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Morning Bell

13 May 2026

Market Commentary

Indian benchmark indices ended sharply lower on 12 May amid weekly expiry volatility, a steep rise in crude oil prices, persistent weakness in the Indian Rupee, and continued FII selling pressure, all of which weighed heavily on overall investor sentiment. India VIX also remained elevated above the 19 mark, indicating heightened market volatility.

- At close, the Sensex declined 1,456 points or 1.92% to settle at 74,559.24, while the Nifty fell 436 points or 1.83% to close at 23,379.55.
- Selling pressure remained broad-based across sectors, with no major sector managing to close in the green. Nifty Realty emerged as the top loser, followed by IT and Consumer Durables, with these indices correcting between 2% and 5%.
- The broader market also witnessed a sharp correction, indicating widespread risk aversion beyond frontline indices. The Nifty Midcap100 index declined 2.54%, while the Nifty Small cap index tumbled 3.17%.
- Gift Nifty signals a flat opening for the Indian market. Nifty spot in today's session is likely to trade in the range of 23,100-23,600.

Global Updates

- U.S. stocks finished Tuesday's session on a mixed and volatile note as investors weighed strong corporate earnings against a hotter-than-expected inflation report and rising energy costs. While some defensive buying emerged in blue chips, high-growth technology sectors faced selling pressure due to the upward move in Treasury yields
- U.S. headline inflation for April printed at 3.8%, triggering a reality check for equity markets and pushing the "higher-for-longer" interest rate narrative back to the forefront.
- President Donald Trump departed for China for a highly anticipated summit with Chinese President Xi Jinping. The two leaders are expected to discuss trade issues, the Iran war and the self-ruled island of Taiwan, which Beijing claims as its territory.
- Asia-Pacific markets opened lower Wednesday, as investors digest a hotter-than-expected inflation reading for April amid concerns over higher oil prices and the ongoing Middle East conflict.

Source: Bloomberg, NSE, NSDL, BSE, Bajaj Broking Research

Indices	CMP	Daily %	YTD %
NIFTY	23380	-1.83	-10.52
BANKNIFTY	53555	-1.63	-10.11
SENSEX	74559	-1.92	-12.51
USDINR	95.63	-0.33	14.98
INDIA VIX	19.28	3.92	103.48

Global Indices	CMP	Daily %	YTD %
DOW	49760.6	0.11	3.53
S&P500	7401.0	-0.16	8.11
NASDAQ	26088.2	-0.71	12.25
NIKKEI	62930.2	0.30	25.01
HANGSENG	26243	-0.40	2.39

Comm & Gsec	CMP	Daily %	YTD %
GOLD (\$)	4705.3	0.40	8.96
BR. CRUDE (\$)	107.1	-0.61	43.02
COPPER (\$)	6.63	2.24	65.09
US 10YR (%)	4.46	0.00	-1.89

Asian Market updated on 8:00 AM

Fund flow Activity on NSE BSE & MSEI

Participant	Cash (in Cr)	MTD (in Cr)	YTD (in Cr)
FII	-1959.39	-21469.30	-262221.17
DII	7990.32	35322.82	336990.91

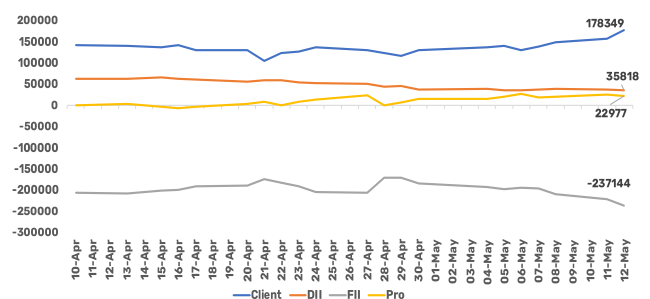
Key Events

USA PPI data for the month of April on 13th May

Stocks in F&O Ban

SAIL

Position of Market Participants



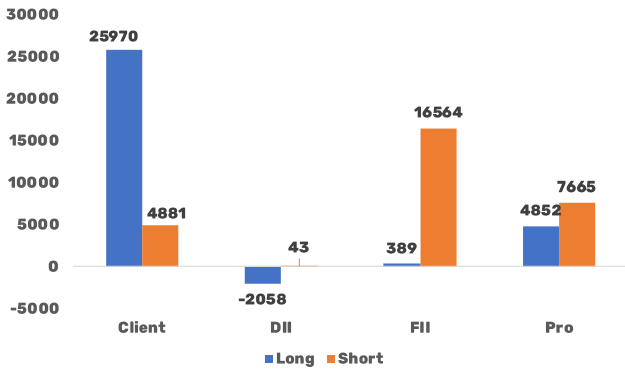
Index Highlights (DAILY)

