PARENTERALS LIMITED

Sai Parenteral's Limited

March 23rd, 2026

IPO Details :

IPO Date	24th to 27th Mar, 2026
Face Value	₹5 per share
Price Band	₹372 to ₹392
Lot Size	38 Shares
Sale Type	Fresh capital cum OFS
Total Issue Size	1,04,28,288 shares (agg. up to ₹409 Cr)
Fresh Issue	72,70,408 shares (agg. up to ₹285 Cr)
Offer for Sale	31,57,880 shares of ₹5 (agg. up to ₹124 Cr)
Issue Type	Book building IPO
Listing At	BSE, NSE
Share holding pre issue	3,69,08,823 shares
Share holding post issue	4,41,79,231 shares
QIB Shares Offered	Not more than 50% of the Net Offer
Retail Shares Offered	Not less than 35% of the Net Offer
NII (HNI) Shares Offered	Not less than 15% of the Net Offer
Retail (Min & Max) shares	38 Shares & 494 Shares
Retail (Min & Max) application amount	₹14,896 & ₹1,93,648
S-HNI (Min shares & application amount)	532 Shares & ₹2,08,544
S-HNI (Max shares & application amount)	2,546 Shares & ₹9,98,032
B-HNI (Min shares &application amount)	2,584 Shares & ₹10,12,928
Basis of Allotment	Mon, Mar 30, 2026
Initiation of Refunds	Wed, Apr 1, 2026
Credit of Shares to Demat	Wed, Apr 1, 2026
Listing Date	Thu, Apr 2, 2026
Cut-off time for UPI mandate confirmation	5 PM on Fri, Mar 27, 2026
Promoters	Anil Kumar Karusala, Vijitha Gorrepati and Karusala Aruna are company promoters.
Registrar	Bigshare Services Private Limited

Note 1: Application made using third party UPI or ASBA A/C is liable to be rejected. For apply please click on the Link https://ipo.adroitfinancial.com/ for any kind of assistance please contact to our helpdesk team at 0120-6826800 or mail us on ipo@adroitfinancial.com

Company Profile:

Incorporated in 2001, Sai Parenteral Ltd. is a diversified pharmaceutical formulations company with expertise in research, development, and manufacturing. The company operates in two segments: Branded Generic Formulations and Contract Development and Manufacturing Organization (CDMO) products and services for domestic and international markets. The product portfolio spans multiple therapeutic areas including cardiovascular, neuropsychiatry, anti-diabetic, respiratory health, antibiotics, gastroenterology, vitamins, minerals and supplements (VMS), analgesics, and dermatology. Offerings are across dosage forms such as injectable, tablets, capsules, liquid orals, and ointments. Sai Parenteral serves a wide customer base comprising central and state government agencies, pharmaceutical companies, public and private hospitals, and super stockiest in India. The company entered exports in FY 2023 after acquiring two internationally accredited facilities in Hyderabad, Telangana, and now supplies to regulated and semi-regulated markets in Australia, New Zealand, Southeast Asia, the Middle East, and Africa. The company owns and operates five manufacturing facilities in India. Four are located in Hyderabad, Telangana, comprising a GMP-compliant injectable unit, a WHO-GMP injectable unit, a TGA-Australia and PIC/S accredited solid oral dosage unit, and a WHO-GMP cephalosporin facility. Its wholly owned subsidiary, Revat Laboratories, operates a GMP-certified facility in Ongole, Andhra Pradesh.

Object of the issue:

- Offer for Sale - ₹124 Cr
- Capacity expansion and upgradation of manufacturing facilities - ₹110.80 Cr
- Establishment of a new R&D Centre - ₹18.02 Cr
- Repayment / prepayment of certain outstanding borrowings - ₹14.03 Cr
- Working capital requirements - ₹33.00 Cr
- Repayment of bridge loan and term loan availed for investment in wholly owned subsidiary, Sai Parenterals Pte Limited (Singapore), in relation to the acquisition of Noumed Pharmaceuticals Pty Limited (Australia) - ₹35.64 Cr
- General Corporate Purposes - ₹73.24

Financial Details:

