

SAHAJANAND MEDICAL TECHNOLOGIES LIMITED

Cardiovascular implants — coronary stents, heart valves and occluders | IPO Note | 13 October 2026 | Krijuna Research & Analytics

Anchor 14 October 2026 · issue 15–19 October 2026 · band ₹327–344 · lot 43 shares · ₹475.5 crore, 100% offer for sale · allotment 21 October · listing 23 October, BSE and NSE

The band is ₹327 to ₹344. At the ₹344 cap the company is valued at ₹3,496.6 crore, 53.1 times FY26 diluted earnings and 21.6 times FY26 EBITDA. The cap sits 5.8% below the ₹365 at which Ashish Kacholia, Alchemy Capital and two other investors bought from the private-equity holders in February–March 2025, and below the ₹365 at which the company allotted shares to its own ESOP trust on 29 September 2026. The offer is a pure sale of existing shares — the company receives nothing — and floats 13.6% of the company. We rate the issue **SUBSCRIBE — FOR LISTING GAINS**, for investors who intend to exit on or near listing; it is not a long-term endorsement at this price.

1. The offer at a glance

Item	Detail
Total offer	Up to ₹475.5 crore at the cap, 100% offer for sale; 1,38,22,116 shares
Fresh issue / offer for sale	Nil fresh + 1,38,22,116 shares offer for sale — 0% of the money reaches the company
Who is selling	Samara Capital 64.8 lakh shares; Shree Hari Trust (promoter) 27.0 lakh; D.S. Vasoya (promoter group) 20.0 lakh; NHPEA Sparkle 13.4 lakh; Kotak Pre-IPO Fund 13.1 lakh
Price band · face value	₹327 to ₹344 · ₹1 per share
Lot · minimum application	43 shares · ₹14,792 at the cap; retail maximum 13 lots (559 shares), ₹1,92,296
Allocation (net offer)	QIB up to 50% · NII at least 15% · retail at least 35%; employee reservation 2,50,000 shares
Shares before / after the offer	10,16,46,778 → 10,16,46,778 (no new shares issued)
Market capitalisation at the cap	₹3,496.6 crore (10,16,46,778 × ₹344); ₹3,323.8 crore at the floor
P/E at the cap	53.1× on FY26 diluted EPS of ₹6.48 (₹344 ÷ ₹6.48); 51.6× on basic EPS of ₹6.67; 50.5× at the floor. Excluding the ₹8.7 crore tax write-back, about 61×
EV / EBITDA at the cap	21.6× (₹3,496.6 crore + ₹191.1 crore net debt + ₹6.8 crore minority interest = ₹3,694.6 crore ÷ ₹170.7 crore); 20.8× on adjusted EBITDA. No proforma adjustment — no debt is repaid from the offer
Price / book at the cap	5.5× (₹344 ÷ NAV of ₹62.76); price to sales 2.9×
Return on net worth, FY26	10.6% (return on equity 10.4%)
Reference: last private transactions	₹365 per share — secondary purchases by Kacholia, Alchemy, RBA Finance and Hansa Shah (Feb–Mar 2025) and the ESOP trust allotment of 29 September 2026; the cap is 5.8% below it
Listed peer P/E cited by the company	Poly Medicure 51.4×; Laxmi Dental 36.4×; average 43.9× (6 October 2026)
Promoter holding before / after	40.82% including promoter group → 36.20% at the cap; free float created by the offer 13.60%
Pledge	Nil
Timetable	Anchor Wed 14 Oct · opens Thu 15 Oct · closes Mon 19 Oct · basis of allotment Wed 21 Oct · refunds / demat credit Thu 22 Oct · listing Fri 23 Oct 2026
Book-running lead managers · registrar	Motilal Oswal, Avendus Capital, HSBC Securities, Nuvama Wealth · MUFG Intime India
Statutory auditor	Deloitte Haskins & Sells LLP — no qualification or emphasis of matter, FY24 to Q1 FY27
Credit rating	CRISIL BBB+ (Stable) long term; CRISIL A2 short term, reaffirmed 3 October 2025
Monitoring agency	Not required (no fresh issue)

Source: RHP pp. 1–3, 55–56, 67–68, 82–86, 111, 122, 131, 133, 134–136, 437, 490. Price band and lot size as announced ahead of the 15 October 2026 opening. All multiples are our calculations, derivations shown in brackets.

2. What the business actually does

The one-paragraph answer

Sahajanand sells the tiny metal scaffolds, balloons and replacement valves that a cardiologist pushes through a blood vessel to reopen a blocked heart artery or repair a faulty valve without open-heart surgery. Think of a collapsing tunnel: the stent is the scaffolding that is slid in and locked open against the wall, and a drug on its surface seeps out slowly so that scar tissue does not grow back. The patient is treated in a catheterisation laboratory — a hospital room with a live X-ray screen — rather than an operating theatre. The company began in 1999 as a Surat partnership, was incorporated in 2001 and now sells in 77 countries. It is an export business that happens to be Indian: Europe and the rest of the world were 73.9% of FY26 revenue, up from 65.2% two years earlier, while India revenue was ₹316 crore, slightly below FY25. Since 2017 the National Pharmaceutical Pricing Authority has capped the price of a drug-eluting stent — from 1 April 2026 at ₹39,186 — and abroad there is no such cap, which is why every incremental rupee of growth has come from Germany, Spain, Poland, Brazil and beyond.

The products, one at a time

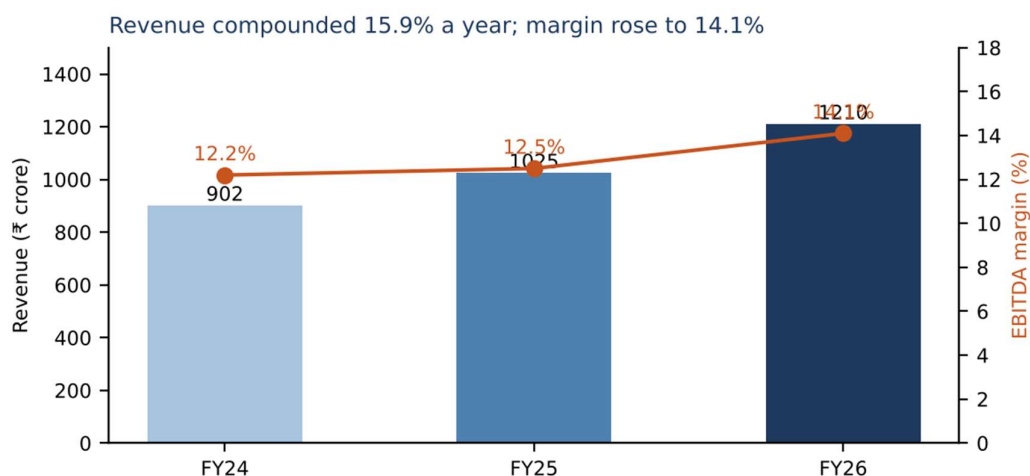
Line	What it is, in one line	Where it ends up	FY26 revenue	% of revenue	Growth
Vascular intervention	Coronary stents and the balloons that open and place them	Hospital cath labs and government tenders, mostly Europe and rest of world	₹740.1 crore	61.1%	+9.4% a year, FY24–26
Structural heart	Replacement aortic valves (TAVI) and plugs that close holes in the heart (occluders)	Same channels; valves sold in 35 countries, occluders in 50	₹203.1 crore	16.8%	+35.5% a year, FY24–26
Others	Traded devices, own-brand kidney-artery stents and leg-artery drug balloons	Through the company's own sales network	₹267.4 crore	22.1%	+38.8% in FY26

Source: RHP pp. 250–252, 270. Growth rates as stated in the RHP; FY24–26 rates are two-year compound annual rates.

