



I P O R E S E A R C H D E S K

RESEARCH REPORT DATED 27 AUGUST 2026

Symbiotec Pharmalab Limited

Mainboard IPO — Research Note

ISSUE DATES	24 August 2026 – 27 August 2026 (closes today)
PRICE BAND	₹938 – ₹988 per share • Face Value ₹2
LOT SIZE	15 shares • ₹14,820 at the upper band
ISSUE SIZE	₹1,757.30 Cr • Fresh ₹150 Cr + OFS ₹1,607.30 Cr
LISTING	BSE & NSE • 1 September 2026 (tentative)
LEAD MANAGERS	JM Financial • Avendus • Motilal Oswal IA • Nomura

SECTOR Pharmaceuticals — Corticosteroid & Steroidal-Hormone APIs	FINANCIALS Rev ₹872 Cr (FY26) • PAT ₹110 Cr • EBITDA margin 26.6% • 2Y Rev CAGR 9.8%
VALUATIONS P/E 57x • P/B 5.4x • EV/EBITDA ~28x • peer median P/E 91x — at a discount	DEMAND Anchor 29.9% of issue • bHNI 11.90x • QIB ex-anchor 0.62x • Overall 5.60x (D3)
GMP +₹285 • +28.85% over ₹988 • 27 Aug 2026 — off the ₹410 peak	RECOMMENDATION APPLY (listing gains)

I P O R E S E A R C H D E S K

BHNI Advisory • Listing & Short-Term Momentum Mandate

2. Executive Summary

Symbiotec makes corticosteroid and steroidal-hormone active pharmaceutical ingredients out of four plants in Madhya Pradesh, and it is not a marginal player in that niche — it held 38.2% of global corticosteroid API volumes and 23.8% of steroidal-hormone API volumes in FY26. Revenue was ₹872.26 Cr with PAT of ₹109.90 Cr and a 26.59% EBITDA margin. The two-year revenue CAGR is 9.8%; PAT compounded at 4.8%. This is a high-share, slow-growth franchise, and the numbers say so plainly.

The setup is what makes this interesting, not the fundamentals. The issue is 91.5% OFS — ₹1,607 Cr of ₹1,757 Cr goes to selling shareholders and only ₹150 Cr reaches the company, of which ₹112.5 Cr repays debt. Against that, the anchor book is genuinely good: ₹526.20 Cr across 34 investors, with 60.06% going to 11 domestic mutual funds across 19 schemes. ICICI Prudential Smallcap took ₹60 Cr, Ashoka WhiteOak and Motilal Oswal Small Cap ₹45 Cr each, HDFC Pharma & Healthcare ₹40 Cr. Demand has followed the anchor: NII closed Day 3 at 12.84x with the bHNI bucket at 11.90x. QIB ex-anchor sits at 0.62x, which is the one number in this book that should bother you. GMP is ₹285, or 28.85% — off a ₹410 peak on 22 August.

We are buyers of the listing print, not the business. At 57x on a 4.8% PAT CAGR we would never underwrite this as a hold. But it prices at a visible discount to the listed comparable set, the anchors that took it are exactly the kind that buy in this P/E band, and the NII tape is doing the heavy lifting. Apply at first priority in the bHNI bucket across all accounts, and take the money on the print.

Recommendation	Listing-Day View	Momentum View (T+2 - T+5)
APPLY (listing gains)	Expected listing band of 18–25% over ₹988, i.e. ₹1,166 – ₹1,235	Hold only while the tape confirms; exit into strength by T+5

This desk carries a listing and short-term momentum mandate only. No long-term view is expressed on this name.

3. Company Overview & Business Model

Symbiotec Pharmalab was incorporated in 2002 and sells one thing well: steroid chemistry. The core product set is corticosteroid APIs — the molecules behind anti-inflammatory and immunosuppressant formulations — plus steroidal-hormone APIs. In FY26, APIs were 96.07% of revenue from operations. Complex injectables contributed 3.80% and the CDMO vertical 0.13%. Whatever management says about being a three-platform company, the P&L is an API company.

Manufacturing sits in four facilities across Madhya Pradesh. Rau carries 92 MT of chemical synthesis capacity and holds US FDA, EU-GMP and WHO-GMP approvals. Pithampur is the workhorse at 492.67 MT of chemical synthesis plus 300 KL of fermentation. Two plants were commissioned in FY26 — a 400 KL biomanufacturing block at Ujjain and a complex-injectables site at Mhow rated for up to 20 million double-chamber vials a year. Both are running at pilot scale with approvals still pending. That capacity is on the balance sheet and in the depreciation line; it is not yet in the revenue line.