Particulars (Amount in Crore)	30 Sep 2025	31 Mar 2025	31 Mar 2024	31 Mar 2023
Income				
Revenue from Operations	**86.92**	**163.11**	**153.76**	**96.80**
Expenses				
- Cost of materials consumed	65.23	96.53	95.31	64.59
- Changes in inventories	(8.61)	(2.68)	(0.37)	(6.75)
- Employee Benefit Expenses	6.85	13.09	12.64	8.92
- Other Expenses	7.29	16.78	14.52	12.41
Total Expenses	**70.75**	**123.72**	**122.10**	**79.17**
EBITDA	**16.17**	**39.39**	**31.66**	**17.62**
EBITDA Margin (%)	**18.60%**	**24.15%**	**20.59%**	**18.21%**
Finance Cost	4.63	11.91	11.11	4.81
Depreciation	2.89	8.20	9.42	5.79
Other Income	2.51	0.64	1.42	0.23
Profit before Tax	**11.16**	**19.91**	**12.56**	**7.25**
Tax	3.39	5.48	4.14	2.88
Profit/(Loss) from Continuing Operations	**7.76**	**14.43**	**8.42**	**4.38**
Profit/(Loss) from Discontinued Operations	0.00	0.03	0.00	0.00
Net Profit	**7.76**	**14.45**	**8.42**	**4.38**
Net Profit Margin (%)	**8.68%**	**8.83%**	**5.42%**	**4.51%**
Basic EPS (in Rs.)	**₹ 2.82**	**₹ 5.43**	**₹ 10.54**	**₹ 6.16**

Competitive Strengths:

- **Diversified Formulations Platform with Expanding Global Presence:** Sai Parenteral has evolved from a pure-play injectable manufacturer into a diversified formulations player across injectables, tablets, capsules, liquid orals, and ointments, spanning multiple therapeutic segments. Post-acquisition of internationally accredited facilities, the company has expanded into regulated and semi-regulated markets, while strengthening its CDMO business to drive stable and recurring revenues. As a result, the non-parental revenue has significantly increased from 7.97% in FY2023 to 74.46% in H1 FY2026 in the total revenue.

- **Strategically Located and Scalable Manufacturing Infrastructure:** The company operates 5 manufacturing facilities with a total installed capacity of ~1,160 million units per annum, supporting large-scale production across injectables and oral dosage forms. Strategic location near key ports and integrated, automated operations enable efficient logistics, higher utilisation, and scalability. Additionally, the company's clustered manufacturing setup, automation, and integrated warehousing enhance operational efficiency, capacity utilisation, and scalability.

- **Strong and Scalable CDMO Platform with Global Clientele:** Sai Parenteral has built a growing CDMO platform with end-to-end development capabilities, supported by a robust IP portfolio and 500+ dossiers (including post Noumed acquisition). Long-term contracts with domestic and global pharma clients provide revenue visibility and recurring income streams.

- **Well-Established Distribution Network Across Institutional and Private Markets:** The company has a strong presence across institutional and private markets, supplying to government programs such as PMBJP and ESI hospitals and participating in tender-based procurement. The company's reach across multiple states enhances visibility and ensures consistent demand for its formulations. Additionally, the growing contribution from the private sector segment (64% in FY25) reflects improving brand penetration and diversification, supporting a balanced and scalable revenue mix.

- **Proven Track Record of Value-Accretive Acquisitions:** Strategic acquisitions of Unit III & IV (PIC/S accredited) have strengthened regulatory capabilities and enabled entry into global markets. These facilities have shown strong production ramp-up (Unit III: 48 in FY23 to 294 Mn units in H1FY26), highlighting effective integration and scalability aligned with rising demand.

Key Risk Factors:

- **Geographic Concentration Risk in Manufacturing Operations:** Sai Parenteral's manufacturing facilities are highly concentrated in Hyderabad (4 units) and Ongole (1 unit), exposing the company to regional risks including regulatory actions, economic disruptions, and natural disasters. Any adverse developments such as policy changes, power disruptions, or compliance issues (e.g., temporary shutdown of Revat facility in FY24) could impact production, revenues, and overall financial performance.