Vascular intervention — the stent business. A coronary stent is a cobalt-chromium mesh tube about the length of a fingernail and the width of a drinking straw, crimped onto a deflated balloon at the tip of a thin catheter. The cardiologist steers it to the blockage, inflates the balloon, and the mesh locks open against the artery wall. The flagship, Supraflex Cruz, uses a polymer that dissolves once the drug is delivered. What happens if it fails is the whole commercial argument: a stent that cannot reach the blockage, or an artery that re-narrows, means a repeat procedure or a heart attack. That is why hospitals buy on clinical evidence. Supraflex was tested head-to-head against Abbott's Xience in the 1,435-patient TALENT trial, published in *The Lancet*, and Supraflex-family stents have been implanted in 28,383 trial patients. In India the stent is price-capped and close to a commodity; in Europe the evidence wins tenders. The segment also includes Pipit balloons, which SMT stopped buying in and began making itself by 2021, and Sironity, a balloon that paints the drug onto the artery wall and is then withdrawn, leaving no metal behind — approved in India in 2025 and still in its 164-patient study.

Structural heart — valves and occluders. The Hydra TAVI is a replacement heart valve: three leaflets cut from cow heart tissue, stitched inside a self-expanding nickel-titanium frame, folded into a catheter and released inside the patient's worn-out aortic valve — like fitting a new one-way door inside an old frame without removing the wall. The Cocoon occluder is a double-disc mesh plug, coated in platinum, that seals a hole between heart chambers. A failed valve is life-threatening and a leaking plug means surgery. SMT acquired both lines through Vascular Concepts and Vascular Innovations in 2020. This is the growth engine, but the factories are under-used: FY26 utilisation was 19.8% for valves and 34.7% for occluders.

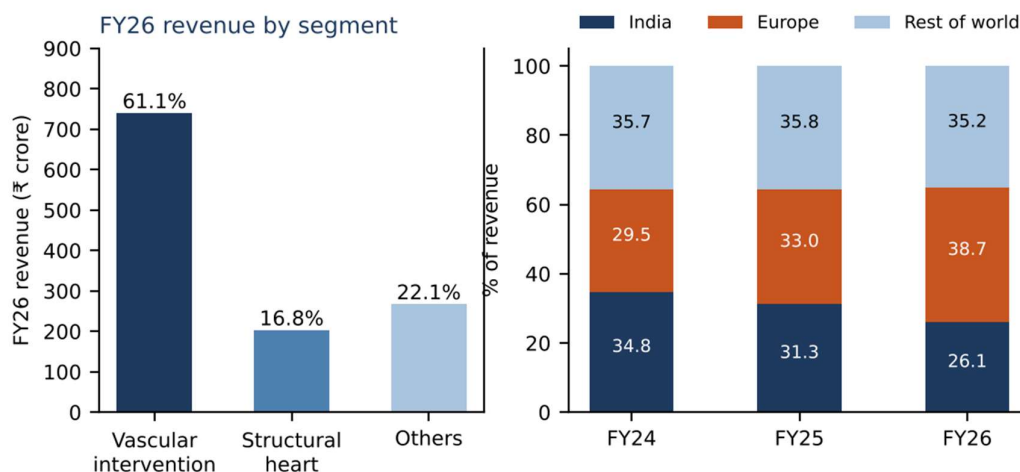
Others. Mostly devices SMT buys and resells through its own sales network — such as imaging catheters under its Philips and Insight Lifetech partnerships — plus its Renofit kidney-artery stent and Peripherics leg-artery balloon. The imaging catheters let a cardiologist see inside the artery before choosing a stent size, which is a reason for a hospital to keep SMT's salesperson in the room. This line grew 38.8% in FY26 and is the least protected: a distributor's margin on someone else's product. If a partner withdraws the product, SMT loses the revenue overnight; nothing proprietary protects it.



Revenue and EBITDA margin, FY24–FY26. Source: RHP pp. 71, 136.

How the money is actually made

Orders come from hospital cath labs and government tenders, through three routes: direct sales teams in six European countries, hybrid own-team-plus-distributor models in 20 countries including India, and pure distributors in 39. Revenue is recurring rather than project-based, which is the single most useful thing to know about this business: every procedure consumes new devices, so there is no order book in the project sense. No single customer accounts for 10% of revenue, and the ten largest countries gave 78.8% of FY26 revenue. Customers are given 85–105 days of credit; India receivable days improved from 88 to 83 over FY24–FY26. Iran, Russia and Turkey together gave 6.3% of FY26 revenue, which carries sanctions exposure.



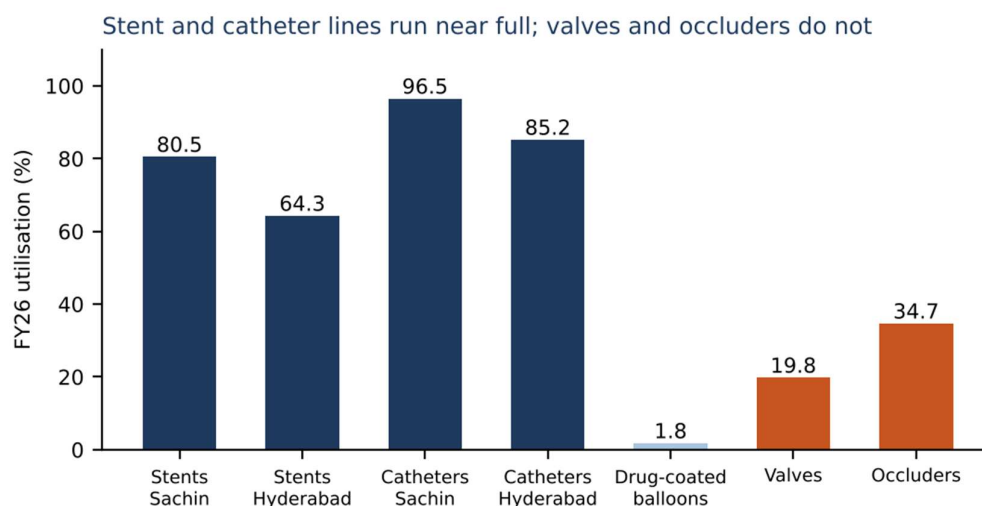
FY26 revenue by segment, and revenue by geography FY24–FY26. Source: RHP pp. 136–137, 250–251, 362.