Index	Futures Price	Change	Change (%)	VWAP	Basis	Volume	Change in OI	OI%	ATM IV's	PCR OI
Nifty	23,424.70	-443.8	-1.9%	23,560.46	45.15	1,05,818	17,47,655	8.7%	19.8	0.93
Bank Nifty	53,721.80	-878	-1.6%	54,025.36	166.60	33,433	1,11,750	4.2%	23.7	0.74

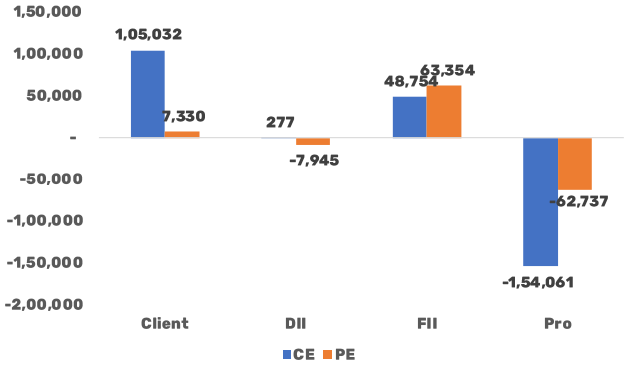
Price Rise		OI Gainers				IV Rise		PCR Rise	
Symbol	Price %	Symbol	Price %	Oi %	Longshort	Symbol	IV %	Symbol	Change %
OIL	8.1%	KAYNES	-8.5%	13.8%	Short_Buildup	ADANIENSOL	7.1	MANAPPURAM	0.35
ONGC	5.1%	FINNIFTY	-2.0%	9.3%	Short_Buildup	KAYNES	5.6	OIL	0.25
BIOCON	3.0%	INDHOTEL	-4.0%	9.1%	Short_Buildup	TRENT	5.1	NIFTY	0.22
HINDZINC	2.4%	NIFTY	-1.9%	8.7%	Short_Buildup	DLF	5.0	OBEROIRLTY	0.18
GODREJCP	2.3%	KPITTECH	-3.4%	7.1%	Short_Buildup	IRFC	4.6	DRREDDY	0.17

Price Fall		OI Losers				IV fall		PCR Fall	
Symbol	Price %	Symbol	Price %	Oi %	Longshort	Symbol	IV %	Symbol	Change %
KAYNES	-8.5%	MIDCPNIFTY	-2.6%	-8.0%	Long_Unwinding	NUVAMA	-7.6	ICICIPRULI	-0.35
JSWENERGY	-7.0%	BDL	-5.1%	-7.5%	Long_Unwinding	JSWENERGY	-6.9	PREMIERENE	-0.33
UPL	-6.6%	PIDILITIND	0.9%	-6.7%	Short_Covering	OFSS	-6.8	KEI	-0.32
DIXON	-6.3%	BLUESTARCO	-1.7%	-6.4%	Long_Unwinding	SAIL	-5.3	ICICIGI	-0.18
KALYANKJIL	-6.2%	MCX	-1.2%	-6.3%	Long_Unwinding	ABB	-3.4	ADANIPORTS	-0.18

