

Syrma SGS Technology | BUY

A quarter of several positives

Syrma SGS reported a strong 2Q performance, beating our and consensus estimates. It retained its FY26E revenue growth guidance of 30% and is confident of surpassing its EBITDA margin guidance of 8.5-9% (1H EBITDA margin at 9.7%). Marking a foray into manufacturing of defence and maritime equipment, it announced the acquisition of a 60% stake in Elcome Integrated Systems. Syrma SGS will acquire Elcome for a consideration of INR 2.4bn, of which Elcome will utilise INR 500mn to acquire a 100% stake in Navicom Technology. On a consolidated basis, Elcome and Navicom reported revenue of INR 2.1bn in FY25, and revenue and EBITDA margin of INR 1.5bn and 17.7% respectively in FY24. With government approvals now in place, the PCB manufacturing business is also progressing well for commencement by 4QFY27, as indicated earlier. Our FY26-28E EPS estimates see an upgrade of 0-3%. We maintain BUY with a PT of INR 1,000, at 45x Sep'27E EPS.

- **2Q results surprise positively:** 2Q revenue at INR 11.5bn, +38% YoY/+21% QoQ, was 7% ahead of our and consensus estimate. 2Q EBITDA at INR 1.2bn, +62% YoY/+33% QoQ, was 27% ahead of our estimate and 21% ahead of consensus. This was due to strong revenue growth and lower operating expenses. Gross margin expanded 60bps YoY, in line with expectations. EBITDA margin, at 10.1%, expanded 150bps YoY and was 160bps ahead of estimate of 8.4% and 120bps higher than consensus estimate of 8.9%. 2Q PAT, at INR 641mn, +77% YoY/+29% QoQ was a 21% beat on our estimate of INR 531mn and a 17% beat on consensus estimate of 547mn.
- **FY26E revenue guidance retained; margin guidance likely to be surpassed:** The management retained its ~30% revenue growth guidance for FY26E. It had earlier guided for 8.5-9%, but basis 1H performance (1H EBITDA margin at 9.7%), it expects to surpass this earlier guidance. Further, on exports, it guided for revenue of INR 10bn in FY26E (INR 5bn in 1H), which is a YoY growth of 17-18% YoY. Revenue from exports, ideally, should further ramp up as dust around tariffs settles. Lastly, on working capital and cash flows, it remains confident of reporting positive operating cash flow for full year FY26E, and net working capital days of 60-65.
- **Acquisitions of Elcome & Navicom to mark a foray into manufacturing of defence equipment:** Syrma SGS entered into an agreement to acquire a 60% stake in Elcome Integrated Systems for INR 2.35bn, by way of a mix of primary and secondary investment. The balance 40% stake will be acquired in tranches over 3 years, linked to earn-out based milestones. Further, Elcome will use INR 500mn out of these funds for acquiring Navicom. Products manufactured by these companies include navigation systems, maritime communication and network systems, and monitoring and safety systems. Elcome and Navicom reported revenue of INR 1.6bn and INR 520mn respectively in FY25 (consolidated INR 2.1bn). On a consolidated basis, in FY24, Elcome and Navicom reported revenue of INR 1.5bn, and consolidated EBITDA margin of 17.7%.
- **Progress in PCB business on track; Central government approvals in place:** Syrma's proposed PCB business has a total capex layout of around INR 15bn-16bn spread across 2 phases. Phase 1 capex for multi-layer PCB is expected at ~INR 8bn with asset turn of 1-1.2x, and EBITDA margin of 12-15%. Syrma SGS has already received approval under the Component Manufacturing Scheme of the Indian Government for multi-layer PCB (Phase 1) and approvals for CCL and HDI PCB (Phase 2) are expected soon. Further, we note that progress in Phase 1 is on track with initial expectations, with commencement expected from Dec'26/4QFY27. End-use industries here will include consumer, automotive, industrial and healthcare.