The geographic shift is the story of the last two years. India fell from 34.8% to 26.1% of revenue, Europe rose from 29.5% to 38.7% and the rest of the world held near 35%. Europe added about ₹202 crore of revenue over the two years; India added about ₹2.5 crore. Structural heart rose from 12.3% to 16.8% of revenue as the number of countries with sales went from 56 to 77.

The physical shape of the company

Three plants. Sachin SEZ in Surat makes stents, balloon catheters and drug-coated balloons on a leased SEZ plot to 2033, renewable. A larger owned facility in the Sultanpur medical device park near Hyderabad makes stents and catheters, with valve and occluder lines installed but not yet producing; about a third of its area is in use. Nonthaburi in Thailand makes the heart valves and occluders on a lease to 2028 that renews automatically. The company employs 1,605 people full time plus 707 on contract, and runs R&D centres in Surat and Thailand with 156 staff; R&D is 8.6% of revenue. Revenue per full-time employee was about ₹80 lakh in FY26. Imports made up 77% of purchases in FY26 and 84% in Q1 FY27 — metal tubing, polymers and drug powders from Germany, China, the Netherlands and Ireland.

Utilisation shows where the capacity is. Stent and catheter lines run near full — Sachin stents at 80.5% and catheters at 96.5%, Hyderabad stents at 64.3% and catheters at 85.2% — while drug-coated balloons ran at 1.8%, valves at 19.8% and occluders at 34.7%. The valve and occluder plants were built ahead of demand; the stent plants are what earn today's revenue.



Capacity utilisation by product line, FY26. Source: RHP pp. 259, 271, 273–274, 286–287.

Not to be confused with Sahajanand Technologies Private Limited, the promoter-group company also founded by Dhirajlal Kotadia, which sold SMT the lease on its Surat SEZ factory for ₹10 crore and still supplies small amounts of capital goods. It is a related party, not the issuer.

How it got here

Revenue grew 13.7% in FY25 and 18.1% in FY26 to ₹1,210.5 crore, a two-year compound rate of 15.9%, and it is organic: the last acquisitions were in 2019–20. EBITDA rose from ₹110.0 crore to ₹170.7 crore and the margin from 12.2% to 14.1%. The growth is price and mix rather than volume: stent output rose from 6.64 lakh units in FY24 to 7.05 lakh in FY26 — about 3% a year — while vascular-intervention revenue grew 9.4% a year, so roughly two-thirds of that growth came from more stents sold in Europe, where there is no cap, and fewer in India, where there is. Profit is new: FY24 was a loss of ₹7.4 crore, FY25 earned ₹25.2 crore and FY26 ₹69.1 crore.

3. What makes it different — and where it doesn't

The company advances four claims. They do not all survive equally.

Clinical evidence is a real barrier in Europe. Frost & Sullivan credits SMT with the world's first CE mark — the European safety approval — for a paclitaxel-eluting stent with a dissolving polymer (Infinium, 2005). The company has 75 clinical studies, 66 completed and 9 ongoing, including *Lancet*- and *NEJM*-published trials, and 119 patents. A competitor would need five to seven years and randomised trials of 1,500-plus patients to match the European evidence base. Verdict: real barrier in Europe; in price-capped India it counts for far less.

Scarcity is real, but it is a listing point, not a moat. This is the only Indian maker of Class III cardiovascular implants — the highest-risk category of medical device — coming to market, with roughly a quarter of Indian drug-eluting stent volumes and a top-five rank in Germany, Spain, Poland and Brazil. That leadership is true of stents only, not of the whole company, and Abbott Vascular, Boston Scientific, Medtronic, Teleflex, Biosensors and Terumo together hold more than 90% of the global market. Verdict: a head start in a narrow footprint.

Structural heart is the most interesting capability and the least proven. Frost & Sullivan sizes India's TAVI market at US\$33 million in 2025, growing 23.4% a year to 2030, against 6.3% for coronary stents. SMT sells valves in 35 countries and occluders in 50 and has spare capacity to grow into without new capex. But Meril Life Sciences, Abbott, Medtronic and Edwards all compete, valve utilisation is 19.8%, and the Hydra and Cocoon products rely on transitional European certificates. Verdict: too early to call.

The "Others" line is not differentiated at all. About a fifth of revenue is a distributor's margin on partners' products. No barrier, no technology, no lock-in.

The competitor's view

A well-briefed rival would say this: SMT has real trial evidence in European stents and I cannot match it quickly. But it is price-capped and flat in India, 74% of its revenue is earned abroad, so its growth depends on winning tenders against Abbott and Boston Scientific in a stent market growing 0.3% a year. Its valve and occluder factories are a fifth to a third full, only one of its products holds the new European certificate, and it turned profit into cash at 54 paise per rupee. Net debt has more than doubled since March 2024.

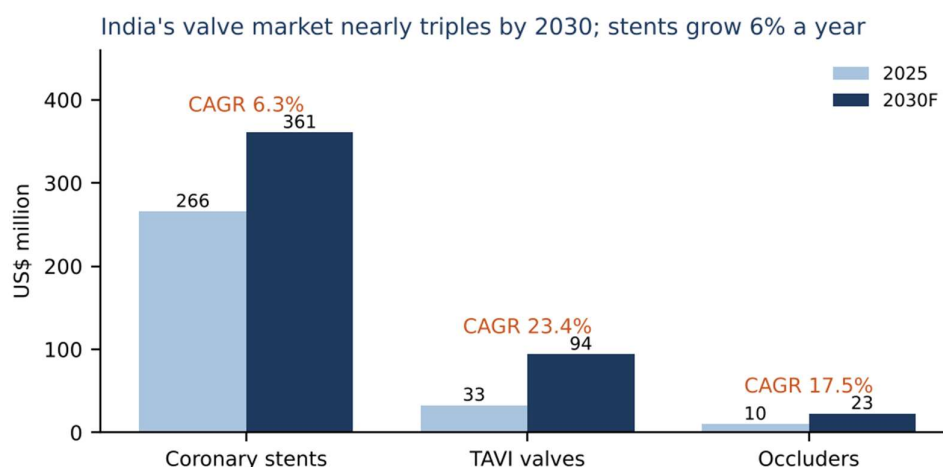
The honest summary

Roughly 61% of revenue — stents and balloons — rests on genuine clinical evidence that is protected in Europe and neutralised by the price cap in India. About 17% — valves and occluders — is the growth engine, growing a third a year but on factories that are mostly empty and certificates that expire on 31 December 2027. About 22% is ordinary intermediation. The strategic question is not whether the technology is real. It is whether the 17% can fill its plants and the 61% can turn profit into cash.

