 [#]	1HFY26 [#]
Revenue from operations	97	154	163	87	495	303
EBITDA	18	32	39	16	42	32
PAT	4	8	14	8	20	2
EBITDA Margin (%)	18.2	20.6	24.1	18.6	8.4	10.7
PAT Margin (%)	4.5	5.5	8.8	8.9	4.0	0.5
RoE (%)	13.9	11.3	15.4	-	17.6	-
RoCE (%)	12.1	12.2	17.0	-	14.1	-
P/E (x)*	330.7	171.9	100.3	-	73.7	-

*Pre-issue P/E based on upper price band

[#]Pro Forma Consolidated Financial Information - compiled to illustrate the impact of the Investment in Noumed Pharmaceuticals Pty. Limited

Source: RHP, SBICAP Securities Research

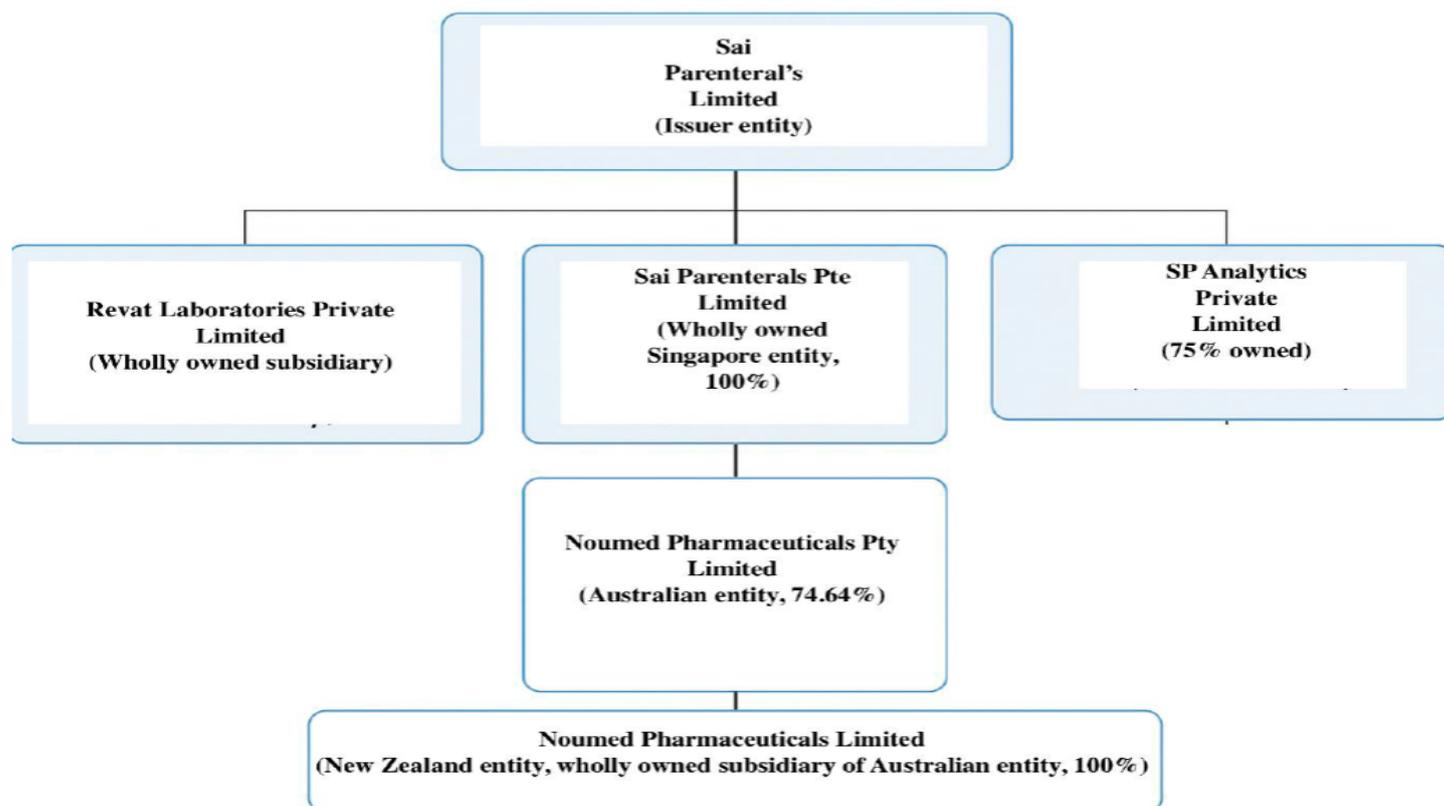
Risk Factors

- A. Regulatory risk:** As a manufacturer of Branded Generic Formulations, the company is required to comply with the regulations and quality standards stipulated by the regulatory authorities in India and the countries to which it exports. SPL is also required to comply with global standards such as the TGA-Australia, World Health Organization Good Manufacturing Practice (WHO-GMP) and Good Manufacturing Practice (GMP). The manufacturing facilities are subject to periodic inspections and audits by regulatory authorities and customers.
- B. Customer concentration:** As of 1HFY26/FY25, the company's top 5 clients under the Branded Generic Formulations business contributed 52.7%/58.6% to the total revenue respectively. Similarly, the top 5 clients under the CDMO business contributed 22.3%/13.4% to the total revenue during 1HFY26/FY25 respectively.
- C. Supplier risk:** Majority of the key raw material purchases, being APIs, excipients and intermediates, are sourced from suppliers without entering into any long-term contractual agreements with them. As of 1HFY26/FY25, the company sourced ~56.7%/66.8% of its total raw material requirements from the top 5 suppliers, highlighting concentration risk. Additionally, as of 1HFY26/FY25, the company's top supplier constituted 15.2%/23.3% of the total material purchase respectively.