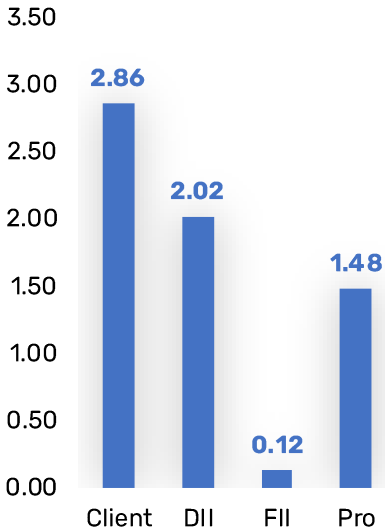
Index Future Participant wise OI Change



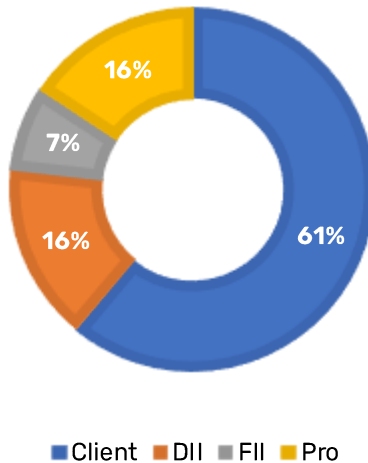
Index Option Participant wise OI Change



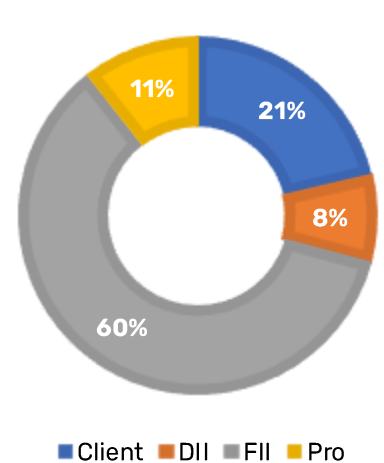
Participant wise L/S Ratio



Future Index Long



Future Index Short



Nifty Outlook



Index formed a sizable bearish candlestick pattern with a lower high and a lower low and a bearish gap above its head (23,757-23,800) signaling extension of the corrective decline for the fourth session in a row.

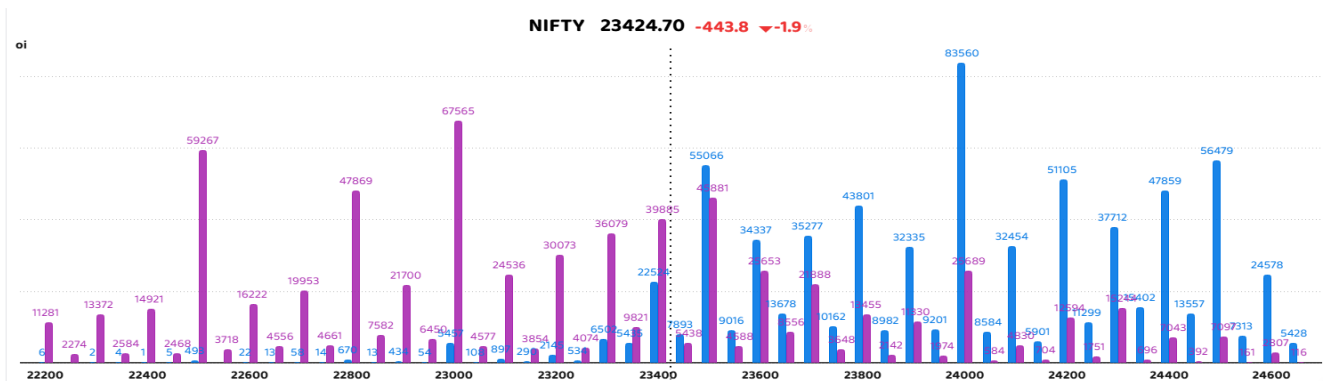
Nifty on Tuesday's session breached the lower band of the last 3 weeks consolidation range 23,800-24,400 and witnessed sharp decline throughout the session to close below the 23,400 levels.

Bias continues to remain down below Tuesday's breakdown area of 23,800 and a follow through weakness will open further downside towards 23,000-23,200 levels being the confluence of the lower band of the 8th April gap area and the 61.8% retracement of the previous pullback (22,182-24,601).

Intraday Support & Resistance

Index	S2	S1	Close	R1	R2
Nifty	23100	23240	23379.55	23490	23600

Nifty Option Chain



- ❑ Significant Call OI addition is visible at the 23,500 strike, making it a strong immediate resistance.
- ❑ Fresh call writing was also observed at higher strikes, indicating that option writers are expecting upside to remain capped in the near term.
- ❑ Synthetic futures positioning is placed near the 23,430 level, slightly above the immediate support area of 23,400, making this zone crucial for short-term price action.
- ❑ Put writing activity remains concentrated in the 23,400-23,500 zone, suggesting that traders are attempting to defend this support range.
- ❑ However, the quality of put writing remains relatively weak compared to aggressive call writing, reflecting cautious sentiment among bullish participants.
- ❑ Any decisive breach below the 23,400 level is likely to trap put writers and may trigger put unwinding, which could further intensify downside momentum towards the 23,250-23,200 zone.
- ❑ In-the-money call writing continues to increase, which generally reflects stronger bearish conviction and expectations of limited upside recovery.
- ❑ The overall derivatives setup continues to favor a "sell on rise" strategy.