4. The industry

Frost & Sullivan, in the industry study commissioned for this offer, values the global coronary stent market at US\$4.8 billion in 2025, growing 5.7% a year to 2030; India is US\$266 million growing 6.3%, while the EU is flat at 0.3%. Structural heart is the faster pool: global TAVI is US\$6.9 billion growing 6.3%, and India's TAVI market of US\$33 million is expected almost to triple by 2030. Against India's nominal GDP, which Frost & Sullivan expects to grow about 9.5% a year in dollar terms over 2025–2030, Indian stent value growth of 6.3% is below-economy — the price cap holds value growth close to volume growth — while valves and occluders grow at two to two-and-a-half times GDP.

What creates demand is physical. India had about 650 cath labs in 2015 and more than 2,500 by 2023, adding 200–250 a year, yet still has only 1.8 per million people against 10.1 in Germany. Each new lab in a tier-2 city is a new stent customer. Abbott Vascular, Boston Scientific, Medtronic, Teleflex, Biosensors and Terumo together hold more than 90% of the global drug-eluting stent market; SMT is one of the challengers with a narrower footprint, alongside MicroPort and Meril.



India market size, 2025 and 2030F. Source: Frost & Sullivan, as reproduced in RHP pp. 199, 220, 230.

India market (US\$ million)	2025	2030F	CAGR
Coronary stents	265.9	360.9	6.3%
TAVI valves	33.0	94.3	23.4%
Occluders	10.3	23.0	17.5%
Cath labs per million (India vs Germany)	1.8	10.1	—

Source: Frost & Sullivan, *Independent Market Research on Cardiovascular Devices Market* (30 September 2026), as reproduced in RHP pp. 199, 220, 230. The cath-lab row compares India (1.8) with Germany (10.1).

Two rules matter most. In India, the NPPA ceiling of ₹39,186 per drug-eluting stent (effective 1 April 2026, a 0.65% inflation adjustment) caps realisations and distributor margins; SMT shares any cut with its distributors. In Europe, the EU Medical Device Regulation requires fresh certification of every implant: Supraflex Cruz holds MDR certificates, but Pipit

balloons, Hydra valves and Cocoon occluders rely on transitional certificates valid to 31 December 2027. On the support side, the Department of Pharmaceuticals' import-substitution scheme (MISRID) has sanctioned ₹11.6 crore of reimbursable grants to SMT for making tubing, drug powders and a new heart-appendage closure device in India.

India imported ₹94,664 crore of medical devices in FY26 against exports of ₹28,106 crore — roughly 3.4 rupees in for every rupee out. SMT mirrors the country: it is a net exporter of finished implants but imported 77% of its own raw-material purchases in FY26. A weaker rupee therefore lifts its revenue more than its costs; the ₹62.4 crore currency-translation gain booked in FY26 other comprehensive income shows how much the euro's rise has flattered the rupee value of its European arm.

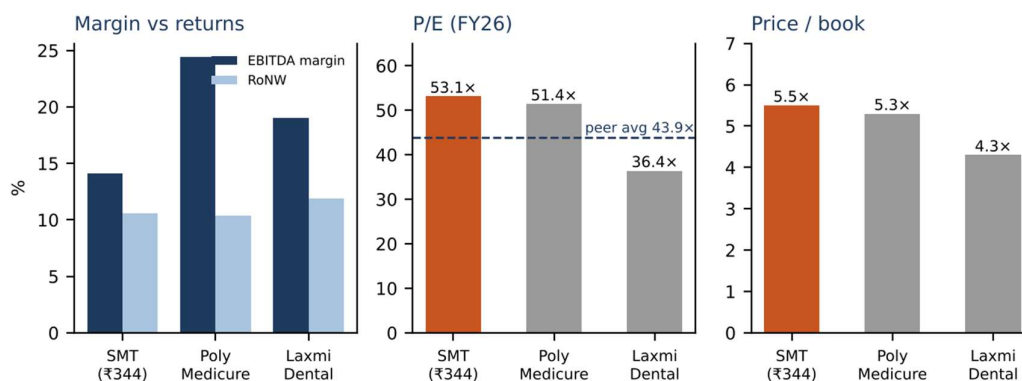
Europe — now SMT's largest region — is a 0.3%-growth stent market. Growth there depends entirely on taking share from Abbott and Boston Scientific in tenders, not on the market expanding.

Verdict: a tailwind in Indian structural heart, neutral in stents. Most of SMT's growth depends on taking share abroad rather than on the market growing.

5. Peer comparison

FY26	Revenue (₹ crore)	EBITDA margin	RoNW	P/E (6 Oct 26)	P/B	Comparable on...
Sahajanand Medical (at ₹344)	1,210.5	14.1%	10.6%	53.1x	5.5x	—
Poly Medicure	1,875.3	24.4%	10.4%	51.4x	5.3x	Export-led Indian medtech and disposables; not implants
Laxmi Dental	277.9	~19%	11.9%	36.4x	4.3x	Listed medtech, dental, domestic and smaller
Peer average				43.9x		

Source: RHP pp. 134–135 (prices as of 6 October 2026); P/B = closing price ÷ NAV per RHP. EBITDA margins: Poly Medicure FY26 results disclosure; Laxmi Dental from its FY26 quarterly filings (approximate). EV/EBITDA for peers is not presented because borrowings are not disclosed in the RHP peer table.



FY26 margin, returns, P/E and price-to-book against the company's listed peers. Source: RHP pp. 134–135; SMT multiples at the ₹344 cap are our calculation.

The peer set is imperfect. The RHP's peer table contains no listed cardiovascular-implant maker — the Indian competitors it names, such as Meril Life Sciences, are not in it — and global stent makers trade in other markets, so the comparison is directional.

SMT has 65% of Poly Medicure's revenue, ten points less EBITDA margin and similar returns on equity, at a slightly higher P/E. The margin gap is structurally explicable: SMT runs direct sales teams and clinical trials across six European countries and spends 8.6% of revenue on R&D, and its Indian product is price-capped. That is the cost of selling implants on evidence rather than disposables on volume.