- **Raw Material Sourcing and Price Volatility Risk:** Sai Parenteral relies on a diversified supplier base for APIs, excipients, and intermediates without long-term contracts, exposing it to supply disruptions and price volatility. Any interruption in supply or adverse movements in raw material prices—driven by commodity cycles, currency fluctuations, or regulatory changes—could impact production costs, margins, and overall financial performance.

- **High Dependence on Injectable Segment:** Despite diversification efforts, Sai Parenteral continues to derive a significant portion of its revenue from injectables (~25.5% in 9MFY26 and ~44–48% in FY24–FY25, historically as high as 92% in FY23). Any slowdown in demand or pricing pressure in this segment could adversely impact revenues, profitability, and cash flows, highlighting concentration risk within a key product category.

- **Equity Allotment at Differential Pricing Risk:** The company has issued equity shares to promoters in recent periods at valuations potentially lower than the IPO price and third-party allotments (₹90/share in May 2022 vs. ₹140/share in Feb 2024). Such differential pricing may raise corporate governance concerns and perception risks, which could impact investor confidence and post-listing valuation.

- **Customer Concentration Risk:** Sai Parenteral derives a significant portion of its revenues from a limited number of customers, particularly in the branded generics and CDMO segments. The top 5 customers contributed ~52.7% in 9MFY26 and ~58.6% in FY25, indicating high concentration. Any loss of key customers or reduction in order volumes could adversely impact revenue visibility, profitability, and cash flows.

Comparison with Listed Peers:

Name of the Companies	Market Price	Face Value (per Share)	P/E Ratio	EPS (Basic)	EPS (Diluted)	RoNW (%)	NAV (per Share)
Sai Parenteral's Limited	N.A.	5.00	111.53*	5.43	5.43	15.09	35.98
Peers:							
Sai Life Sciences Limited	981.00	1.00	113.67	8.83	8.61	7.99	102.12
Innova Captab Limited	673.00	10.00	30.03	22.41	22.41	13.37	167.66
Senores Pharmaceuticals Limited	709.00	10.00	43.98	16.12	16.12	7.18	176.37
Gland Pharma Limited	1,612.90	1.00	38.04	42.40	42.40	7.13	555.41

* P/E calculated based on upper band price
** EPS Calculating including fresh issue shares

SUMMARY:

Sai Parenteral operates a diversified formulations and CDMO business model with integrated capabilities across research, development, and manufacturing. The company has transitioned from a pure-play injectable player to a multi-dosage platform, supported by regulatory-approved manufacturing facilities and recent acquisitions such as Noumed, enhancing its presence in regulated markets.

The company’s internationally accredited manufacturing base (TGA, PIC/S, WHO-GMP) and acquisition of Noumed (451 dossiers) strengthen its entry into regulated markets such as Australia and Europe, improving growth potential and pricing power. Additionally, a strong CDMO pipeline, long-term contracts, and 55+ in-house dossiers (with planned expansion) support recurring revenues and long-term scalability.

Financially, Sai Parenteral has delivered robust revenue growth (₹968 Cr in FY23 to ₹1,631 Cr in FY25) with healthy operating margins (~24% EBITDA), supported by efficient asset utilisation. IPO proceeds are expected to support capacity expansion (Unit I: 42 Mn to 78 Mn units), R&D investments, and deleveraging, strengthening operational scale and the balance sheet.

However, despite these positives, we maintain a cautious stance due to elevated valuations, with the issue priced at a P/E of ~111x, significantly higher than most listed pharma peers, limiting near-term upside and margin of safety. Further, the company faces key risks including high dependence on injectables (~45% of revenue), customer concentration (top 5 contributing ~58.6%), and working capital intensity, which has resulted in negative operating cash flows in recent periods. Additionally, temporary shutdowns for regulatory upgrades may impact near-term financial performance.

While long-term growth prospects remain intact, the current valuation already factors in these positives. Hence, we believe the risk-reward is unfavourable at current levels. Therefore, it is recommended to **“Avoid”** to the IPO.

DISCLAIMER

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