ArihantCapital
Generating Wealth

13th March 2026

Sai Parenterals Limited

Pre IPO Note

Dual Engine Growth: The synergy Play

Outlook: Positive

Objects of the issue	Amount (INR Mn)
Capacity expansion and upgradation of manufacturing facilities	1,107.95
Establishment of a new R&D centre	180.23
Repayment / prepayment of certain outstanding borrowings	143.02
Working capital requirements	330.00
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)	360.00
General corporate purposes	

A diversified player in the pharmaceutical formulations space, Sai Parenterals Ltd. distinguishes itself through a sophisticated multi-dosage capability spanning injectables, solid orals, and topicals. The company operates a high-capacity manufacturing infrastructure capable of producing 1,160 mn units annually, supported by rigorous R&D and international accreditations (PIC/S, TGA). Its business model effectively de-risks revenue through two primary streams: a Branded Generics segment serving government and private healthcare sectors, and an end-to-end CDMO division. With a recent controlling stake in Australia-based Noumed, the company is successfully transitioning toward a "Regulated Market" focus, enhancing its margin profile and global distribution reach.

Dual-Engine Growth: Synergy Between Branded Generics and High-Margin CDMO.

By merging an expansive portfolio of over 506 registered dossiers with a sophisticated $2.5 billion Australian CDMO infrastructure, the company achieves a rare end-to-end synergy that captures high-margin retail value and accelerates global market penetration.

Strategic Global Forward Integration: The Australia and New Zealand Market Entry

The acquisition of a 74.6% stake in Noumed Pharmaceuticals marks a transformative shift from being a third-party manufacturer to a direct market participant in the high-barrier Australia and New Zealand regions. This move bridges the gap between the company's low-cost Indian manufacturing base and the ~AUD 2.5 bn combined CDMO market. By internalizing the supply chain for Noumed's OTC and Rx portfolios, the company is positioned to capture higher margins previously left to middle-market distributors.

Scalable CDMO Platform with Multi-Jurisdictional Compliance

The company's Scalable CDMO Platform is anchored by a sophisticated infrastructure of five manufacturing units with a massive combined capacity of 1,160 mn units per annum, all operating under Tier-1 global accreditations including TGA (Australia), WHO-GMP, and PIC/S. This multi-jurisdictional compliance framework, bolstered by the acquisition of 506 product registrations and a pipeline of 60 upcoming dossiers, allows the company to offer integrated, end-to-end services from R&D at SP Analytics to commercial-scale production. By strategically targeting the Australian CDMO market and expanding its high-barrier sterile injectables portfolio, the company is uniquely positioned to capture high-margin contracts across regulated and semi-regulated markets, effectively de-risking its revenue through a diversified, global customer base.

Future-Ready Infrastructure: Capacity Scaling & EU-GMP Upgradation

A strategic portion of the IPO proceeds is earmarked for the upgradation of Unit I, II, and IV to EU-GMP standards. This transition is critical, as it unlocks the lucrative European market and elevates the company's status as a top-tier global CDMO partner. The expansion at Unit III is set to increase oral dosage production by 88%, jumping from 240 mn to 451 mn units per annum on a single-shift basis. Across the board, this scaling ensures the company can meet the surging demand generated by the Noumed acquisition and new international contracts. This physical expansion is synchronized with a INR 180.23 mn Capex infusion into SP Analytics, the company's dedicated R&D arm. By adding 20 specialized personnel and building a new R&D center, the company is accelerating its dossier filings to support a robust pipeline of new formulations specifically tailored for the Australian and New Zealand markets.

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Company Overview

Sai Parenterals Limited (SPL) is a technology-driven, vertically integrated pharmaceutical formulations company that has evolved from a local manufacturing unit into a global healthcare contender. Founded on January 12, 2001, in Hyderabad, the company initially focused on sterile dry and liquid injectables. Over the past two decades, under the strategic leadership of Managing Director Mr. Anil Kumar Karusala (who took over the current management in 2016), the company has aggressively scaled its operations through both organic expansion and high-impact international acquisitions. Today, Sai Parenterals stands as a multi-jurisdictional powerhouse operating across two core business verticals: Branded Generic Formulations and a rapidly scaling Contract Development and Manufacturing Organization (CDMO) platform.

Major events and milestones of the Company

2001
- Company was incorporated as a private Ltd.