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	1,000
Upside/(Downside)	20.3%
Previous Price Target	980
Change	2.0%

Key Data – SYRMA IN

Current Market Price	INR831
Market cap (bn)	INR159.9/US\$1.8
Free Float	40%
Shares in issue (mn)	178.8
Diluted share (mn)	193.1
3-mon avg daily val (mn)	INR1,227.6/US\$13.9
52-week range	893/355
Sensex/Nifty	83,871/25,695
INR/US\$	88.6

Price Performance

%	1M	6M	12M
Absolute	-1.5	73.7	50.9
Relative*	-3.1	64.5	43.1

* To the BSE Sensex

Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	31,538	37,867	48,280	62,764	81,594
Sales Growth (%)	54.0	20.1	27.5	30.0	30.0
EBITDA	1,984	3,238	4,231	5,663	7,625
EBITDA Margin (%)	6.3	8.6	8.8	9.0	9.3
Adjusted Net Profit	1,072	1,703	2,466	3,712	5,007
Diluted EPS (INR)	6.0	9.5	12.8	19.2	25.9
Diluted EPS Growth (%)	-10.5	57.8	34.0	50.5	34.9
ROIC (%)	7.7	9.9	11.6	13.7	16.1
ROE (%)	6.8	10.1	10.5	11.8	14.1
P/E (x)	137.6	87.2	65.1	43.2	32.0
P/B (x)	9.2	8.5	5.4	4.8	4.2
EV/EBITDA (x)	76.1	47.0	33.6	25.4	18.8
Dividend Yield (%)	0.2	0.2	0.2	0.2	0.2

Source: Company data, JM Financial. Note: Valuations as of 11/Nov/2025

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Takeaways from concall

Guidance

- **Revenue & margin guidance:** Retain ~30% revenue growth guidance in FY26E. Had guided for 8.5-9% EBITDA margin earlier, but basis 1H performance expect to surpass this guidance. Gross margin has been lower in 2Q due to a higher share of IT business in 2Q (5% of total revenue). Quarterly variations in gross margin will continue.
- **Other details:** Share of ODM revenue as a proportion of total revenue is 38%. Top 10 customers contributed 56-57% of total revenue and top 20 customers contributed 72% of total revenue.
- **Working capital and operating cash flows:** Negative operating cash flows due to higher working capital. Held incremental inventory of INR 1bn due to volume being delayed in the US (expected to liquidate by 3Q), and some stocking in anticipation of rare-earth shortage. See that coming down in the coming quarters and expect to end the year at net working capital days of 60-65 days.
- **Capex:** FY26E capex guidance at INR 2bn. Incrementally, will incur capex of INR 8bn-8.5bn over FY26-28E.
- **Exports:** Guidance for exports unchanged at INR 10bn revenue in FY26E. Revenue from customers in the US currently constitutes 5-6% of total revenue. However, as the dust around tariffs settles, expect US to ramp up as a crucial export geography.
- **PLI:** INR 240mn-250mn of PLI incentives expected to be accounted for in FY26E. This will be accounted for as revenue, on an accrual basis.

Order book

- **Order book:** Order book as of end-Sep'25 stood at INR 58bn, +21% YoY.
- **Customer additions:** Have onboarded eight major customers, with potential revenue of USD 100mn in FY27E. Have also started focusing on longer-term framework contracts and have entered into one such contract with a revenue potential of USD 250mn over 2-3 years. Going forward, will sustain the momentum of long-term contracts to have better visibility over future growth.

Acquisitions of Elcome and Navicom mark foray into defence electronics

- **Specifics of the deal:** Syrma SGS entered into an agreement to acquire a 60% stake in Elcome Integrated Systems for INR 2.35bn, by way of a mix of primary and secondary investment. The balance 40% stake will be acquired in tranches over 3 years, linked to earn-out based milestones. Further, Elcome will use INR 500mn out of these funds for acquiring Navicom. Consolidation will be completed by 4QFY26.
- **Facilities and products:** These companies operate a systems integration and testing facility in Mumbai, supported by service teams across major naval and coastal locations. Products manufactured by these companies include integrated bridge systems, navigation radars, maritime communication suites and network systems, fire detection systems, and other monitoring and safety systems
- **Financials:** Elcome and Navicom reported revenue of INR 1.6bn and INR 520mn respectively in FY25 (consolidated INR 2.1bn). On a consolidated basis, in FY24, Elcome and Navicom reported revenue of INR 1.5bn, and consolidated EBITDA margin of 17.7%.

PCB bare board manufacturing

- **Financials:** Total capex for this project in INR 15bn-16bn. Capex plan in Phase 1 for multi-layer PCB will be ~INR 8bn, with asset turns of 1-1.2x, 1.5x on full utilisation in best case scenario. This will be a 12-15% EBITDA margin business. However, can achieve EBITDA margin of 15-18% once the plant is fully ramped up, and this can further scale up to 20% when the company forays into higher end products.
- **Approvals and timelines:** Received approval from the Indian Government under the ECMS Scheme. The project is currently progressing as per earlier targets. Land has been allotted for PCB manufacturing, and layouts and architects have been finalised. Tenders for the building have also been floated. Expect to conduct the ground-breaking in Dec'25. Target to commence manufacturing by end-3QFY27, or latest by 4QFY27. Work on phase 2 will commence from end-FY27, which will consist of CCL and HDI PCB.