The revenue model is B2B and repeat by nature. Once a customer files a formulation dossier referencing Symbiotec's Drug Master File, switching the API supplier means a regulatory re-filing — expensive and slow. That is the moat, and it is a real one. Symbiotec has 43 US FDA DMFs registered and 23 European Certificates of Suitability filed. Orders are largely purchase-order driven rather than long-tenor contracted, so volume visibility is shorter than the stickiness implies.

Anil Satwani chairs the company as Managing Director with roughly 30 years in the sector; the promoter group also includes Kashish Satwani, Sushil Satwani and Satwani Holdings LLP, holding 34.47% pre-issue and falling to about 33.3% after. The register has carried serious names over the years — Actis, Franklin Templeton and the late Rakesh Jhunjhunwala have all been shareholders, with Rosewood Investments the current institutional holder. Several of them are selling here.

What breaks this model is not competition — at 38.2% global volume share there is not much left to take. It is the end market. Corticosteroid APIs are a mature, low-single-digit-growth category. Symbiotec has already won the share war; the growth now has to come from fermentation and injectables, and neither is earning yet.

4. Market Position & Client Base

Very few Indian API companies can claim what Symbiotec claims. A 38.2% global volume share in corticosteroid APIs and 23.8% in steroidal hormones puts it at the top of a technically difficult niche — steroid chemistry involves multi-step synthesis and fermentation routes that most generic API houses have never built. That position was earned over three decades and it is not easily contested.

The customer base runs to more than 200 accounts across 40-plus countries. Disclosed concentration is at the product level rather than the customer level: the top five APIs contributed 62.27% of FY26 revenue from operations. Read that carefully. It is not customer concentration in the classic sense, but it is a narrow product spine, and any one of those five molecules losing price or volume moves the P&L.

The regulatory record is the strongest single line in the RHP. Over the three preceding fiscal years the company completed more than 108 customer inspections and 9 regulatory agency inspections without a single critical observation. For a US FDA and EU-GMP dependent exporter, that is the asset that actually protects the franchise. One Form 483 with critical observations at Pithampur would do more damage to this business than any competitor could.

The moat, then, is regulatory and technical rather than commercial. DMFs filed, dossiers referenced, inspections cleared, chemistry that is hard to replicate. What it does not confer is pricing power in a market growing at 1–3% a year. High share of a flat pond is still a flat pond.

5. Geographic Distribution & Revenue Model

Revenue Split — FY2026	Share of Revenue
International markets (direct exports)	67.04%
Domestic, including indirect exports	32.96%
APIs	96.07%
Complex injectables	3.80%
CDMO services	0.13%

Two-thirds of the book is international. That cuts both ways. Exports to regulated markets are what justify the DMF and CEP investment and what deliver the 26.6% EBITDA margin — domestic API pricing would not support it. They also mean the rupee is a live P&L variable and that a regulatory action in any one geography travels straight to the top line.

Within the domestic 32.96%, a meaningful portion is indirect exports — sales to Indian formulators who then ship the finished dosage abroad. So the true end-market exposure to overseas demand is higher than the 67% headline. Currency hedging policy is not disclosed at a level that lets us size the residual exposure.

Channel-wise this is a direct-sales business into pharmaceutical manufacturers, not a distributor model. Pricing is negotiated per molecule per customer, with annual or shorter reset cycles. That structure passes input cost through reasonably well in a rising-cost environment but gives away margin quickly when a competitor lands capacity in a molecule.

6. Innovation & R&D

R&D spend was 3.42% of revenue from operations in FY26 — around ₹30 Cr. That is respectable for an API house and low for anyone pitching a CDMO transition. The company runs three dedicated research centres in Indore staffed by 156 scientists and engineers, of whom 117 hold master's degrees and 10 hold doctorates.

The output that matters is the filing count. Forty-three US FDA Drug Master Files and 23 European Certificates of Suitability represent the accumulated regulatory capital of the business — each one is a molecule a customer can reference in a dossier without re-qualifying a supplier. That stock of filings is the reason the revenue base is sticky.