The maths. Market value at the cap is 10,16,46,778 shares × ₹344 = ₹3,496.6 crore (₹3,323.8 crore at the floor). P/E is ₹344 ÷ ₹6.48 = 53.1 times diluted (51.6 times on basic EPS of ₹6.67; 50.5 times at the floor). Enterprise value adds FY26 net debt of ₹191.1 crore and ₹6.8 crore of minority interest: ₹3,694.6 crore, or 21.6 times FY26 EBITDA of ₹170.7 crore. Price to book is ₹344 ÷ ₹62.76 NAV = 5.5 times; price to sales is 2.9 times.

At 53.1 times the issue prices at a 21% premium to the 43.9 times peer average, but only a 3% premium to Poly Medicare at 51.4 times — the one listed Indian medtech the market already rewards for export-led growth. That is a fair, not a cheap, price: the listing case rests on scarcity, the ₹365 reference price and a tight float rather than on a valuation gap. On fundamentals, 53 times for a 10.6% return on net worth and 54% cash conversion is full. Two items flatter FY26 earnings: the ₹8.7 crore tax write-back (13% of PAT) and a lower-than-normal tax charge. Excluding the write-back, attributable profit is ₹56.6 crore and the cap-price P/E rises to about 61 times.

6. Issue size and use of funds

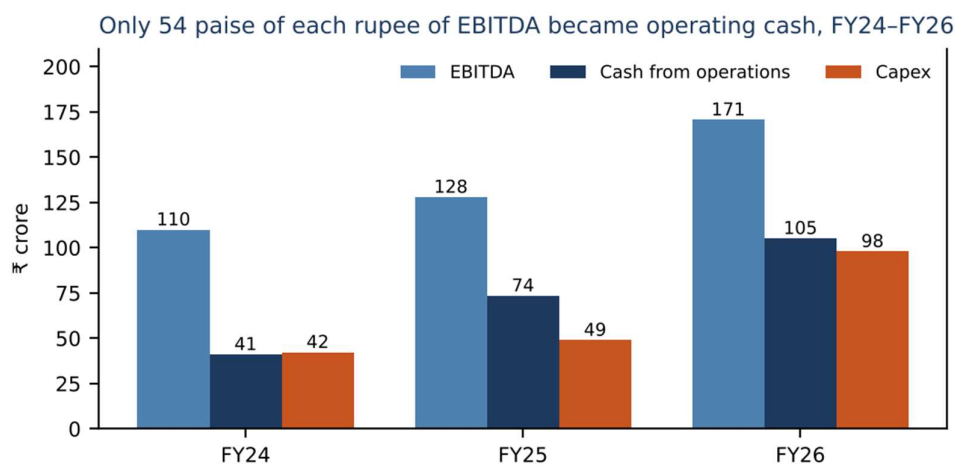
Object	₹ crore (at cap)	% of offer	Shares (lakh)	Cost per share	Multiple at cap
Offer for sale — Samara Capital	222.9	46.9%	64.8	₹46.40	7.4×
Offer for sale — Shree Hari Trust (promoter)	92.9	19.5%	27.0	₹13.45	25.6×
Offer for sale — D.S. Vasoya (promoter group)	68.8	14.5%	20.0	₹0.63	~546×
Offer for sale — NHPEA Sparkle	45.9	9.7%	13.4	₹97.58	3.5×
Offer for sale — Kotak Pre-IPO Fund	45.0	9.5%	13.1	₹262.46	1.3×
Total — nil to the company	475.5	100%	138.2		

Source: RHP pp. 1, 131. Amounts = shares offered × ₹344, before offer expenses borne by the sellers. Multiple at cap = ₹344 ÷ cost per share, our calculation.

Of the ₹475.5 crore headline, not one paisa reaches the company; all 100 paise go to the selling shareholders, after they bear the offer expenses. There is no capex, debt repayment, general corporate purpose or acquisition fund, and so no monitoring agency. The stated objects are listing benefits and liquidity for existing holders. The SEBI requirement that 75% of project funding be tied up in advance does not apply, because there is no project. Nothing routes to a subsidiary or a promoter entity — except the promoter trust's own sale proceeds.

What the sellers take home tells its own story. Shree Hari Trust's cost is ₹13.45 a share (25.6 times), Samara's ₹46.40 (7.4 times), NHPEA's ₹97.58 (3.5 times) and Kotak's ₹262.46 — a weighted 1.3 times on shares it bought at ₹236–269 in 2023, hardly a seller's price. The two private-equity backers are two of the five sellers, reducing stakes that give the company its governance pedigree. The promoters are not exiting: holding including the promoter group falls from 40.82% to 36.20%, nothing is pledged, and the offer creates a free float of 13.6%. At ₹475 crore against a ₹3,497 crore market value, the issue is small, and the retail book is ₹163 crore. With 86% of shares in promoter, PE and long-term hands, post-listing supply is thin — a mechanical support for the listing, not for the business.

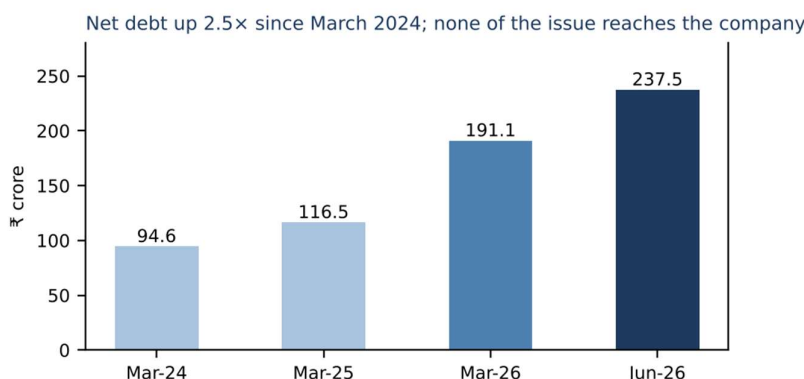
The company's growing debt stays on its own balance sheet. Because the offer raises no fresh capital, pre- and post-issue leverage are the same: debt to equity of 0.45 at June 2026 and net debt of about 1.2 times annualised EBITDA, with interest covered 4.3 times by operating profit. Gross borrowings were ₹320.6 crore at June 2026, up from ₹175.3 crore at March 2024, and CRISIL's rating has stayed at BBB+ for three years.



EBITDA, operating cash flow and capital expenditure. Source: RHP pp. 72, 136, 431–432.

Cash from operations was 37%, 57% and 62% of EBITDA in FY24–FY26 — ₹220 crore against ₹409 crore of EBITDA over three years — and turned negative at ₹22.2 crore in Q1 FY27 as inventory and receivables rose ₹36 crore in a quarter. The

gap is working capital and ₹84 crore of tax paid. Three years of free cash flow total ₹30.6 crore against reported PAT of ₹87 crore. Capex doubled to ₹98.0 crore in FY26 for the Hyderabad build-out, and borrowing funds the gap.