- **End-use industries:** Will initially cater to the domestic market and, going forward, which is beyond FY28, will target the export market as well. End-use industries will include consumer, automotive, industrial, and healthcare.

JV with Elemaster SPA

- **Transaction:** Through 2Q, Syrma SGS also formed a JV with Elemaster S.p.A., Italy, a leading European Electronic Design & Manufacturing partner. As per the design, The JV Company (Syrma SGS Design & Manufacturing) will be 60% owned by Syrma and 40% owned by Elemaster. The JV will operate through design transfer and localised manufacturing for European OEM programmes.

Acquisition of K Solare

- **Transaction:** Through 2Q, Syrma SGS, along with Premier Energies acquired 100% of K Solare. Syrma's outflow for this is INR 833mn. The company's current portfolio is currently skewed towards rooftop solar, and it will diversify into several types of inverters.
- **Revenue to Syrma:** Syrma will assemble the entire module, and bill it to Syrma SGS. This will accrue as revenue to Syrma SGS.

Exhibit 1. Elcome Integrated Systems – historical financials

Elcome Integrated Systems (INR mn)	FY21	FY22	FY23	FY24	FY25
Revenue	923	842	1,068	1,095	1,550
YoY	nm	-8.8%	26.9%	2.5%	41.6%
EBITDA	123	100	161	213	nm
YoY	nm	-18.6%	61.1%	32.2%	nm
EBITDA Margin %	13.3%	11.9%	15.1%	19.5%	nm
PAT	(68)	6	72	93	nm
YoY	nm	nm	1080.3%	28.8%	nm

Source: Industry, Company, JM Financial

Exhibit 2. Navicom Technology International Systems – historical financials

Navicom Technology (INR mn)	FY21	FY22	FY23	FY24	FY25
Revenue	152	198	254	368	520
YoY	nm	30.2%	28.2%	44.8%	41.2%
EBITDA	40	42	42	46	nm
YoY		5.7%	0.0%	8.7%	nm
EBITDA Margin %	26.3%	21.4%	16.7%	12.5%	nm
PAT	30	31	32	35	nm
YoY	nm	2.7%	3.3%	10.8%	nm