- D. High Cash Conversion Cycle:** As of FY25/FY25 (Proforma), the company had a high cash conversion cycle of ~311 days/194 days, translating into higher working capital requirements, and ultimately affecting free cash flow. During FY23/FY24/1HFY26, the company had negative operating cash flow due to significant rise in trade receivables and inventories.

Growth Strategies

- Strengthening presence in Regulated Markets through Noumed's upcoming facility at Adelaide, Australia.
- Expansion into global injectable formulations market.
- Capitalise on CDMO opportunity by leveraging manufacturing capabilities with enhanced R&D competences.
- Focus on new product development to drive future growth.
- Grow Branded Generic Formulations business by leveraging opportunities in the international markets.
- Expand capabilities through strategic acquisitions.

Group Structure



Source: RHP, SBICAP Securities Research

Dosage Forms



Injectables



**Liquid orals
and Tablets**



Capsules

Source: RHP, SBICAP Securities Research

Revenue mix - business verticals

Particulars	FY23		FY24		FY25		1HFY26	
	Rs cr	% of NTR	Rs cr	% of NTR	Rs cr	% of NTR	Rs cr	% of NTR
Branded Generic Formulations	91	94.5%	131	87.5%	127	80.3%	63	72.0%
CDMO	5	5.5%	19	12.5%	31	19.7%	24	28.0%
Net Total Revenue (NTR)	97	100.0%	150	100.0%	159	100.0%	87	100.0%

Source: RHP, SBICAP Securities Research

Manufacturing Facilities

Particulars	Unit I	Unit II	Unit III	Unit IV	Revat Unit	Noumed Unit
Plant location	Jeedimetla, Telangana	Jeedimetla, Telangana	Bhongir, Telangana	Bollarum, Telangana	Ongole, Andhra Pradesh	Adelaide, Australia
Key Certifications	GMP	WHO-GMP	TGA – Australia, WHO-GMP; PICS	PICS, WHO-GMP	GMP	Factory under development - to be completed by 4QCY26
Key dosage forms manufactured	Ampules, liquid injections, sterile non-beta lactam dry powder injections and pre-filled syringes.	Sterile penicillin dry powder injections.	General dosage forms tablets, capsules, liquid orals, ointments, lotions and sprays.	Cephalosporin tablets, capsules and dry syrups.	General dosage forms tablets, capsules, liquid orals.	Tablets, liquid orals and nasal sprays
Installed Capacity (mn units)*	42	15	240	293	570	-

*Installed capacity as of Sep'25.