Bank Nifty Outlook



Index formed a third consecutive bearish candlestick pattern with a lower high and a lower low signaling extension of the decline and continuation of the downtrend.

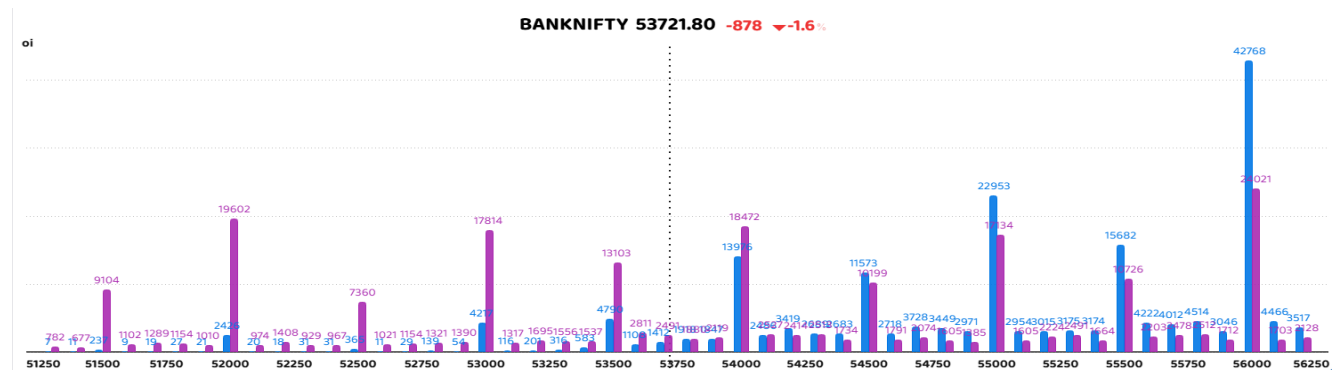
Bank Nifty on Tuesday's session breached the lower band of the last 3 weeks consolidation range 54,200-56,500 and closed sharply below the 54,000 levels.

Bias continues to remain down below Tuesday's high of 54,365 and a follow through weakness will open further downside towards 52,700-52,400 levels being the confluence of the lower band of the 8th April gap area and the 61.8% retracement of the previous pullback (49,955-57,456).

Intraday Support & Resistance

Index	S2	S1	Close	R1	R2
Bank Nifty	52800	53170	53555.20	53830	54050

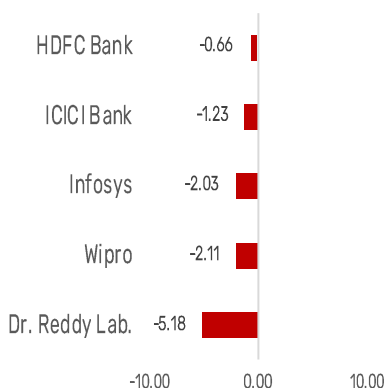
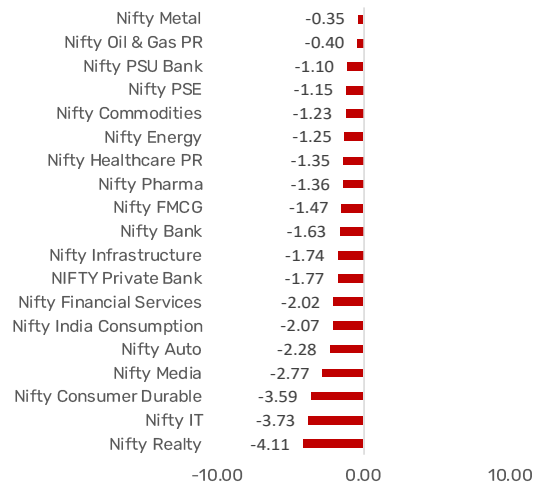
Bank Nifty Option Chain



- ❑ Bank Nifty derivatives data also reflects a cautious to negative undertone with aggressive call writing observed across multiple strikes.
- ❑ Significant Call OI addition is visible at the 54,000 strike, which is expected to act as a strong resistance zone in the near term.
- ❑ Fresh call additions at higher strikes indicate that traders are not expecting any sharp upside recovery unless key resistance levels are reclaimed.
- ❑ Limited put writing has been observed in the 53,500-53,600 zone, which is likely to act as immediate support for the index.
- ❑ However, the relatively lower put writing participation compared to call writing highlights weaker bullish conviction in the banking space. • A decisive breach below the 53,500 support level may trigger further put unwinding and drag the index towards the 53,000-52,800 zone.
- ❑ On the upside, reclaiming and sustaining above 54,000 is necessary to ease the current bearish bias and initiate short-covering recovery towards 54,300-54,500 levels.