Source: Industry, Company, JM Financial

Exhibit 3. Syrma SGS – 2QFY26 result review

(INR mn)	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26	Q2FY26E
Net Revenue	7,117	7,067	11,341	31,538	11,599	8,327	8,697	9,244	37,867	9,440	11,459	10,750
YoY	52%	38%	67%	54%	93%	17%	23%	-18%	20%	-19%	38%	29%
Raw Material Costs	(5,517)	(5,473)	(9,393)	(25,069)	(9,859)	(6,294)	(6,430)	(6,731)	(29,315)	(7,107)	(8,730)	(8,181)
Gross Profit	1,600	1,594	1,948	6,469	1,740	2,033	2,267	2,512	8,552	2,333	2,728	2,569
Gross Profit margin %	22.5%	22.6%	17.2%	20.5%	15.0%	24.4%	26.1%	27.2%	22.6%	24.7%	23.8%	23.9%
Employee Cost	(311)	(381)	(403)	(1,426)	(454)	(459)	(465)	(522)	(1,900)	(504)	(515)	(565)
% of sales	4.4%	5.4%	3.6%	4.5%	3.9%	5.5%	5.3%	5.6%	5.0%	5.3%	4.5%	5.3%
Other expenses	(799)	(826)	(808)	(3,059)	(833)	(864)	(1,006)	(916)	(3,619)	(963)	(1,061)	(1,100)
% of sales	11.2%	11.7%	7.1%	9.7%	7.2%	10.4%	11.6%	9.9%	9.6%	10.2%	9.3%	10.2%
EBITDA	490	388	737	1,984	453	710	796	1,075	3,033	866	1,152	904
YoY	-3%	-19%	28%	5%	23%	45%	105%	46%	53%	91%	62%	27%
EBITDA margin%	6.9%	5.5%	6.5%	6.3%	3.9%	8.5%	9.1%	11.6%	8.0%	9.2%	10.1%	8.4%
Total D&A Expense	(116)	(139)	(158)	(515)	(174)	(167)	(202)	(208)	(751)	(206)	(218)	(220)
EBIT	374	249	578	1,469	280	542	593	867	2,283	660	934	684
YoY	-14%	-37%	19%	-7%	4%	45%	138%	50%	55%	136%	72%	26%
EBIT margin%	5.3%	3.5%	5.1%	4.7%	2.4%	6.5%	6.8%	9.4%	6.0%	7.0%	8.1%	6.4%
Other Income	86	96	73	419	61	72	51	142	325	69	87	120
Gain on Forex fluctuation	3	26	83	168	92	29	-	80	201	91	-	60
Finance Costs	(80)	(100)	(123)	(378)	(138)	(136)	(154)	(156)	(585)	(149)	(126)	(75)
PBT	383	270	612	1,678	295	507	490	934	2,225	671	895	789
YoY	-8%	-40%	-10%	-6%	-29%	32%	81%	53%	33%	128%	77%	56%
Income Tax Expense	(64)	(67)	(160)	(421)	(91)	(110)	(79)	(219)	(500)	(172)	(232)	(198)
Rate %	16.8%	24.7%	26.1%	25.1%	31.0%	21.8%	16.0%	23.5%	22.5%	25.7%	25.9%	25.1%
Exceptional	(14)	-	-	(14)	-	-	119	-	-	-	-	-
Net Profit	305	203	452	1,243	203	396	530	715	1,725	499	663	591
Margins	4.3%	2.9%	4.0%	3.9%	1.8%	4.8%	6.1%	7.7%	4.6%	5.3%	5.8%	5.5%
YoY	5.7%	-40.6%	5.4%	1%	-63%	11%	161%	58%	39%	146%	67%	49%
Minority Interest	(22)	(48)	(103)	(170)	(10)	(34)	(42)	(60)	(147)	(2)	(23)	(60)
As % of NP	7.1%	23.4%	22.7%	13.7%	5.0%	8.6%	7.9%	8.4%	8.5%	0.4%	3.4%	10.2%
Net Profit to Shareholders	283	156	349	1,073	193	362	488	654	1,579	497	641	531
YoY	0.3%	-53.1%	-17.4%	153.6%	-32%	28%	213%	87%	351.9%	158%	77%	47%
Net Margin%	4.0%	2.2%	3.1%	3.4%	1.7%	4.4%	5.6%	7.1%	4.2%	5.3%	5.6%	4.9%
Adjusted PAT	297	156	349	1,087	193	362	369	654	1,579	497	641	531
YoY	5.2%	-53.1%	-17.4%	-8.9%	-32.3%	22.0%	137.0%	87.3%	45.2%	157.6%	76.8%	175.0%

Source: Company, JM Financial

Exhibit 4. Syrma SGS – 2QFY26 segmental performance

(INR mn)	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26
Industry Revenue Split											
Auto	1,725	1,510	1,809	6,495	1,877	2,109	2,081	2,146	8,213	2,215	2,710
YoY	91%	40%	49%	61%	29%	22%	38%	19%	26%	18%	28%
% of Total	24%	21%	16%	21%	16%	25%	24%	23%	22%	23%	24%
Consumer	2,519	2,544	5,221	12,608	6,166	2,715	2,704	1,897	13,482	3,178	3,656
YoY	138%	24%	93%	91%	165%	8%	6%	-64%	7%	-48%	35%
% of Total	35%	36%	46%	40%	53%	33%	31%	21%	36%	34%	32%
Healthcare	512	693	1,166	2,528	589	661	734	929	2,913	674	834
YoY	2%	653%	148%	55%	275%	29%	6%	-20%	15%	14%	26%
% of Total	7%	10%	10%	8%	5%	8%	8%	10%	8%	7%	7%
Industrials	1,984	1,955	2,619	8,333	2,152	2,439	2,674	3,776	11,041	2,873	2,649
YoY	12%	21%	42%	30%	21%	23%	37%	44%	32%	33%	9%
% of Total	28%	28%	23%	26%	19%	29%	31%	41%	29%	30%	23%
IT & Railways	376	365	526	1,574	814	405	500	497	2,216	500	1,610
YoY	-13%	25%	-6%	-13%	165%	8%	37%	-6%	41%	-39%	298%
% of Total	5%	5%	5%	5%	7%	5%	6%	5%	6%	5%	14%
Revenue Split by geography											
Domestic Sales	5,256	5,159	8,733	23,477	9,743	6,412	6,697	6,471	29,322	7,080	8,823
% of Total	74%	73%	77%	74%	84%	77%	77%	70%	77%	75%	77%
Exports	1,862	1,908	2,608	8,062	1,856	1,915	2,000	2,773	8,545	2,360	2,636
% of Total	26%	27%	23%	26%	16%	23%	23%	30%	23%	25%	23%