Net debt, March 2024 to June 2026. Source: RHP pp. 70, 136, 416.

7. What we would want answered

#	The question	What the documents show
1	Why does cash not follow profit?	Cash from operations was ₹41.1 crore, ₹73.5 crore and ₹105.2 crore in FY24–FY26 against EBITDA of ₹110.0 crore, ₹128.0 crore and ₹170.7 crore — 54% over three years — and was negative ₹22.2 crore in Q1 FY27 (RHP p. 72). Inventory is 93 days of revenue, net working capital 138 days, and ₹50.2 crore of receivables are fully provided (pp. 136–137, 362). Why it matters: the P/E is struck on profit the company has not yet turned into cash, and a pure offer for sale brings no new capital. What would settle it: a quarterly working-capital bridge and inventory ageing by product.
2	Which Notified Body is reviewing Hydra and Cocoon, and at what stage?	Only Supraflex Cruz holds EU MDR certificates; Pipit, Hydra and Cocoon rely on transitional certificates valid to 31 December 2027 (pp. 21–22, 424). Europe is 38.7% of revenue (p. 251). Why it matters: a delay would halt sales of the affected products in the company's largest region, and the valves are the growth engine. What would settle it: the application status and expected certificate dates for each product.
3	How much of the FY26 Europe growth came from currency?	Europe went from 29.5% to 38.7% of revenue over FY24–FY26, adding about ₹202 crore, and a ₹62.4 crore currency-translation gain was booked in FY26 other comprehensive income (pp. 71, 251). 74% of revenue is earned outside India while 77% of purchases are imported (pp. 258, 276). Why it matters: a euro reversal would reverse part of FY26's growth. What would settle it: Europe growth in constant currency.
4	Why do two sets of figures give different utilisation for the valve and occluder lines?	The business discussion in the RHP gives FY26 utilisation of 19.8% for valves and 34.7% for occluders (pp. 260, 274), while the facility table for Nonthaburi, the Thai plant, shows 59.5% and 48.6% (pp. 273, 286–287); Hyderabad shows nil for these lines. Why it matters: the answer decides whether the structural-heart growth engine has spare capacity or a plant that is already over half used. What would settle it: the definition and basis of each computation, plant by plant.
5	Who received the FY24 and FY25 donations?	The board approved, and shareholders ratified at EGMs, donations of ₹6.3 crore in FY24 and ₹17.3 crore in FY25 — the latter equal to 69% of that year's PAT; the restated accounts do not name the recipients (p. 372). Why it matters: it is a large discretionary outflow in a year of thin profit. What would settle it: a list of recipients and the approving resolutions.
6	What is the exposure from tax claims and sales-channel investigations?	Direct and indirect tax claims against the company and subsidiaries total ₹139.0 crore (p. 455), against contingent liabilities of ₹10.8 crore (p. 73); an income-tax search in June 2022 led to ₹28.9 crore of earlier-year tax in FY24. The CBI Anti-Corruption Cell (January 2026) and Delhi Police (2025) sought records of stent supplies to RML Hospital, Delhi, through distributors, in investigations against third parties; SMT is not named as accused (pp. 450–451). Why it matters: claims are a multiple of the provision, and sector-wide scrutiny of stent procurement touches the sales channel. What would settle it: the status of each claim and the basis for the provisioning.

Source: RHP pages as cited in each row.

None of these is an allegation. Each is a gap between two disclosures that the company is in a position to close in a sentence. Set against them, several things that often go wrong in a first-time issue are clean here: the statutory auditor recorded no qualification and no emphasis of matter from FY24 through Q1 FY27; nothing is pledged; no single customer accounts for more than 10% of revenue; the board has three independent directors and a chairperson with 38 years in medical devices; and the offer is by existing holders, so no proceeds are routed to a subsidiary or a promoter entity other than the sellers themselves.

The three that matter most

- **Cash conversion.** A quarterly working-capital bridge would show whether the 54% three-year conversion and the negative Q1 FY27 are timing or structure. Nothing else moves the quality of the earnings base this much.
- **The EU MDR certificates.** The application status for Hydra, Cocoon and Pipit settles whether the structural-heart engine and the European growth run into the 31 December 2027 wall.
- **The currency contribution to Europe.** Constant-currency growth would separate what the company has won in tenders from what the euro has added.

8. Bottom line

Two things have to go right. Cash has to follow profit: cash from operations above 70% of EBITDA for two consecutive quarters, against 62% in FY26 and negative in Q1 FY27, would turn a growing earnings base into a funded one. And the structural-heart franchise has to fill its plants and win its European certificates — valve utilisation of 19.8% and occluders at 34.7% mean that every incremental unit sold from capacity already built drops through at the company's 75.7% gross margin without new capital.

Two things would break it. The European certificate wall: Hydra, Cocoon and Pipit rely on transitional certificates that lapse on 31 December 2027, and Europe is now 38.7% of revenue. And India stays flat: every drug-eluting stent is capped at ₹39,186, any extension of capping to balloons, valves or occluders would hit the products the company is growing, and India revenue has not grown in two years. Net debt, which has risen every year and which this offer does nothing to reduce, makes both risks harder to carry.

Five things to watch after listing, with the number that settles each:

- Cash conversion. CFO/EBITDA above 70% in the half-year to September 2026 and in full-year FY27 confirms the quality of earnings; staying near 62% or below says profit is being absorbed by working capital.
- Net debt. At or below ₹191 crore (March 2026) by March 2027, against ₹237.5 crore at June 2026, says leverage has stopped rising.
- EU MDR transition. Certificates announced for the Hydra TAVI and Cocoon occluders before June 2027, ahead of the 31 December 2027 deadline.
- Structural-heart scale-up. Revenue above ₹250 crore in FY27 (FY26: ₹203 crore) and TAVI utilisation above 30%.
- India revenue. Above ₹330 crore in FY27 would break two years of stagnation at ₹316–321 crore.

Questions we would put to management: what share of FY26 Europe growth came from currency; which Notified Body is reviewing Hydra and Cocoon, and at what stage; and who received the FY25 donations.

On price, ₹327–344 is full, not cheap. At the cap the company is 53.1 times FY26 diluted earnings and 21.6 times FY26 EBITDA — a 21% premium to the 43.9 times peer average but only 3% above Poly Medicure — on a 10.6% return on net worth and 54% cash conversion. Three things carry the listing case: the cap is 5.8% below the ₹365 at which sophisticated investors bought in 2025, the multiple sits within 3% of the market's preferred listed medtech, and the offer floats only 13.6% of the company with retail at ₹163 crore. Against it, FY26 is the first year of meaningful earnings after a FY24 loss, profit has not yet become cash, and the price leaves no room for an earnings miss after listing. The band prices in a version of SMT that converts profit into cash and fills its valve plants; that version may arrive, but it has not yet.