The forward-looking part of the R&D story is the fermentation platform at Ujjain and the double-chamber vial capability at Mhow. Both were commissioned in FY26 and both are at pilot scale. Fermentation-route steroid intermediates would take cost out of the existing API book; complex injectables would move the company up the value chain into finished dosage. Neither is proven at commercial scale, neither has full approvals, and the subsidiaries carrying this work lost roughly ₹28.5 Cr in the last year. We are not paying for that optionality at 57x; if it works it is FY28 revenue, not FY27.

7. IPO Structure & Use of Proceeds

Issue Structure

Particulars	Shares	Amount (₹ Cr)	% of Total
Fresh Issue	15,21,261	150.00	8.54%
Offer for Sale (OFS)	1,62,65,181	1,607.30	91.46%
Total Issue Size	1,77,86,442	1,757.30	100.00%

Use of Proceeds — Fresh Issue Only

Objective	Amount (₹ Cr)	% of Fresh Issue
Prepayment / repayment of certain borrowings	112.50	75.00%
General corporate purposes	37.50	25.00%
Total Fresh Issue	150.00	100.00%

⚠️ OFS at 91.5% — read it as a signal

₹1,607.30 Cr of the ₹1,757.30 Cr raised goes to selling shareholders, not to the company. Only ₹150 Cr is fresh capital, and three-quarters of that repays debt. Not one rupee of this issue funds growth. The register has carried Actis, Franklin Templeton and Rakesh Jhunjhunwala over the years, and this is the exit window. When holders of that calibre sell 91.5% of an issue into a 57x multiple, the honest reading is that they think the price is full. That does not make the listing trade wrong — it makes the hold trade wrong.

Category Reservation

Category	Shares Offered	Amount (₹ Cr)	% of Issue
QIB (including Anchor)	88,76,517	877.00	50.00%
— of which Anchor Investors	53,25,909	526.20	29.94%
Non-Institutional (NII)	26,62,955	263.10	15.00%
Retail Individual (RII)	62,13,562	613.90	35.00%
Employee Reservation	33,408	3.30	0.19%

Book Running Lead Managers are JM Financial, Avendus Capital, Motilal Oswal Investment Advisors and Nomura Financial Advisory. MUFG Intime is the registrar. Anchor allocation was finalised on 21 August 2026 at ₹988 per share — the top of the band, which tells you the book was covered at the upper end before the issue opened. Anchor lock-in releases 50% on 27 September and the balance on 26 November 2026.

8. Financial Performance Analysis

Profit & Loss

Particulars (₹ Cr)	FY2024	FY2025	FY2026
Revenue	723.33	755.98	872.26
Growth (% YoY)	—	4.5%	15.4%
EBITDA	177.04	206.11	231.97
EBITDA Margin (%)	24.48%	27.26%	26.59%
PAT	100.06	96.79	109.90
PAT Margin (%)	13.83%	12.80%	12.60%

Balance Sheet & Returns

Particulars (₹ Cr)	FY2024	FY2025	FY2026
Net Worth	720.68	821.15	1,158.64
Total Borrowings	247.21	540.92	387.91
Debt / Equity (x)	0.34	0.66	0.33
Total Assets	1,294.79	1,579.65	1,780.79
Return on Equity (%)	14.98%	11.79%	11.19%
Return on Capital Employed (%)	—	—	12.70%

Lead with the trajectory. Revenue grew 9.8% compounded over two years, EBITDA compounded at 14.5%, and PAT at 4.8%. Three different growth rates from the same business, and the gap between them is the whole story.

The FY26 revenue step-up to ₹872 Cr — a 15.4% year — is the best print in the set and it came off volume in the core API book, not a new vertical. EBITDA margin expanded from 24.48% to a 27.26% peak in FY25 and then gave back 67 basis points in FY26. That give-back is not a demand problem. It is the cost of Ujjain and Mhow: two plants commissioned during the year, carrying employee cost, power and depreciation while producing at pilot scale. Operating leverage will be negative until those lines qualify, and management has not committed to a date.

Below EBITDA, the picture thins. PAT rose only 12.6% in FY26 against 12.5% EBITDA growth, and the two-year PAT CAGR of 4.8% sits less than half the revenue rate. Higher depreciation on the new blocks and the ₹28.5 Cr annual loss in the subsidiaries carrying the injectables and fermentation work are doing that damage. On a normalised basis, strip the loss-making subsidiaries out and the core API business is materially more profitable than the consolidated print suggests — which is the bull case, and also an admission that shareholders are funding two businesses that do not yet earn.