Source: RHP, SBICAP Securities Research

Revenue mix – Products

Particulars	FY23		FY24		FY25		1HFY26	
	Rs cr	% of NTR	Rs cr	% of NTR	Rs cr	% of NTR	Rs cr	% of NTR
Injectables	89	92.0%	71	47.6%	71	44.8%	22	25.5%
Tablets	3	3.5%	56	37.1%	57	36.2%	52	59.5%
Liquid Orals	4	4.1%	15	10.2%	15	9.2%	11	12.7%
Ointments	-	-	1	0.9%	1	0.5%	0	0.3%
Capsules	-	-	4	2.4%	4	2.7%	2	2.0%
Others*	0	0.4%	3	1.7%	10	6.6%	-	-
Net Total Revenue (NTR)	97	100.0%	150	100.0%	159	100.0%	87	100.0%

*Others constitute product development revenue and is a part of CDMO revenues.

Source: RHP, SBICAP Securities Research

Revenue split - Parenteral vs Non-Parenteral

Particulars	FY23		FY24		FY25		1HFY26	
	Rs cr	% of NTR	Rs cr	% of NTR	Rs cr	% of NTR	Rs cr	% of NTR
Parenteral	89	92.0%	71	47.6%	71	44.8%	22	25.5%
Non-Parenteral	8	8.0%	78	52.4%	88	55.2%	65	74.5%
Net Total Revenue (NTR)	97	100.0%	150	100.0%	159	100.0%	87	100.0%

Source: RHP, SBICAP Securities Research

Revenue mix – Institutional vs Private

Particulars	FY23		FY24		FY25		1HFY26	
	Rs cr	% of NTR	Rs cr	% of NTR	Rs cr	% of NTR	Rs cr	% of NTR
Institutional business	59	61.0%	66	44.3%	57	35.7%	21	23.8%
Private Sector	38	39.0%	83	55.7%	102	64.3%	66	76.2%
Net Total Revenue (NTR)	97	100.0%	150	100.0%	159	100.0%	87	100.0%