Source: Company, JM Financial

Exhibit 5. Syrma SGS – EPS change table

INR mn	FY26E	FY27E	FY28E
Revenues			
Old	48,280	62,764	81,594
New	48,280	62,764	81,594
Change	0.0%	0.0%	0.0%
EBITDA			
Old	4,135	5,476	7,382
New	4,231	5,663	7,625
Change	2.3%	3.4%	3.3%
EBITDA margins			
Old	8.6%	8.7%	9.0%
New	8.8%	9.0%	9.3%
Change	20	30	30
PAT			
Old	2,429	3,575	4,926
New	2,466	3,712	5,007
Change	1.5%	3.8%	1.7%
EPS			
Old	12.8	18.8	25.8
New	12.8	19.2	25.9
Change	0.1%	2.5%	0.6%

Source: Company, JM Financial

Exhibit 6. Syrma SGS – 1-yr forward P/E chart (since listing)



Source: Company, Bloomberg, JM Financial

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	31,538	37,867	48,280	62,764	81,594
Sales Growth	54.0%	20.1%	27.5%	30.0%	30.0%
Other Operating Income	0	0	0	0	0
Total Revenue	31,538	37,867	48,280	62,764	81,594
Cost of Goods Sold/Op. Exp	25,069	29,315	37,417	48,580	62,990
Personnel Cost	1,426	1,910	2,292	2,980	3,874
Other Expenses	3,059	3,404	4,340	5,542	7,104
EBITDA	1,984	3,238	4,231	5,663	7,625
EBITDA Margin	6.3%	8.6%	8.8%	9.0%	9.3%
EBITDA Growth	5.7%	63.2%	30.7%	33.8%	34.6%
Depn. & Amort.	515	751	897	1,137	1,397
EBIT	1,470	2,487	3,334	4,526	6,228
Other Income	586	327	585	673	625
Finance Cost	378	585	516	209	113
PBT before Excep. & Forex	1,678	2,230	3,402	4,990	6,739
Excep. & Forex Inc/Loss(-)	0	0	0	0	0
PBT	1,678	2,230	3,402	4,990	6,739
Taxes	422	500	816	1,123	1,516
Extraordinary Inc./Loss(-)	-14	119	0	0	0
Assoc. Profit/Min. Int.(-)	170	145	140	235	312
Reported Net Profit	1,072	1,703	2,466	3,712	5,007
Adjusted Net Profit	1,072	1,703	2,466	3,712	5,007
Net Margin	3.4%	4.5%	5.1%	5.9%	6.1%
Diluted Share Cap. (mn)	177.6	178.8	193.1	193.1	193.1
Diluted EPS (INR)	6.0	9.5	12.8	19.2	25.9
Diluted EPS Growth	-10.5%	57.8%	34.0%	50.5%	34.9%
Total Dividend + Tax	266	268	290	290	290
Dividend Per Share (INR)	1.5	1.5	1.5	1.5	1.5

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	1,677	2,230	3,412	5,030	6,787
Depn. & Amort.	515	751	897	1,137	1,397
Net Interest Exp. / Inc. (-)	0	0	0	0	0
Inc (-) / Dec in WCap.	-3,281	-1,070	-1,242	-2,256	-2,915
Others	39	-37	0	0	0
Taxes Paid	-605	-530	-946	-1,318	-1,780
Operating Cash Flow	-1,655	1,343	2,121	2,593	3,490
Capex	-3,821	-1,881	-1,900	-3,900	-2,400
Free Cash Flow	-5,476	-538	221	-1,307	1,090
Inc (-) / Dec in Investments	7,790	-175	0	0	0
Others	-1,901	-233	0	0	0
Investing Cash Flow	2,068	-2,289	-1,900	-3,900	-2,400
Inc / Dec (-) in Capital	535	47	10,130	195	264
Dividend + Tax thereon	-266	-268	-290	-290	-290
Inc / Dec (-) in Loans	2,552	347	-3,619	-1,500	-100
Others	0	0	0	0	0
Financing Cash Flow	2,821	126	6,222	-1,594	-126
Inc / Dec (-) in Cash	3,234	-820	6,442	-2,901	964
Opening Cash Balance	544	3,778	2,958	9,400	6,499
Closing Cash Balance	3,778	2,958	9,400	6,499	7,463