2016
- Change in ownership of the company. Acquired Unit I and II

2022
- Acquired Unit III and Unit IV

2023
- Incorporated SP Analytics and achieved turnover of INR 1000 mn

2024
- Acquired Revat Labs

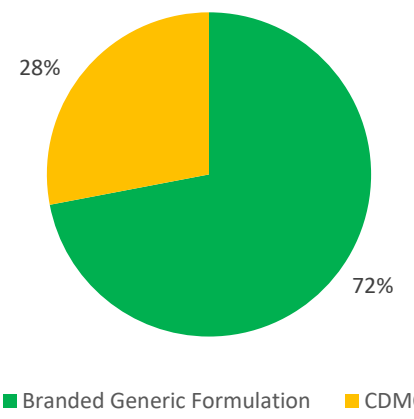
2025
- Acquisition of foreign step down subsidiary Noumad Pharma

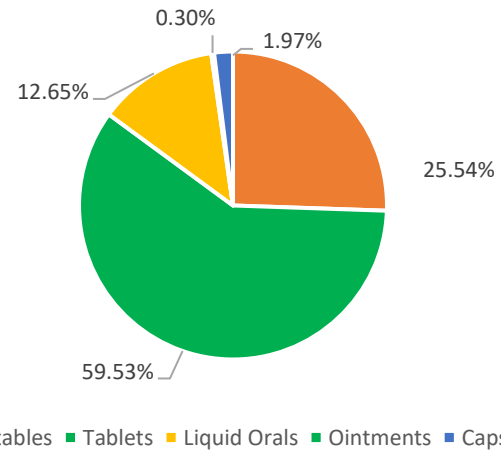
Strategically located & globally accredited manufacturing facilities

Particulars	Plant location	Key certification	Installed capacity(units in mn)	Key dosage forms manufactured
Unit I	Jeedimetla, Telangana	GMP	42	Liquid injections, sterile non-beta lactam dry powder injections and pre filled syringes
Unit II	Jeedimetla, Telangana	WHO-GMP	15	Sterile penicillin dry powder injections
Unit III	Bhongir, Telangana	TGA – Australia, WHO-GMP, PICS	240	General dosage forms tablets, capsules, liquid orals, ointments, lotions and sprays
Unit IV	Bollaram, Telangana	PICS, WHO-GMP	293	Cephalosporin tablets, capsules and dry syrups
Revat	Ongole, Andhra Pradesh	GMP	570	General dosage forms tablets, capsules, liquid orals
Noumad	Adelaide, Australia	The factory is under development and is expected to be completed by Q4 CY26	The factory is under development and is expected to be completed by Q4 CY26	Tablets, liquid orals and nasal sprays

Business Overview and Product Portfolio

The company is in the business of (i) Branded Generic Formulations and (ii) Contract Development and Manufacturing Organisation ("CDMO") products and services for the domestic and international markets. Company's portfolio includes formulation products across various therapeutic areas like cardiovascular, neuropsychiatry, anti-diabetic, respiratory health, antibiotics, gastroenterology, vitamins, minerals and supplements (VMS), analgesics, and dermatology with offerings across dosage forms such as injectables, tablets, capsules, liquid orals and ointments.





Industry Overview

Global Pharmaceutical Market Overview

The global pharmaceutical market is estimated at $1.8 trillion in 2025 and is projected to grow to $2.9 trillion by 2033, with a CAGR of 5.9% from 2025 to 2033. The global drug formulation market is estimated at $1.5 trillion in 2025 and is projected to grow to $2.5 trillion by 2033, with a CAGR of ~5.9% from 2025 to 2033. Globally, the injectable segment is expected to witness the fastest growth at a CAGR of 6.5%. The contribution of emerging markets is set to increase from around 23% in 2025 to 30% by 2033, supported by cost advantages, expanding technical capabilities and improving regulatory track records in countries such as India and China.

Indian Pharmaceutical Market Overview

The Indian pharmaceutical industry is the world's third largest by volume and was estimated at $62 billion in 2025. It is expected to grow at a CAGR of 11.2% to reach $146 billion by 2033. The Indian drug formulation market, estimated at ~$47 billion in 2025, is projected to reach $109 billion by 2033, reflecting a robust CAGR of 11.2% over the period.

Growth Drivers for the Indian Pharmaceutical Market

- Increasing prevalence of chronic diseases
- Growing product launches and investment by the pharmaceutical industry
- Improved Drug access
- Rise in insurance penetration
- Rising government initiatives and support
- Biologics and biosimilar development

Australia Pharmaceutical Market Overview

The market is broadly segmented into Prescription (Rx) and Over-the-Counter (OTC) medicines. Prescription drugs remain the dominant category, estimated at ~$13 billion in 2025 and forecasted to grow to ~$22 billion by 2033. The OTC segment, while smaller, is expanding at a faster pace, increasing from about $2 billion in 2025 to nearly $5 billion in 2033. The industry is
undergoing a clear shift toward affordability, resilience, and localised innovation, driven by regulatory reforms and government incentives to strengthen domestic manufacturing. The Australia's CDMO market was estimated at ~$2 billion in 2024 and is expected to grow at a CAGR of 11.2% in terms of value in the forecast period 2025 to 2033.
Within this context, Noumed Pharmaceuticals Pty Limited is positioning itself as a differentiated player by focusing on value-driven, high-volume therapeutic segments across both OTC and prescription categories.

Growth drivers

- Rising Biotech Activity
- Government Incentives and Sovereign Supply Push
- Strong Clinical Trials Ecosystem
- Stringent Regulatory Compliance
- Shift Toward Virtual Pharma Models

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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