Source: RHP, SBICAP Securities Research

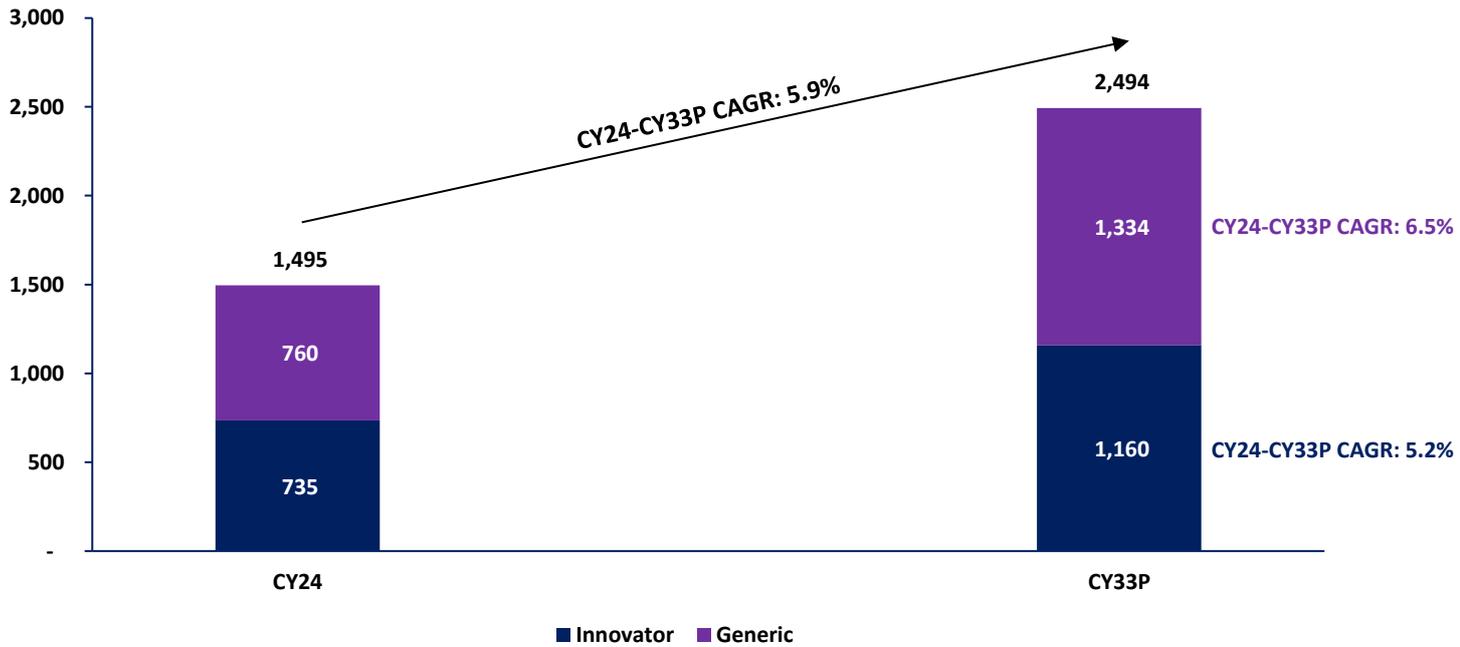
Revenue mix – Domestic vs Export

Particulars	FY23		FY24		FY25		1HFY26	
	Rs cr	% of NTR	Rs cr	% of NTR	Rs cr	% of NTR	Rs cr	% of NTR
Domestic	94	97.4%	141	94.0%	133	83.7%	66	76.2%
Andhra Pradesh	15	15.0%	43	28.9%	47	29.9%	16	18.3%
Maharashtra	7	7.3%	47	31.1%	38	23.7%	19	21.5%
Telangana	29	30.2%	35	23.1%	33	21.0%	23	26.8%
West Bengal	0	0.1%	4	2.4%	11	7.0%	3	3.9%
Rajasthan	4	4.1%	4	2.9%	2	1.4%	1	0.9%
Others	39	40.6%	8	5.6%	1	0.7%	4	4.8%
Export	3	2.6%	9	6.0%	26	16.3%	21	23.8%
Australia	2	1.7%	7	4.6%	16	10.3%	3	3.5%
South Africa	0	0.5%	1	0.4%	1	0.3%	0	0.3%
Philippines	-	-	-	-	1	0.7%	17	19.9%
Others	0	0.4%	2	1.0%	8	5.0%	-	-
Net Total Revenue (NTR)	97	100.0%	150	100.0%	159	100.0%	87	100.0%