News and its impact

Company/ Industry	News	Impact
VODAFONE IDEA	The telecom operator will announce its Q4 results on May 16, alongside a board meeting to consider raising funds via equity and warrants.	POSITIVE
ADANI PORTS	The company's subsidiary, Astro Offshore, has secured a contract with Oceaneering International for subsea expansion operations in Europe	POSITIVE
INTELLECT DESIGN	The fintech firm has signed a massive digital banking pact with 37 Canadian Financial Institutions, a partnership covering 2.6 lakh members and \$11.7 billion CAD in assets.	POSITIVE
RVNL	The state-run railway company has emerged as the L1 Bidder for a Rs 221 crore railway contract from the South East Central Railway in Bilaspur.	POSITIVE
TEXMACO RAIL	In a massive win, the company secured an order worth Rs 4,045 crore from Tsiko Africa Logistics for the supply of rolling stock freight wagons, locomotives, components, and long-term maintenance.	POSITIVE

Indian ADR % Change

Sector




Result Update

The company reported revenue of ₹20,242.6 mn, registering a 29% YoY growth (22.2% in constant currency terms) and a 3% QoQ increase, reflecting sustained business momentum. EBITDA stood at ₹4,846.6 mn, growing 30% YoY, although it declined 5% sequentially. Consequently, the EBITDA margin came in at 23.9%, expanding to 16 bps YoY but contracting 199 bps QoQ, indicating some sequential margin pressure. Profit after tax (PAT) for the quarter was ₹2,577.3 mn, delivering a strong 41% YoY growth, while moderating 4% on a QoQ basis.

Key Updates and Management Call Highlights

Guidance

- Revenue growth: Low double digits in constant currency (organic; inorganic upside not included).
- Adjusted EBITDA margin: 24–25%; likely toward the upper end if current INR/USD rates persist.
- AI-related revenue compression: ~2% (vs. ~1–1.5% historically).
- Wage hike cycle: Normalized from April 2026 onwards on a financial year basis.

Capital Allocation

- Debt repayment on track for complete extinguishment by end of FY27 – one large cash outflow.
- M&A pipeline active; management evaluating targets in both payer and provider segments – focused on domain differentiation, technology capability additions, or client-base expansion (similar to Broadpath thesis).
- Beyond debt repayment and M&A reserves, management indicated openness to increasing dividend payouts in FY27, though no firm commitment made.
- ESOP scheme announced – 3.3% of equity, largely performance-based, vesting over 3 years with 2-year exercise window post-vesting. Exact grant quantum and P&L impact to be disclosed in the next earnings call.

Business Mix: Payers vs. Providers

- Payers: 89.7% of FY26 revenues; Providers: 10.3%. Payer share increased post-Broadpath acquisition.
- Provider revenues grew YoY in FY26 (though absolute quarterly revenues were broadly stable at ~\$20–21mn in Q1–Q4). Management sees meaningful growth opportunity in larger end-to-end RCM engagements.
- AI impact on provider (RCM) business expected to be broadly similar to payer – no disproportionate compression anticipated.

Valuation

We revise our FY27/FY28 estimates following FY26 execution – organic CC revenue growth of 15%, adjusted PAT expansion, and margin outperformance. Management's low-double-digit organic growth guidance for FY27, aided by a US\$575mn TCV pipeline, expanding managed-service deal mix, and stable 24–25% EBITDA margins, underpins earnings visibility. Increasing client concentration, AI-led operational leverage, and near-complete debt retirement by FY27-end further support PAT. We assign an 18x PE on FY28E EPS of ₹2.70, deriving a target price of ₹49.