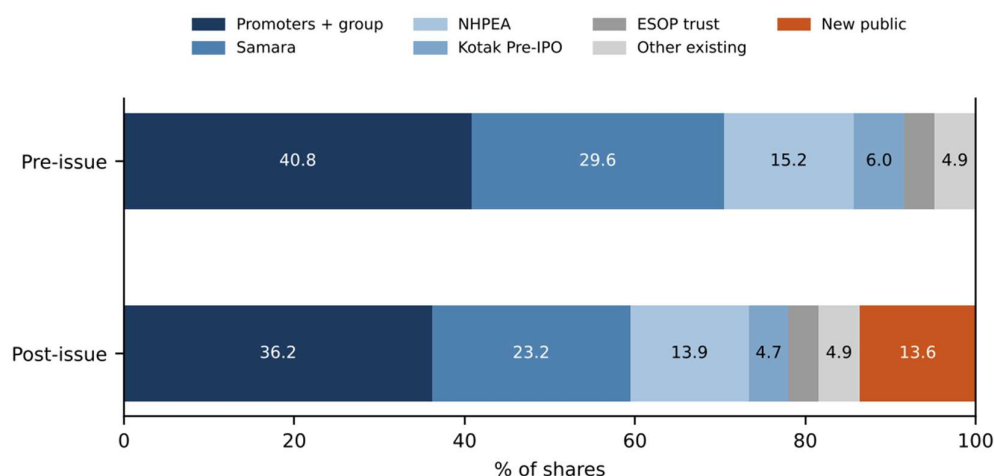
Rating: SUBSCRIBE — FOR LISTING GAINS. For investors comfortable exiting on or near 23 October. For the long-term investor: do not hold through listing on this note's case; revisit after the March 2027 results if cash from operations has run above 70% of EBITDA for two consecutive quarters and the Hydra and Cocoon EU MDR certificates are in hand, ideally at a lower multiple. This does not suit anyone seeking a multi-year compounder at 53 times earnings or who needs cash generation to match reported profit.

Prepared from the Red Herring Prospectus dated 9 October 2026, Frost & Sullivan's industry study as reproduced in the RHP, the National Pharmaceutical Pricing Authority, India Sea Trade News, company filings of listed peers and other publicly available information, as attributed. No target price is expressed; the rating is a subscription call only. Grey-market premia are unofficial, unregulated and excluded from this note.

Annexure A — Shareholding pattern

Shareholder	Pre-issue shares	Pre-issue %	Post-issue %	Selling?
Promoters (Shree Hari Trust, Bhargav Kotadia)	3,73,14,589	36.71%	34.05%	Yes — 27.0 lakh
Promoter group (incl. D.S. Vasoya)	41,77,911	4.11%	2.14%	Yes — 20.0 lakh
Samara Capital Markets Holding	3,00,97,558	29.61%	23.24%	Yes — 64.8 lakh
NHPEA Sparkle Holding B.V.	1,54,93,088	15.24%	13.93%	Yes — 13.4 lakh
Kotak Pre-IPO Opportunities Fund	60,75,547	5.98%	4.69%	Yes — 13.1 lakh
SMT ESOP Trust	35,15,335	3.46%	3.46%	No
Other existing (incl. Ashish Kacholia, RBA Finance, Plutus, Alchemy)	49,72,750	4.89%	4.89%	No
New public (offer)	—	—	13.60%	—
Total	10,16,46,778	100.00%	100.00%	

Source: RHP pp. 111, 119–121. Post-issue computed on 10,16,46,778 shares, unchanged because there is no fresh issue; percentages indicative pending basis of allotment.



Promoters keep 36% and the two PE funds still hold 37% after the sale. Source: RHP pp. 111, 120–121. Promoters shown including promoter group; the PE funds are Samara and NHPEA, with Kotak Pre-IPO Fund shown separately.

Annexure B — Financial statements

Key financials and profit and loss

₹ crore	FY24	FY25	FY26	Q1 FY27 / 2-yr CAGR
Revenue from operations	901.6	1,024.9	1,210.5	351.7 · 15.9%
Growth	—	13.7%	18.1%	
Gross profit (after materials)	669.8	774.5	916.5	17.0%
Gross margin	74.3%	75.6%	75.7%	
EBITDA	110.0	128.0	170.7	24.5%
EBITDA margin	12.2%	12.5%	14.1%	13.8% (Q1)
Adjusted EBITDA (pre-ESOP cost)	111.6	131.7	177.6	
Depreciation & amortisation	64.5	62.5	74.2	
Finance costs	19.4	20.7	24.4	
PBT (after exceptional)	33.1	40.8	80.3	
Tax	40.4	15.7	11.2	

₹ crore	FY24	FY25	FY26	Q1 FY27 / 2-yr CAGR
PAT	(7.4)	25.2	69.1	15.1 (Q1)
PAT margin	(0.8%)	2.5%	5.7%	
PAT attributable to owners	(12.8)	20.4	65.3	
Diluted EPS (₹)	(1.31)	2.01	6.48	1.45 (not annualised)
Return on equity	(2.3%)	3.7%	10.4%	2.1% (not annualised)
Net debt / EBITDA (x)	0.86	0.91	1.12	—

Source: RHP pp. 71, 136, 373, 415, 431. Q1 FY27 = three months to 30 June 2026. FY24 tax includes ₹28.9 crore for earlier years; FY25 includes a ₹15.0 crore exceptional charge (diligence fees and CEO severance); FY26 tax includes an ₹8.7 crore write-back of earlier-year provisions. Adjusted EBITDA adds back share-based payment cost.

Balance sheet

₹ crore	Mar-24	Mar-25	Mar-26	Comment
Net worth (total equity)	566.3	590.5	702.3	FY26 includes ₹62.4 crore currency gain
Total borrowings	175.3	225.0	269.5	₹320.6 crore by Jun-26
Lease liabilities	25.3	28.7	36.5	
Cash and equivalents	71.7	100.5	74.1	
Net debt (company definition)	94.6	116.5	191.1	₹237.5 crore by Jun-26
Property, plant & equipment	179.3	181.2	239.0	Hyderabad expansion
Goodwill & intangibles	89.5	77.3	67.9	From 2019–20 acquisitions
Inventories	252.3	266.9	309.1	93 days of revenue
Trade receivables (net)	215.2	263.5	286.3	₹50.2 crore more fully provided
Trade payables	82.1	104.0	110.5	
Total assets	970.6	1,094.9	1,276.4	

Source: RHP pp. 70, 136, 362.

The balance sheet is growing faster than profit. Inventory rose ₹57 crore and borrowings ₹94 crore in two years, while cumulative PAT was ₹87 crore. Inventory write-downs of ₹14.9–17.8 crore a year — the cost of stocking every stent size at every hospital — are a permanent feature, not a one-off. Receivables of ₹50.2 crore are fully provided as doubtful, 15% of gross receivables, and ₹18.6 crore was written off in FY26.