Source: RHP, SBICAP Securities Research

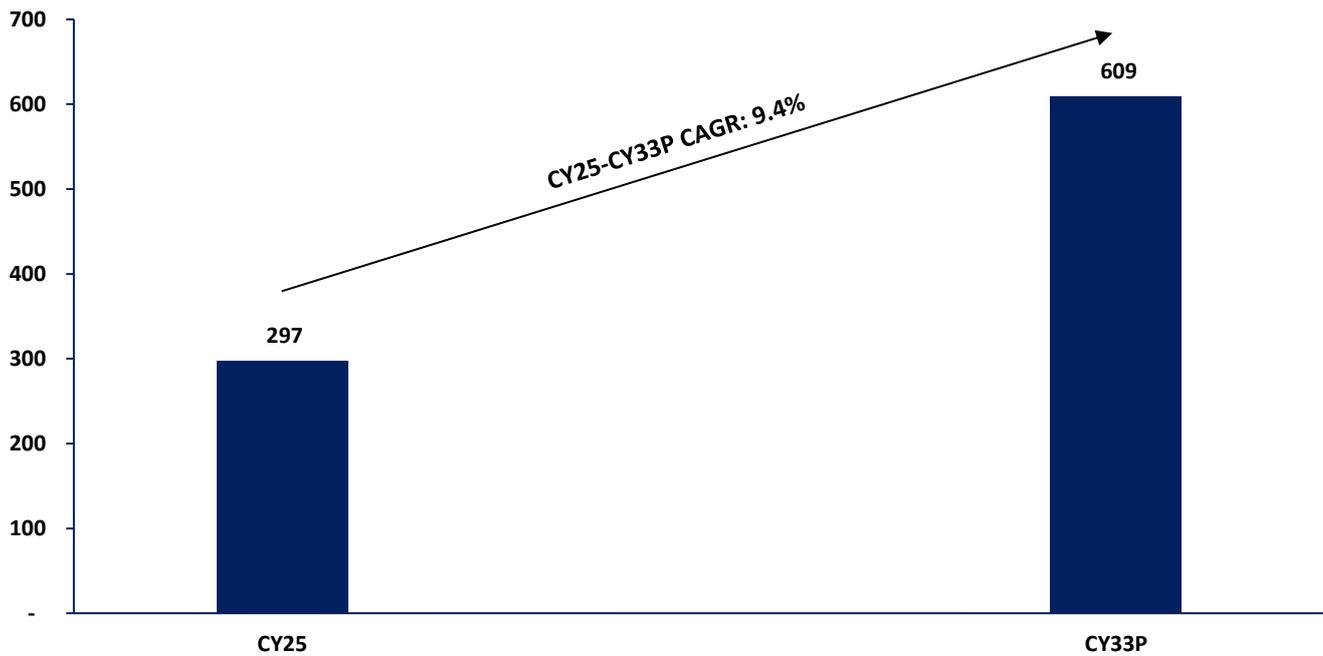
Industry Overview

Global Drug Formulation market (USD bn)



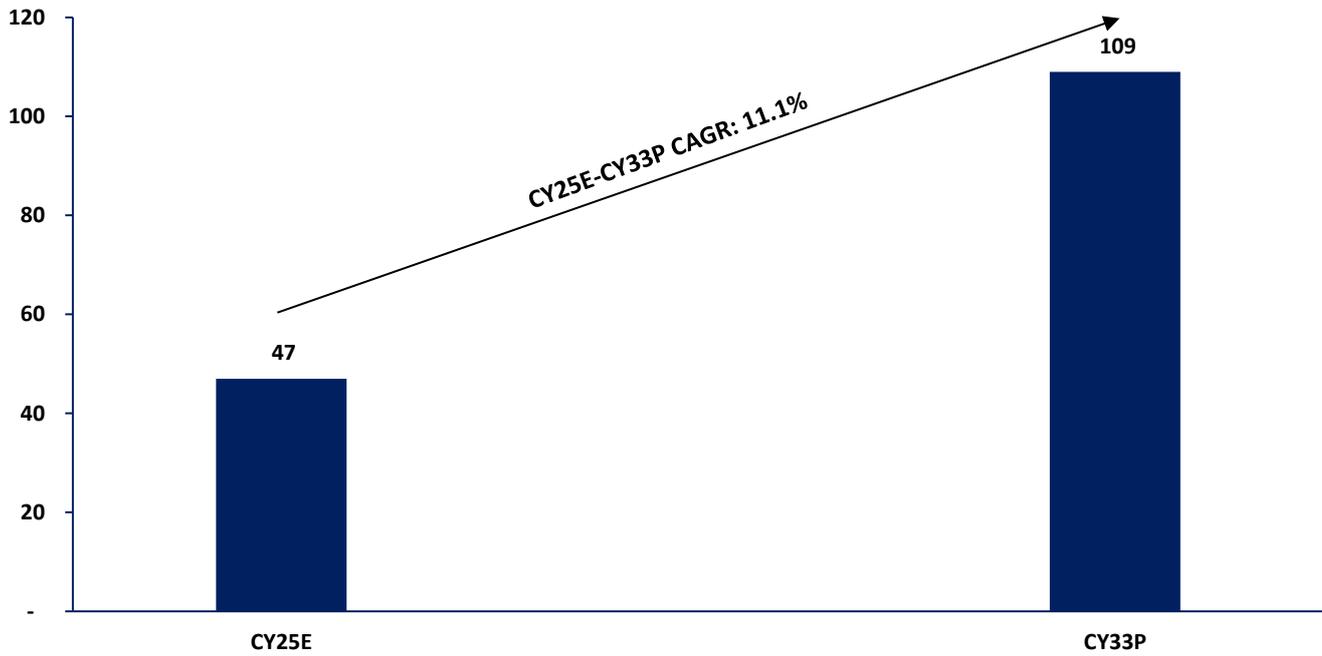
Source: RHP, SBICAP Securities Research

Global CDMO Market (USD bn)