NSE/BSE	SAGILITY / 544282
CMP	43.0
Upside	14%
Target Price	49
Bloomberg Code	SAGILITY:IN
High/Low	58/36
Market Cap (in Rs)	203.78bn

Shareholding %			
Particulars	Q2FY26	Q3FY26	Q4FY26
Promoter	67.4	51.0	51.0
FII	5.6	10.3	10.0
DII	14.9	21.4	22.3
Others	12.2	17.4	16.8

Relative Price Movement				
NIFTY VS SAGILITY:IN				
Returns (%)	1M	3M	6M	12M
Nifty 50	(1.9)	(9.4)	(9.6)	(6.2)
SAGILITY	2.7	(11.1)	(16.6)	0.5

Key Matrix			
Particulars	FY26A	FY27E	FY28E
Revenue	71,928.5	79,840.6	90,219.9
EBITDA	17,602.8	18,762.6	21,652.8
PAT	9,247.7	9,762.2	12,624.8
EPS	2.0	2.1	2.7
Growth (%)			
Revenue	29.1	11.0	13.0
EBITDA	35.6	6.6	15.4
PAT	71.5	5.6	29.3
Margins (%)			
EBITDA	24.0	23.5	24.0
PAT	12.9	12.2	14.0
Tax Rate	24.7	24.7	24.7
Valuation			
PE	22x	21x	16x
ROE	9.6%	9.4%	11.3%
ROCE	12.8%	12.7%	14.6%
EV/EBITDA	11.7	10.6	8.6
EV/SALES	2.9	2.5	2.1
DEBT/EQUITY	0.1	(0.0)	(0.1)

Analysts	
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Financial Metrics								Rs. In mn
Particulars	Q4FY26	Q4FY25	YoY	Q3FY26	QoQ	FY25A	FY26A	YoY
Revenue	20,242.6	15,684.8	29%	19,711.5	3%	55,699.2	71,928.5	29%
EBITDA	4,846.6	3,730.3	30%	5,111.1	-5%	12,978.8	17,602.8	36%
Margin (%)	23.9%	23.8%	16bps	25.9%	-199bps	23.3%	24.5%	117bps
PAT	2,577.3	1,825.7	41%	2,676.6	-4%	5,391.2	9,247.7	72%
Margin (%)	12.7%	11.6%	109bps	13.6%	-85bps	9.7%	12.9%	318bps
EPS	0.56	0.39		0.57		1.17	1.98	

Seasonality and Revenue Mix

- Seasonal revenues (AEP + Open Enrollment) rose to ~6% of FY26 revenues vs. ~3% in FY25, with an equal H2 split – a structurally important shift driven by the Broadpath acquisition and expanded clinical seasonal work.
- H2-to-H1 revenue split has moved from a historical ~53:47 to closer to 54.5–55:45, and management expects this to persist going forward.
- Q4 seasonal revenues exceeded internal expectations, accounting for the outperformance vs. guidance.
- Headcount declined sequentially in Q4 as post-OE seasonal workforce was released (employee strength: 46,860 at end of Q4).

Client and Commercial Momentum

- Q4 ACV signings of US\$30.7mn (potential steady-state), from expansions/new SOWs across 18 existing clients and 2 clients added in Q1-Q3.
- Full-year cumulative ACV wins approximately US\$~130mn across Q1-Q4, broadly steady in the ~\$30mn/quarter range.
- Top 5 client revenue grew 11.7% YoY; non-top-5 grew at ~15% – broader portfolio gaining speed.
- 17 new clients added in FY26, including sizable regional plans and Blues – improves long-term revenue visibility.
- Clients contributing >\$20mn grew from 4 (FY23) to 9 (FY26); top-3 revenue concentration fell below 60% – positive diversification.
- Mid/small market strategy gaining traction; management noted transformational solutions have strong applicability in this segment.

Revenue Pipeline and Deal Dynamics

- Total bid pipeline at ~US\$575mn TCW – strong absolute level, though deal conversion timelines are lengthening as engagements shift toward larger, outcome-based managed services.
- Shift from traditional RFP/effort-based deals toward multi-year managed service deals (Synchrony Suite) where Sagility commits to cost takeout targets – higher value but less predictable deal timing.
- Management estimates ~7–8% of FY27 growth is already "locked in" from existing deal ramps; the remainder must be sourced from new pipeline conversion during the year.