The balance sheet is clean and getting cleaner. Borrowings spiked to ₹540.92 Cr in FY25 to fund the two plants, then came down ₹153 Cr in FY26 to ₹387.91 Cr, taking D/E from 0.66x back to 0.33x. Net worth jumped ₹337 Cr in FY26 against ₹110 Cr of profit, so roughly ₹230 Cr came in as pre-IPO equity. That infusion is also why the return ratios look worse: RoE fell from 14.98% to 11.19% not because the business deteriorated but because the denominator grew faster than the numerator. RoCE at 12.70% against a cost of capital in the low teens is the harder number to defend.

The accounting is not the problem here — there are no obvious one-offs, no related-party revenue engineering, no working capital bloat. The problem is simpler and less fixable: two new plants are consuming capital and earnings while the mature business grows at single digits, and the IPO price capitalises the recovery before it has happened.

9. Valuation

Company	Revenue (₹ Cr)	PAT (₹ Cr)	EBITDA Mgn	P/E (x)
Symbiotec Pharmed (at ₹988)	869.15	109.90	26.59%	57.79
Concord Biotech	1,054.90	259.20	34.80%	61.07
Divi's Laboratories	10,560.00	2,568.00	35.98%	87.80
Cohance Lifesciences	2,268.55	179.30	19.00%	95.02
Laurus Labs	6,812.90	890.14	26.80%	109.36
Peer Median	—	—	30.80%	91.41

Peer set per the RHP Basis for Issue Price. Symbiotec P/E on post-issue diluted EPS of ₹17.39 at the upper band; P/B 5.35x on NAV of ₹184.69; EV/EBITDA approximately 28x on FY26 EBITDA.

At ₹988 the company is asking 57.8x FY26 earnings against a peer median of 91.4x. On the headline, this is the cheapest name in its own comparison table — and it is the only one of the five where the multiple sits below the group. That is unusual for an IPO and it is the single strongest argument for the trade.

We would not oversell it. The discount is earned, not stolen. Symbiotec's EBITDA margin of 26.59% is below the 30.80% peer median, its RoE at 11.19% is the weakest of the group, and its two-year PAT CAGR of 4.8% would embarrass any of the four comparables. Concord Biotech at 61x is the only genuine like-for-like — a fermentation-led API business of similar scale — and it earns 34.8% margins against Symbiotec's 26.6%. Divi's, Cohance and Laurus are larger, broader and structurally different; their multiples flatter this table.

So the honest read: against Concord, the closest comparable, Symbiotec is 5% cheaper on a materially weaker margin and return profile. Against the broader table it looks 37% cheap. Neither framing makes 57.8x a bargain in absolute terms for a business compounding profit at 4.8%. What it does do is give the listing trade a defensible anchor — a buyer on day one can point to the peer table and justify ₹1,150–1,250 without inventing a story. That is what we need it to do.

10. Demand, Applications, Anchor Quality & BRLM Track Record

10.1 Subscription Trajectory

Category	Day 1 (24 Aug)	Day 2 (25 Aug)	Day 3 (26 Aug)
QIB (ex-anchor)	0.37x	0.57x	0.62x
NII — Total	1.10x	3.16x	12.84x
NII — bHNI (> ₹10 L)	0.82x	2.59x	11.90x
NII — sHNI (₹2–10 L)	1.66x	4.30x	14.72x
Retail (RII)	1.00x	2.21x	5.33x
Employee	—	—	6.24x
Overall	0.85x	1.95x	5.60x

Day 3 figures as at 17:54 IST, 26 August 2026. The issue remains open through today, 27 August; final-day figures will exceed these materially, as NII and retail bids concentrate on the closing day.

The shape of this book is the point. Day 1 closed under one time. Day 2 barely moved the needle. Then NII went from 3.16x to 12.84x in a single session — a four-fold jump on Day 3 with retail more than doubling alongside it. That is the classic funded-HNI pattern, and it says the leveraged money made its decision late and made it decisively.

The blemish is QIB. Excluding the anchor allocation, institutions have bid 0.62x — the category is not covered. Institutions outside the anchor list looked at 57.8x on a 4.8% PAT CAGR and passed. We do not read this as fatal, because the anchor book absorbed 29.94% of the entire issue and marquee funds do not need to bid twice. But an ex-anchor QIB print below one time is a genuine signal about how the smart institutional money views the price, and it belongs in the calculus.