Source: Company, JM Financial

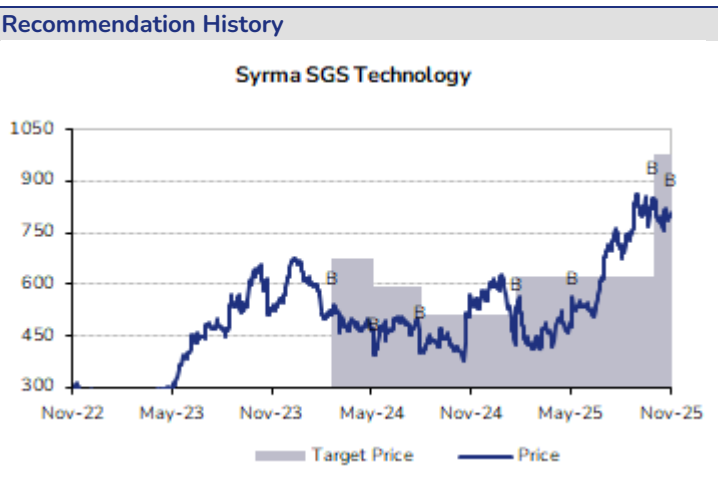
Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	16,126	17,500	29,676	33,098	37,816
Share Capital	1,774	1,780	1,924	1,924	1,924
Reserves & Surplus	14,352	15,719	27,752	31,174	35,892
Preference Share Capital	0	0	0	0	0
Minority Interest	644	749	878	1,074	1,337
Total Loans	5,763	6,112	2,493	993	893
Def. Tax Liab. / Assets (-)	176	139	139	139	139
Total - Equity & Liab.	22,710	24,499	33,186	35,304	40,185
Net Fixed Assets	6,840	7,473	8,476	11,239	12,241
Gross Fixed Assets	8,008	8,800	10,800	14,800	17,300
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	1,337	1,935	2,833	3,970	5,367
Capital WIP	168	609	509	409	309
Investments	419	594	594	594	594
Current Assets	29,636	33,980	46,699	52,327	64,306
Inventories	10,043	8,219	10,700	14,170	18,741
Sundry Debtors	9,301	14,775	18,461	23,519	29,963
Cash & Bank Balances	3,778	2,958	9,400	6,499	7,463
Loans & Advances	163	0	110	110	110
Other Current Assets	6,350	8,028	8,028	8,028	8,028
Current Liab. & Prov.	14,185	17,548	22,583	28,855	36,956
Current Liabilities	12,955	16,497	20,849	26,844	34,583
Provisions & Others	1,230	1,050	1,734	2,012	2,373
Net Current Assets	15,451	16,432	24,117	23,471	27,350
Total - Assets	22,710	24,499	33,186	35,304	40,185

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	3.4%	4.5%	5.1%	5.9%	6.1%
Asset Turnover (x)	1.5	1.5	1.6	1.8	2.1
Leverage Factor (x)	1.4	1.5	1.3	1.1	1.1
RoE	6.8%	10.1%	10.5%	11.8%	14.1%
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	90.8	97.9	153.7	171.4	195.8
ROIC	7.7%	9.9%	11.6%	13.7%	16.1%
ROE	6.8%	10.1%	10.5%	11.8%	14.1%
Net Debt/Equity (x)	0.1	0.2	-0.3	-0.2	-0.2
P/E (x)	137.6	87.2	65.1	43.2	32.0
P/B (x)	9.2	8.5	5.4	4.8	4.2
EV/EBITDA (x)	76.1	47.0	33.6	25.4	18.8
EV/Sales (x)	4.8	4.0	2.9	2.3	1.8
Debtor days	108	142	140	137	134
Inventory days	116	79	81	82	84
Creditor days	151	166	167	167	167

Source: Company, JM Financial

History of Recommendation and Target Price			
Date	Recommendation	Target Price	% Chg.
27-Feb-24	Buy	675	
13-May-24	Buy	590	-12.5
6-Aug-24	Buy	510	-13.6
29-Jan-25	Buy	620	21.6
14-May-25	Buy	620	0.0
8-Oct-25	Buy	980	58.1
10-Nov-25	Buy	980	0.0



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

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New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return \geq 15% over the next twelve months.
ADD	Expected return \geq 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return \geq -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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