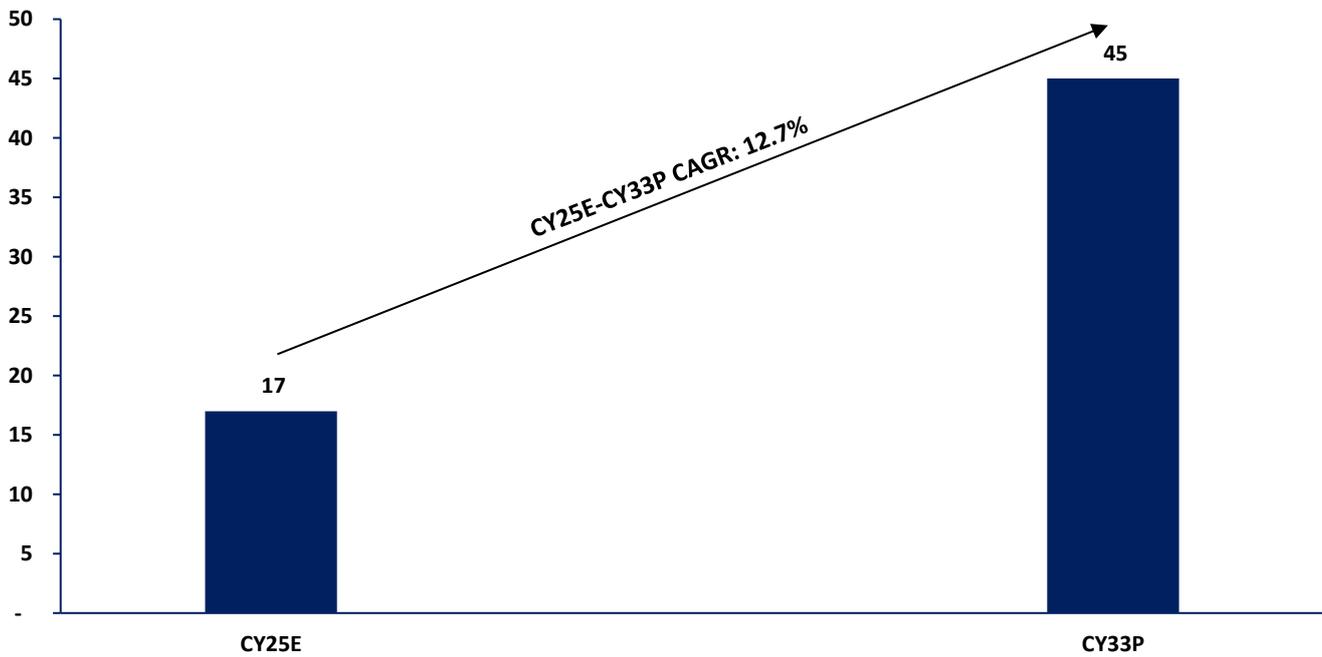
Source: RHP, SBICAP Securities Research

Indian Drug Formulation Market (USD bn)



Source: RHP, SBICAP Securities Research

Indian CDMO Market (USD bn)