10.2 Subscription & Application-Wise Breakup

Category	Lot(s)	Qty	Application Amount (₹)	Reserved
Retail	1	15	14,820	4,14,237
sHNI	14	210	2,07,480	4,277
bHNI	68	1,020	10,07,760	8,454

Minimum application size per category at the ₹988 upper band. Reserved figures are indicative, drawn from cut-off bidding data, and subject to change at the basis of allotment.

What to Bid — bHNI

Particulars	To Bid
Category	NII — bHNI (above ₹10 lakh)
Lots	68 lots
Quantity	1,020 shares
Bid Price	₹988 (upper band / cut-off)
Application Amount	₹10,07,760 per application
Number of Applications	One per available family PAN

Bid 68 lots — 1,020 shares at ₹988, ₹10,07,760 per application — in the bHNI category, and place that same application across every family PAN available. Do not scale up a single bid; replicate the minimum across accounts instead.

10.3 Grey Market Premium

Date	GMP (₹)	Implied Premium	Implied Listing
21 Aug 2026	345	34.92%	1,333
22 Aug 2026	410	41.50%	1,398
23 Aug 2026	409	41.40%	1,397
24 Aug 2026	335	33.91%	1,323
25 Aug 2026	352	35.63%	1,340
26 Aug 2026	285	28.85%	1,273
27 Aug 2026	285	28.85%	1,273

GMP peaked at ₹410 on 22 August and has bled roughly 30% to ₹285 as the issue ran. A decaying premium through the subscription window is never the shape you want — it usually means operators marked the price down as the QIB book failed to build. Steady at ₹285 across the last two sessions is at least a floor forming rather than a slide.

Treat the number for what it is. The grey market is an unregulated, thinly traded, entirely unofficial gauge with no settlement guarantee and no volume disclosure. It has been wrong in both directions on plenty of issues, and it is most unreliable precisely when it is moving fast. We use it as one input on positioning, never as a price target. Our own 18–25% expectation sits deliberately below the 28.85% the grey market is quoting, because the GMP trend is down and the QIB print is weak.

10.4 Anchor Quality — Seven-Year Backtest

The anchor book was allocated on 21 August: 53,25,909 shares at ₹988 to 34 investors, totalling ₹526.20 Cr — 29.94% of the whole issue. Of that, 31,98,480 shares, or 60.06%, went to 11 domestic mutual funds across 19 schemes. A 60% domestic MF share of an anchor book is a strong number; these are the buyers with the longest holding periods and the least appetite for a bad price.

Anchor Investor	₹ Cr	% Anchor	Prior Issues	Avg P/E	Avg Listing Gain
ICICI Prudential Smallcap Fund	60.00	11.40%	163	56.5	24.2%
Ashoka WhiteOak EM Equity (FPI)	45.00	8.55%	55	42.1	23.5%
Motilal Oswal Small Cap Fund	45.00	8.55%	101	87.3	26.8%
HDFC Pharma & Healthcare Fund	40.00	7.60%	147	48.5	23.9%
Mirae Asset Health Care Fund	35.00	6.65%	89	34.0	33.4%
Prazim Trading & Investment	25.00	4.75%	First-time	—	—
Manulife Global — India Equity	25.00	4.75%	14	76.2	21.8%
Mahindra Manulife Small Cap Fund	25.00	4.75%	19	30.1	6.0%
Edelweiss Large Cap Fund	20.00	3.80%	114	85.5	15.8%
Tata AIA Life — Whole Life Aggressive	16.00	3.04%	31	39.0	29.6%
Bajaj Life Insurance	16.00	3.04%	64	35.9	22.6%
Tata Flexi Cap Fund	15.00	2.85%	95	42.2	21.9%

Prior-issue counts, average P/E of issues participated in, and average listing-day gains are computed at the fund-house level from the desk's seven-year anchor base file (2020–2026).

This book reads well, and it reads well for a specific reason. Look at the average P/E column. ICICI Prudential MF has anchored 163 issues at an average 56.5x. HDFC MF, 147 issues at 48.5x. Ashoka WhiteOak, 55 issues at 42.1x. Symbiotec at 57.8x sits squarely inside the band these houses habitually buy — this is not a case of marquee names stretching outside their historical profile to take an expensive issue. Their presence here carries its normal weight, which is more than can be said for most anchor books in the 55x-plus bracket.