Cash flow

₹ crore	FY24	FY25	FY26	Comment
Cash from operations	41.1	73.5	105.2	Q1 FY27: (22.2)
Capital expenditure	(42.3)	(49.0)	(98.0)	Hyderabad build-out
Free cash flow	(1.2)	24.5	7.2	Three-year total ₹30.6 crore
Cash used in investing	(42.5)	(48.9)	(130.0)	Incl. ₹21.1 crore of equity investments
Cash from financing	13.1	5.8	(12.0)	Borrowing funds the gap

Source: RHP pp. 72, 431–432.

Ratios

Ratio	FY24	FY25	FY26	Direction
Return on equity	(2.3%)	3.7%	10.4%	Improving
Return on capital employed	8.1%	10.4%	11.6%	Improving
Debt to equity	0.31	0.38	0.38	Rising
Receivable days (company)	88	85	83	Improving
Inventory days (on revenue)	102	95	93	Improving slowly
Net working capital days	144	144	138	Heavy

Ratio	FY24	FY25	FY26	Direction
Gross fixed asset turnover	3.37×	3.49×	3.41×	Flat
R&D spend / revenue	9.0%	9.1%	8.6%	Steady

Source: RHP pp. 136–137, 255, 257; debt/equity computed from p. 70.

Annexure C — Promoters and management

Name	Role	Background
Bhargav Kotadia (36)	Promoter, MD & CEO	BSc, Purdue University; ~13 years in the company; MD since Dec 2022; ET 40 under Forty; FY26 pay ₹3.8 crore
Dhirajlal Kotadia (68)	Promoter, Chairman Emeritus (non-executive)	Diploma in electronics; founder; 22+ years with SMT; founder-chairman, Sahajanand Technologies
Priyanka Cohen (37)	Promoter, non-executive director	US-qualified litigator (DoJ Tax Division); director since July 2025
Jose Calle Gordo (65)	Chairperson, non-executive	38 years in medical devices; ex-CEO Biosensors International; Abbott Vascular, Guidant
Abhishek Kabra (45)	Non-executive (Samara nominee)	CA; partner and MD, Samara Capital
Harvinder Pal Singh (59)	Independent	President International, Integra LifeSciences; ex-Abbott, Guidant
Sonalika Dhar (46)	Independent	Global head strategic investments, UPL
Debasis Panigrahi (52)	Independent	Ex-Nomura investment banking
Amit Kumar Khandelia	CFO (since Feb 2024)	CA, CS
Board	8 directors	1 executive · 4 non-executive · 3 independent · 2 women

Source: RHP pp. 78, 312–315, 326.

The Kotadia family built SMT from a Surat partnership into a 77-country exporter; its other principal business is Sahajanand Technologies. This is the family's first listing. The promoters hold through Shree Hari Trust, a discretionary family trust whose protector committee is Bhargav and Priyanka; all three individual promoters are US citizens. Institutional discipline has come from Samara (since 2016) and NHPEA (since 2018), and from a chairperson with two decades at global stent companies. Those investor protections change at listing: under a waiver-cum-amendment agreement, the shareholders' agreement and the special rights in Part B of the Articles terminate on the day trading begins, so Samara's influence will rest on its 23% stake rather than on contractual rights. Employees hold a further 3.46% through the ESOP trust, and share-based pay cost ₹7.0 crore in FY26.

Behaviour around the issue is mixed. The promoter trust sells 27.0 lakh shares and the promoter group 20.0 lakh; nothing is pledged. The previous CEO, Ganesh Sabat, left in March 2025 with ₹19.3 crore of FY25 compensation including severance and ESOP perquisites. The registered office is leased from Dhirajlal Kotadia and D.S. Vasoya at ₹33.1 lakh a month with 3% annual escalation. The board approved, and shareholders ratified at EGMs, donations of ₹6.3 crore in FY24 and ₹17.3 crore in FY25, the latter equal to 69% of that year's PAT. A strong chairperson and two PE backers improve governance odds; they are not a balance-sheet backstop.

Annexure D — Key risks

- Cash does not follow profit.** Three-year operating cash was 54% of EBITDA and Q1 FY27 was negative ₹22.2 crore. Net debt rose from ₹94.6 crore to ₹237.5 crore in 27 months, and a pure offer for sale brings no new capital.
- The European certificate deadline.** Only Supraflex Cruz holds EU MDR certificates; Pipit, Hydra and Cocoon rely on transitional certificates valid to 31 December 2027. Europe is 38.7% of revenue. A delay would halt sales of the affected products there.
- Price control in India.** Every drug-eluting stent SMT sells in India is capped at ₹39,186 under the Drugs (Prices Control) Order; any extension of capping to balloons, valves or occluders would hit the products it is growing. India revenue has been flat for two years.
- Investigations touching the sales channel.** The CBI Anti-Corruption Cell (January 2026) and Delhi Police (2025) issued information notices seeking SMT's records of stent supplies to RML Hospital, Delhi, through distributors, in investigations against third parties. SMT is not named as accused; sector-wide scrutiny of stent procurement is the risk.

5. **Tax claims far exceed provisions.** Direct and indirect tax claims against the company and subsidiaries total ₹139.0 crore, against contingent liabilities of ₹10.8 crore. An income-tax search in June 2022 led to ₹28.9 crore of earlier-year tax in FY24.
6. **Credit and inventory leakage.** ₹50.2 crore of receivables are fully provided as doubtful — 15% of gross receivables — and ₹18.6 crore was written off in FY26. Inventory write-downs run at ₹15–18 crore a year.
7. **Under-used valve and occluder capacity.** Valve and occluder lines ran at 20% and 35% in FY26, and the Thai valve subsidiary lost ₹12.0 crore. The parent company was loss-making on a standalone basis in FY24 and FY25.
8. **Sanctions and currency.** Iran, Russia and Turkey were 6.3% of FY26 revenue (4.7% from Iran alone in FY25), and 74% of revenue is earned outside India. A reversal in the euro would reverse part of FY26's growth.
9. **Valuation.** At 53.1 times trailing earnings — about 61 times excluding the FY26 tax write-back — the price leaves no room for an earnings miss after listing.

Source: RHP pp. 21–22, 29, 34, 50, 72, 73, 134, 136, 258, 274, 362, 372, 450–451, 455.

Annexure E — Disclosures

About the Research Analyst

Krijuna Research and Analytics (hereinafter referred to as the "Research Analyst" or "RA") is a registered SEBI Research Analyst under the SEBI (Research Analysts) Regulations, 2014, having Registration No. INH000014881. Below are the brief details:

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