Source: RHP, SBICAP Securities Research

Financial Snapshot

INCOME STATEMENT						
Particulars (Rs cr)	FY23	FY24	FY25	1HFY26	FY25#	1HFY26#
Revenue from Operations	97	154	163	87	495	303
YoY growth (%)	-	58.9%	6.1%	-	-	-
COGS (incl Stock Adj)	58	95	94	57	270	178
Gross Profit	39	59	69	30	225	125
Gross margin (%)	40.2%	38.3%	42.5%	34.9%	45.4%	41.3%
Employee Cost	9	13	13	7	33	20
Other Operating Expenses	12	15	17	7	150	72
EBITDA	18	32	39	16	42	32
EBITDA margins (%)	18.2%	20.6%	24.1%	18.6%	8.4%	10.7%
Other Income	0	1	1	3	13	3
Interest Exp.	5	11	12	5	17	19
Depreciation	6	9	8	3	10	15
PBT	7	13	20	11	28	1
Exceptional item	-	-	-	-	-	-
Tax	3	4	5	3	8	(1)
Discontinued operations	-	-	0.0	-	-	-
PAT	4	8	14	8	20	2
PAT margin (%)	4.5%	5.5%	8.9%	8.9%	4.0%	0.5%
EPS (Rs)	1.2	2.3	3.9	2.1	5.3	0.4

BALANCE SHEET						
Particulars (Rs cr)	FY23	FY24	FY25	1HFY26	FY25#	1HFY26#
Assets						
Net Block	44	60	43	43	173	583
Capital WIP	2	-	1	2	1	2
Right of use assets	-	-	-	2	-	2
Intangible Assets	1	1	1	1	38	43
Goodwill	-	9	9	9	108	119
Other Non current Assets	6	11	19	20	19	20
Current Assets						
Inventories	13	37	51	74	151	164
Trade receivables	61	127	127	151	197	234
Cash and Bank Balances	0	4	2	15	8	44
Short-term loans and advances	0	4	1	26	1	26
Other Current Assets	7	15	20	34	27	47
Total Current Assets	82	187	200	300	385	515
Current Liabilities & Provisions						
Trade payables	22	53	58	66	192	176
Other current liabilities	5	8	10	11	188	115
Short-term provisions	7	12	14	11	16	11
Total Current Liabilities	34	73	82	88	396	302
Net Current Assets	48	115	118	211	(11)	214
Total Assets	100	195	190	288	328	984
Liabilities						
Share Capital	7	13	13	18	13	18
Reserves and Surplus	24	61	80	189	98	193
Total Shareholders Funds	31	75	94	207	111	211
Minority Interest	-	2	2	2	12	9
Total Debt	69	119	94	76	204	217
Long Term Provisions	0	0	1	1	1	1
Lease Liabilities	-	-	-	2	-	413
Other Long Term Liabilities	-	-	-	-	-	132
Net Deferred Tax Liability	0	-	-	-	-	1
Total Liabilities	100	195	190	288	328	984

Pro Forma Consolidated Financial Information - compiled to illustrate the impact of the Investment in Noumed Pharmaceuticals Pty. Limited

Cash Flow Statement (Rs cr)	FY23	FY24	FY25	1HFY26
Cash flow from Operating Activities	(13)	(30)	33	(66)
Cash flow from Investing Activities	(19)	(46)	0	(5)
Cash flow from Financing Activities	24	79	(36)	84
Free Cash Flow	(29)	(65)	42	(68)

RATIOS				
Particulars	FY23	FY24	FY25	FY25#
Profitability				
Return on Capital Employed	12.1%	12.2%	17.0%	14.1%
Return on Equity	13.9%	11.3%	15.4%	17.6%
Margin Analysis				
Gross Margin	40.2%	38.3%	42.5%	45.4%
EBITDA Margin	18.2%	20.6%	24.1%	8.4%
Net Profit Margin	4.5%	5.5%	8.8%	4.0%
Short-Term Liquidity				
Current Ratio (x)	1.1	1.2	1.2	0.8
Quick Ratio (x)	0.9	1.0	0.9	0.5
Days Sales Outstanding	231	302	283	145
Days Inventory Outstanding	83	143	199	204
Days Payables	103	158	171	155
Fixed asset turnover (x)	2.2	2.6	3.8	2.9
Debt-service coverage (x)	0.2	0.2	0.3	0.2
Long-Term Solvency				
Total Debt / Equity (x)	2.2	1.6	1.0	1.8
Interest Coverage Ratio (x)	2.5	2.1	2.7	2.7
Valuation Ratios*				
EV/EBITDA (x)	86.0	49.3	39.1	39.5
P/E (x)	330.7	171.9	100.3	73.7
P/B (x)	46.0	19.4	15.4	13.0
EV/Sales (x)	15.7	10.2	9.4	3.3
Market Cap/Sales (x)	14.9	9.4	8.9	2.9