The pharma-specialist participation is the second tell. HDFC Pharma & Healthcare, Mirae Asset Health Care and Tata India Pharma & Healthcare all took allocation. Sector funds run by analysts who cover steroid APIs for a living looked at this and bought. Mirae's healthcare book in particular carries a 33.4% average listing gain across 89 prior issues — the best hit profile on this list. Prazim Trading, the Damani family vehicle, appears as a first-time anchor in our base file at ₹25 Cr; take that as a name-recognition positive rather than a track-record one.

Two things give us pause. First, the weaker tail: Mahindra Manulife's small-cap book averages just 6.0% listing gains across 19 issues, Edelweiss MF 15.8% across 114, and the FPI names at the bottom of the book — Citigroup Global Mauritius at 3.8% across 50 issues, ICICI Lombard at 1.4% across 7 — are not signals of anything. Second, the absences. SBI Mutual Fund and Nippon India Mutual Fund, the two largest anchor participants in the Indian market by issue count, are both missing. Nippon alone has anchored 154 issues at an average 27.3% listing gain. Either they passed on the price or they could not get allocation in a heavily contested book; the circular does not say. Our read is mild caution, not a red flag — but a book with SBI and Nippon in it would be a materially stronger book.

10.5 BRLM Track Record — Seven-Year Backtest

Lead Manager	IPOs (7Y)	Positive	Hit Rate	Avg Listing Gain	2024-26 Hit Rate
JM Financial	104	75	72.1%	18.5%	71.4% (20/28)
Avendus Capital	6	5	83.3%	14.4%	50.0% (1/2)
Motilal Oswal Inv. Advisors	43	29	67.4%	16.3%	66.7% (4/6)
Nomura Financial Advisory	31	21	67.7%	8.3%	57.1% (8/14)

Computed from the desk's seven-year lead-manager base file covering mainboard issues from 2020 to 2026.

JM Financial is the anchor of this syndicate and it is the strongest name on it — 104 mainboard issues over seven years, a 72.1% listing-premium hit rate, and an 18.5% average listing-day gain. Crucially, the hit rate has not decayed: 71.4% across 2024–26 versus 72.1% over the full period. That is a desk that has held its standard through a much harder pricing environment than 2020–21.

The rest of the syndicate is competent rather than exceptional. Motilal Oswal Investment Advisors runs 67.4% with a 16.3% average gain and has held its rate recently. Nomura is the weak link: 67.7% hit rate but an average listing gain of only 8.3%, deteriorating to 57.1% across the last three years. Nomura's profile is large, institutionally-priced issues that list flat — which is a fair description of what an ex-anchor QIB book at 0.62x looks like. Avendus has too small a sample to read, and its two 2026 issues are one-for-one.

The composite picture: a syndicate averaging roughly 71% listing-premium hit rate with average gains clustering between 8% and 19%. That is a setup that historically lists positive about seven times in ten, in a band that brackets our 18–25% expectation at the upper end rather than the middle. JM's presence as the lead is what pulls the average up; Nomura's is what should keep you honest about the tail.

Strong anchor participation and a good BRLM track record reduce listing risk; they do not eliminate it.

11. Risk Factors

[PRIMARY CONCERN] Offer structure — 91.5% OFS, no growth capital.

₹1,607.30 Cr of the ₹1,757.30 Cr issue goes to selling shareholders. The company receives ₹150 Cr, and ₹112.50 Cr of that repays borrowings. Nothing in this issue funds the fermentation or injectables build-out that the growth story rests on — those plants are already paid for, out of the FY25 debt spike and the ₹230 Cr pre-IPO equity infusion. When an issue is 91.5% secondary at 57.8x earnings, the people who know the business best are telling you what they think the price is worth. That view is compatible with a good listing trade. It is not compatible with holding the stock.

QIB book undersubscribed ex-anchor at 0.62x.

Excluding the anchor allocation, qualified institutions have bid only 0.62 times their reserved portion through Day 3. Institutional money outside the anchor list has looked at the price and declined. The anchor book covers 29.94% of the issue and will carry the category over the line, but a sub-1x ex-anchor QIB print is unusual in an issue that is otherwise 5.6x covered, and it is the clearest evidence in this book that the valuation is contested.

