

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	25694	25000	26000	25804	25254	25200-25981	Buy only above 25800. Targets at 26300/26500. Aggressive targets at 26750. Stop at 25300.
BANK NIFTY	60121	58200	61700	59441	56970	58900-61200	Buy at CMP. Targets at 60300/61700. Aggressive targets at 63000. Stop at 57500.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
SYRMA SGS TECHNOOGIES	869	611	1071	742	704	Positive	Founded / Incorporation: 2004. Syrma SGS Technology Ltd. is a leading Electronics Manufacturing Services (EMS) and electronics systems design & manufacturing firm in India, specialising in printed circuit board (PCB) assembly, radio frequency identification (RFID), electromagnetic components, and box-build services with a diversified customer base across automotive, industrial, consumer, railways, med-tech and aerospace verticals — both domestically and internationally. Union Budget 2026 significantly increased the Electronics Component Manufacturing Scheme (ECMS) outlay to ₹40,000 crore — nearly doubling support for the domestic electronics and semiconductor ecosystem. Q3 FY26: Strong quarter with robust growth across key metrics: Revenue: ~₹1,274 crore, up ~45% YoY from ~₹891 crore in Q3 FY25. PAT: ~₹110 crore, up ~108% YoY. Order book: ~₹6,400 crore. Look to buy at CMP, and on dips between 700-725 zone, targeting 907/1071, and then aggressive targets at 1350-1400 zone. Stop below 611. Holding Period 15-18 Months.

SYRMA SGS TECHNOLOGY: A core beneficiary of Budget 2026's electronics and semiconductor ecosystem push.

SYRMA SGS TECHNOLOGY	BUY
CMP	869
Target Price	1401
Stop	611
52 Week H/L	909.50/355
P/E	55.70
EPS (TTM)	11.43
Promoter Holding/FIIs/DIIs/FIIs/Public	42.98%/7.06%/16.64%/33.28%
Book Value	146
Market Cap (INR)	16749

Company Overview

- Founded / Incorporation: 2004. Syрма SGS Technology Ltd. is a leading Electronics Manufacturing Services (EMS) and electronics systems design & manufacturing firm in India, specialising in printed circuit board (PCB) assembly, radio frequency identification (RFID), electromagnetic components, and box-build services with a diversified customer base across automotive, industrial, consumer, railways, med-tech and aerospace verticals — both domestically and internationally.
- The company is investing in expanded PCB and CCL manufacturing capacity, including a planned facility in Andhra Pradesh to become one of India's largest integrated PCB/CCL hubs.

Key Strengths & Competitive Advantages

- The Union Budget 2026 significantly increased the Electronics Component Manufacturing Scheme (ECMS) outlay to ₹40,000 crore — nearly doubling support for the domestic electronics and semiconductor ecosystem.
- Syrma's planned ₹1,800 crore investment for India's largest PCB/CCL unit in Andhra Pradesh (expected commissioning FY27) positions it well to capture both domestic and export opportunities as India deepens its EMS value chain.
- Global OEMs are increasingly diversifying supply chains away from China. Syрма's capabilities, especially in PCBs and specialised EMS, have drawn interest from German, Japanese and other international firms, pointing to export growth potential. End-to-End EMS Capability: Design, prototyping, PCBA, box build, testing — enabling clients to outsource more of the value chain.
- Diverse End Markets: Presence across industrial, automotive, medical, consumer — reduces revenue concentration risk.
- Scale & Manufacturing Infrastructure: 14 plants across India — allows capacity flexibility, proximity to clients, and operational scale.
- Strong Balance Sheet / Growth Initiatives: The company is raising capital (QIP) to fund expansion / new capacity.

Risks & Challenges

- Revenue Volatility / Cycle Sensitivity: EMS is sensitive to global demand cycles, supply chain disruptions, semiconductor shortages.
- Margin Pressure: High competition, cost escalation (raw materials, components, logistics) can compress margins.
- Execution Risk in Scale-up: New capacity, AI integration, and scaling operations can have delays, defects or ramp-up issues.
- Dependence on Key Clients / Contracts: Client concentration or loss of major OEM contracts can hurt revenues.

Q3 FY26 Results Snapshot: Strong quarter with robust growth across key metrics:

- Revenue: ~₹1,274 crore, up ~45% YoY from ~₹891 crore in Q3 FY25.
- EBITDA: ~₹159 crore, up ~101% YoY from ~₹79 crore.
- PBT: ~₹138 crore, up ~108% YoY.
- PAT: ~₹110 crore, up ~108% YoY.
- Exports: ₹335 crore, up ~66% YoY.
- Gross margin: ~27.4% (improved).
- Net cash: ~₹404 crore on books.
- Order book: ~₹6,400 crore.

Technical Outlook: The recent sequence of higher high/low is intact in all time frames with bullish a probable 'bullish Flag' pattern break on the monthly charts. The 200-DMA of the stock is around 704 levels and will act as major support.

Preferred Strategy: Look to buy at CMP, and on dips between 700-725 zone, targeting 907/1071, and then aggressive targets at 1350-1400 zone. Stop below 611. Holding Period 15-18 Months.

Daily Chart of SYRMA :



Mehta Equities

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