*Valuation ratios are based on pre-issue capital at the upper price band

Pro Forma Consolidated Financial Information - compiled to illustrate the impact of the Investment in Noumed Pharmaceuticals Pty. Limited

Source: RHP, SBICAP Securities Research

Peer Comparison – FY25

Particulars (Rs cr)	Sai Parenteral's	Sai Parenteral's [#]	Sai Life Sciences	Innova Captab	Senores Pharma	Gland Pharma
CMP (Rs)	392	392	1,012	676	735	1,595
Revenue from Operations	163	495	1,695	1,244	398	5,616
EBITDA	39	42	410	186	90	1,269
Net Profit	14	20	171	128	59	698
Mkt Cap.	1,732	1,732	21,431	3,869	3,385	26,279
Enterprise Value	1,539	1,927	21,096	4,138	3,303	23,993
EBITDA Margin (%)	24.1	8.4	24.2	15.0	22.6	22.6
Net Profit Margin (%)	8.8	4.0	10.1	10.3	14.8	12.4
P/E (x)	120.0	88.2	125.3	30.2	57.4	37.6
EV/EBITDA (x)	39.1	46.3	51.5	22.2	36.7	18.9
RoE (%)	15.4	17.6	8.0	13.3	7.5	7.6
RoCE (%)	17.0	14.1	13.6	13.4	8.5	11.7
EV/Sales (x)	9.4	3.9	12.4	3.3	8.3	4.3

Source: RHP, Exchange Filings, SBICAP Securities Research

For Sai Parenteral's Limited, the Market Cap, P/E(x), EV/EBITDA (x), EV/Sales (x) are calculated on post-issue equity share capital based on the upper price band.

Pro Forma Consolidated Financial Information - compiled to illustrate the impact of the Investment in Noumed Pharmaceuticals Pty. Limited

CMP for peer companies is closing price as of 19th March, 2026.

SBICAP Securities Limited

(CIN): U65999MH2005PLC155485 | Research Analyst Registration No INH000000602

SEBI Registration No.: Stock Broker: INZ000200032 | CDSL: IN-DP-314-2017 | NSDL: IN-DP-NSDL-369-2014 | Research Analyst: INH000000602

IRDA/RW/IR2/2015/081 | IRDA/RW/IR1/2016/041 | IRDA: CA0103

Registered & Corporate Office: Marathon Futorex, A Wing, 12th Floor, N. M. Joshi Marg, Lower Parel, Mumbai-400013.

For any information contact us:

022-6854 5555**E-mail: helpdesk@sbicapsec.com | Web: www.sbisecurities.in****DISCLOSURES & DISCLAIMERS:**

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Name	Qualification	Designation
Sudeep Shah	MMS-Finance	VP- Technical & Derivative Research
Sunny Agrawal	B.E, MBA (Finance)	DVP - Fundamental Research
Rajesh Gupta	PGDBM (Finance), MA (Bus. Eco)	AVP - Fundamental Research
Monica Chauhan	C.A.	Research Analyst - Equity Fundamentals
Harsh Vasa	CA	Research Analyst - Equity Fundamentals
Sumeet Shah	B.E., CFA	Research Analyst - Equity Fundamentals
Shubham Purohit	BMS (Finance)	Research Associate - Equity Fundamentals
Vinit Mishra	B.Com	Research Associate - Equity Fundamentals
Gautam Upadhyaya	MBA (Finance)	Research Analyst - Equity Derivatives
Vinayak Gangule	BE (IT)	Research Analyst - Equity Technicals
Ashwin Ramani	B.Com	Research Analyst - Equity Technicals
Sagar Peswani	B.Tech (ECE)	Research Associate - Equity Technicals
Kalpesh Mangade	B.Com	MIS Analyst - Retail Research

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VP – Technical & Derivative Research



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DVP – Fundamental Research