- 3. Valuation against a decelerating earnings base.** 57.8x FY26 earnings on a two-year PAT CAGR of 4.8% is a demanding combination, and the return ratios have moved the wrong way — RoE from 14.98% in FY24 to 11.19% in FY26, RoCE at 12.70% barely clearing cost of capital. The peer-relative discount is real but the absolute multiple leaves no margin of safety if the FY27 print disappoints.
- 4. Product concentration in a five-molecule spine.** The top five APIs contributed 62.27% of FY26 revenue from operations, and APIs overall were 96.07% of the mix. A price war, a customer backward-integrating, or a regulatory issue in any one of those five molecules moves the P&L immediately. Customer count of 200-plus across 40 countries does not diversify away product-level concentration.
- 5. New capacity is consuming earnings, not producing them.** The Ujjain fermentation block (400 KL) and the Mhow complex-injectables site (20 million vials) were commissioned in FY26 and remain at pilot scale with regulatory approvals pending. The subsidiaries carrying this work lost approximately ₹28.5 Cr in the last year. Until these lines qualify and fill, they are a fixed-cost and depreciation drag — and management has given no firm timeline.
- 6. The end market grows at 1-3% a year.** Corticosteroid APIs are a mature category. Symbiotec already holds 38.2% of global volume, so the share-gain lever that drove the last decade is largely exhausted. Organic growth from here has to come from new molecules, the fermentation cost curve, or the injectables move up the value chain — none of which is proven at scale.
- 7. Export concentration and currency exposure.** International markets are 67.04% of revenue, and a further portion of the domestic 32.96% is indirect exports. Rupee movement is a live P&L variable and the hedging policy is not disclosed in enough detail to size the residual exposure. Tariff or trade-policy action in a major regulated market would be felt directly.

- 8. Regulatory single-point dependence.** The franchise rests on US FDA, EU-GMP and WHO-GMP approvals at Rau and Pithampur. The compliance record is excellent — 108 customer inspections and 9 agency inspections over three years without a critical observation — but that record only tells you the risk has not crystallised. A single adverse inspection at Pithampur, which carries the bulk of capacity, would do more damage than any competitive event.
- 9. GMP has decayed through the subscription window.** The grey market premium peaked at ₹410 on 22 August and stands at ₹285 today — a roughly 30% erosion while the book was building. Premiums that fade during subscription frequently continue fading into the listing print. The last two sessions have been flat rather than falling, which is the more encouraging reading, but the trend line is not in our favour.

 Listing volatility.

Even with a 60% domestic mutual fund anchor book and a lead manager carrying a 72% seven-year hit rate, mainboard listings in the current regime have shown sharp intraday swings on the print and through the first few sessions. A weak open, a broad-market gap-down on 1 September, an ex-anchor QIB overhang, or thin momentum can undo this setup regardless of how the book looked on closing day. The 30% anchor tranche unlocking on 27 September adds a known supply event into the near tape. We do not consider this a risk-free recommendation.

12. Investment Strengths & Positive Indicators

- 1. Genuine global leadership in a hard-to-enter niche.** 38.2% of global corticosteroid API volumes and 23.8% of steroidal-hormone API volumes in FY26. Steroid chemistry is multi-step, fermentation-dependent and technically forbidding; this is not a position a competitor builds in three years. Very few Indian API companies can claim category leadership at this level.
- 2. Regulatory capital that makes revenue sticky.** 43 US FDA Drug Master Files registered and 23 European Certificates of Suitability filed. Once a customer's dossier references a Symbiotec DMF, switching supplier requires a regulatory re-filing. That is a structural switching cost, and it is the reason a 200-plus customer base across 40 countries behaves as a recurring revenue stream.
- 3. An unblemished inspection record.** More than 108 customer audits and 9 regulatory agency inspections across the three preceding fiscal years, with no critical observations. For an exporter earning two-thirds of revenue from regulated markets, this is the asset that protects the franchise, and it is not common.
- 4. The issue prices below its own peer table.** 57.8x against a peer median of 91.4x, and below the closest comparable, Concord Biotech, at 61.1x. A day-one buyer can justify ₹1,150–1,250 by pointing at the comparison table rather than inventing a narrative. For a listing trade, a defensible valuation anchor matters more than a cheap one.
- 5. Margin structure ahead of the revenue line.** EBITDA compounded at 14.5% over two years against revenue at 9.8%, with margins moving from 24.48% to 26.59% despite absorbing two newly commissioned plants. Strip out the ₹28.5 Cr subsidiary drag and the core API business earns materially better than the consolidated print.
- 6. Deleveraged balance sheet.** Borrowings fell ₹153 Cr in FY26 to ₹387.91 Cr, taking D/E from 0.66x to 0.33x, and the ₹112.50 Cr debt repayment from fresh proceeds takes it lower still. The capex cycle for Ujjain and Mhow is behind the company, not ahead of it — whatever those plants eventually earn arrives without a further funding call.
- 7. An anchor book of the right character.** ₹526.20 Cr across 34 investors with 60.06% to 11 domestic mutual funds over 19 schemes. ICICI Prudential, HDFC, Motilal Oswal, Mirae and Ashoka WhiteOak all participated, and all of them habitually buy in the 40–60x P/E band — this issue fits their historical profile rather than stretching it. Three dedicated pharma and healthcare funds took allocation, which is sector analysts voting with capital.
- 8. The NII tape turned decisively on Day 3.** The bHNI bucket moved from 2.59x to 11.90x in one session and sHNI from 4.30x to 14.72x, with retail more than doubling alongside. Funded money making a late, large commitment is the demand pattern that most reliably precedes a positive print, and it is exactly what this book delivered.