Margin Profile and Cost Dynamics

- Q4 EBITDA impacted by a one-time ~1.7% employee bonus resulting from transition of the salary hike cycle from calendar year (Jan) to financial year (April) basis – this is non-recurring.
- Effective from April 1, 2026, annual increment cycle stabilizes on a financial year basis.
- FY27 margin guidance of 24–25%; management expects to track toward the upper end if INR/USD exchange rates sustain at current levels.
- Key margin headwinds: annual wage hikes (~compensated by INR depreciation), increasing share of onshore/US revenues (structurally lower margins), and potential price reductions to clients.
- Key margin tailwinds: operational efficiencies from technology/AI deployment, forex depreciation benefit, and internal cost optimization.
- Share of US-delivered revenues increasing – Broadpath is predominantly onshore; newer mid-market clients may also start onshore before eventually migrating offshore.
- Effective tax rate expected to sustain at ~24–25% in FY27.

AI and Technology Impact

- Management acknowledges AI-led productivity gains will compress a portion of revenues – historically ~1–1.5% annual revenue compression; guided to ~2% in FY27, a modest step-up.
- AI/automation-related compression is expected to increase gradually and is factored into growth guidance.
- Simultaneously, AI capabilities are being positioned as a growth enabler – clients increasingly receptive to partners who can use tech to transform operations and commit to business outcomes.
- AI use cases deployed across healthcare operations including risk stratification, member engagement, and tech-enabled care; working with clients on co-developed pilots from the client summit.
- Received the Augmented Intelligence Award for Smart Tech Nurses – validates tech differentiation.
- Higher other expenses in FY26 partly attributable to elevated IT/AI infrastructure investment; management expects this to remain elevated in FY27.

Sector and Regulatory Environment

- CMS finalized Medicare Advantage (MA) rate increase at +2.48% for FY27 (vs. near-flat preliminary estimate) – marginally positive, but MA plans remain under cost pressure from elevated medical utilization.
- House bill to extend/enhance ACA subsidies (if passed) would stabilize ACA marketplace membership – limited direct revenue exposure for Sagility but positive for segment health.
- State Medicaid expansion incentives eliminated under the "Big Beautiful Bill" – likely Medicaid membership moderation; minimal direct exposure for Sagility but another cost-pressure catalyst for plan clients.
- CMS launched the ACCESS model (Advancing Chronic Care with Effective Scalable Solutions) – incentivizes outcome-based, tech-enabled chronic care management, closely aligned with Sagility's existing service offerings to MA plans.

Financials & Key Ratios

Income Statement		(Rs in mn)		
Particulars	FY26A	FY27E	FY28E	
Revenue from Operation	71,928.5	79,840.6	90,219.9	
% Growth	29.1	11.0	13.0	
Operating Expenses	54,325.8	61,078.1	68,567.1	
% of revenue	75.5	76.5	76.0	
Employee Benefit Exp	45,102.8	50,708.7	56,926.4	
Other expenses	9,223.0	10,369.4	11,640.8	
EBITDA	17,602.8	18,762.6	21,652.8	
EBITDA Margins (%)	24.5	23.5	24.0	
Other Income	979.8	807.1	912.1	
Depreciation	4,873.7	5,613.4	5,344.6	
EBIT	13,708.8	13,956.2	17,220.3	
EBIT Margins (%)	19.1	17.5	19.1	
Finance Cost	991.6	991.6	454.0	
Profit before tax	12,717.2	12,964.6	16,766.3	
Total Tax expenses	3,141.3	3,202.4	4,141.5	
Tax rate (%)	24.7	24.7	24.7	
Profit after tax	9,247.7	9,762.2	12,624.8	
PAT Margins	12.9	12.2	14.0	
Basic EPS	1.98	2.09	2.70	

Cash Flow Statement		(Rs in mn)		
Particulars	FY26A	FY27E	FY28E	
Cash Flow from operating activities (OA)				
PBT	12,717.2	12,964.6	16,766.3	
Depreciation	4,873.7	5,613.4	5,344.6	
Operating Profit before WC change	17,659.5	19,715.7	22,642.8	
Changes in Assets and liability	(1,894.8)	(1,747.4)	(2,348.2)	
Cash from Operations	15,764.7	17,968.3	20,294.7	
Tax	(3,735.0)	(3,202.4)	(4,141.5)	
Net Cash from OA	12,029.7	14,765.8	16,153.2	
Cash Flow from investing activities (IA)				
Capex	(1,922.1)	0.0	0.0	
Net Cash from IA	(7,106.9)	0.0	0.0	
Cash Flow from financing activities (FA)				
Proceeds from Borrowings				
Repayment of Borrowings	(3,744.7)	(5,670.0)	0.0	
Finance Cost	(682.4)	(991.6)	(454.0)	
Dividend	(586.9)	(3,008.3)	(3,890.4)	
Net Cash from FA	(5,014.0)	(9,669.9)	(4,344.4)	
Net increase/(decrease) in Cash	(91.2)	5,095.9	11,808.8	
Cash at the beginning of the year	3,437.6	3,579.2	8,675.1	
Cash at the end of the year	3,579.2	8,675.1	20,483.9	