13. Final Recommendation & Conclusion

R E C O M M E N D A T I O N

APPLY (listing gains)

First priority · bHNI category · apply across all accounts

Run the five pillars and the answer falls out. Financial quality is adequate but decelerating — 9.8% revenue CAGR, 4.8% PAT CAGR, RoE down from 14.98% to 11.19%, with two new plants eating ₹28.5 Cr a year until they qualify. Valuation at 57.8x is demanding in absolute terms and a 37% discount to the 91.4x peer median in relative terms; against Concord Biotech, the only true comparable, it is 5% cheaper on a weaker margin profile. GMP is ₹285, or 28.85%, having faded from a ₹410 peak — indicative only, and we deliberately size our expectation below it. Demand is strong where it counts and weak where it should worry you: NII at 12.84x with bHNI at 11.90x on Day 3, against an ex-anchor QIB book of just 0.62x. And OFS at 91.5% tells you exactly what the existing register thinks of this price.

We are applying anyway, at first priority, and the reason is that four of those five pillars point the same way for a listing trade even though only one of them supports a hold. The anchor book is the right kind — 60% domestic mutual funds, the marquee names buying inside their normal P/E band rather than stretching, three pharma specialists taking allocation. JM Financial leads a syndicate with a 72.1% seven-year hit rate that has not decayed in 2024–26. The valuation is defensible on the comparison table, which is what a day-one buyer needs. And the funded HNI money made a decisive late commitment. That combination has historically listed positive around seven times in ten, in a band that supports our 18–25% expectation.

The horizon is the listing print and the immediate momentum window, nothing further. Exit on the open if it prints at or above ₹1,166. If it opens softer and the tape holds through the first two sessions, work out of the position by T+5 rather than waiting for the 27 September anchor unlock. We have no interest in owning this business at 57.8x beyond that window, and this note expresses no view on where the stock trades in a year.

Execution: bid 68 lots — 1,020 shares at ₹988, ₹10,07,760 — in the bHNI category, replicated across every family PAN available. The trade works through the number of applications, not the size of any one of them.

This is not a risk-free recommendation. A strong anchor book does not guarantee listing gains — 29.94% of this issue sits with anchors whose first tranche unlocks on 27 September, and an ex-anchor QIB book at 0.62x is a live warning that institutional opinion on the price is divided. A weak market open on 1 September can override every favourable signal in this note.

Category-Wise Guidance

Investor Category	Guidance	Allocation Approach	Exit Window
BHNI	APPLY (listing gains) — first priority	Bid 68 lots / 1,020 shares at ₹988 = ₹10,07,760 per application, across all family PANs available.	Listing day; T+5 outer limit

IPO Research Desk operates a BHNI-only advisory mandate covering the listing print and the immediate momentum window. No guidance is issued for other investor categories and no long-term view is expressed.

14. Standard Disclaimer

The analysis presented herein is based on publicly available information and data as of the date of publication. Investors should conduct their own due diligence before making investment decisions. Past performance is not indicative of future results. The author does not guarantee the accuracy, completeness, or timeliness of the information provided. Investment in IPOs and equity markets involves substantial risk, including the risk of loss of principal. Market conditions, company performance, regulatory changes, and macroeconomic factors can significantly impact investment outcomes.

Past performance is not indicative of future returns.