Balance Sheet		(Rs in mn)		
Particulars	FY26A	FY27E	FY28E	
ASSETS				
Fixed Assets	4,231.2	4,403.6	4,126.1	
CWIP	392.8	0.0	0.0	
Goodwill	64,051.5	60,714.8	56,888.7	
Trade Receivable	18,390.3	20,413.2	23,067.0	
Other Intangible Assets	20,406.9	19,343.8	18,124.8	
Financial Assets	986.9	986.9	986.9	
Cash and cash equivalent	5,679.2	8,675.1	20,483.9	
Other Assets	11,872.1	8,669.9	8,808.1	
Total Assets	1,26,010.8	1,23,207.4	1,32,485.5	
EQUITY				
Equity Share Capital	46,792.7	46,792.7	46,792.7	
Other Equity	49,798.2	56,552.2	65,286.6	
Total Equity	96,591.0	1,03,344.9	1,12,079.3	
Long Term Borrowings	3,811.1	3,811.1	3,811.1	
Short Term Borrowings	7,294.2	1,624.2	1,624.2	
Trade Payables	2,216.6	2,492.1	2,797.7	
Other Liabilities	16,097.9	11,935.1	12,173.2	
Total Liabilities	29,419.8	19,862.5	20,406.2	
Total Equity and Liabilities	1,26,010.8	1,23,207.4	1,32,485.5	

Ratio Analysis				
Particulars	FY26A	FY27E	FY28E	
Growth (%)				
Revenue	29.1	11.0	13.0	
Operating Expenses	27.2	12.4	12.3	
EBITDA	35.6	6.6	15.4	
EBIT	54.5	1.8	23.4	
PAT	71.5	5.6	29.3	
% Of Revenue				
Operating Expenses	75.5	76.5	76.0	
EBITDA	24.5	23.5	24.0	
EBIT	19.1	17.5	19.1	
PAT	12.9	12.2	14.0	
Return Ratios				
ROCE	12.8	12.7	14.6	
ROE	9.6	9.4	11.3	
Valuation				
P/E	22x	21x	16x	
P/B	2.1	1.9	1.8	
EV/EBITDA	11.7	10.6	8.6	
EV/ Sales	2.9	2.5	2.1	
DEBT/EQUITY	0.1	(0.0)	(0.1)	

Syrma SGS Technology Ltd Q4FY26 Result Update

Result Update

The company reported a healthy operational performance for the quarter, with revenue rising to ₹14.7 bn, reflecting a strong growth of 59% YoY and 16% QoQ, while coming marginally ahead of consensus estimates by 1%. EBITDA stood at ₹1.7 bn, registering a solid increase of 61% YoY and 9% sequentially, outperforming street expectations by an impressive 21%. EBITDA margins came in at 11.9%, expanding 19 bps YoY, though witnessing a moderation of 70 bps on a QoQ basis; however, margins remained significantly ahead of consensus estimates by 199 bps. Supported by steady operational momentum, PAT for the quarter stood at ₹1.2 bn, growing 68% YoY and 8% QoQ, while exceeding consensus expectations by 25%.

Conference Call highlights

Strong FY26 Performance Across Key Metrics

Management highlighted FY26 as a landmark year for the company, with Syrma SGS surpassing most of its guided parameters. The company delivered EBITDA of ₹545 crore against the initial guidance of ₹400+ crore, while exports crossed ₹1,200 crore versus the targeted ₹1,100 crore mark. Working capital days improved sharply from 69 days to 63 days, and further to 58 days excluding Elcome, resulting in healthy operating cash flow generation of over ₹290 crore. Management emphasized that strong growth in automotive, industrial, healthcare, exports, and ODM businesses drove the superior performance, laying a solid foundation for FY27 growth.

Revenue Growth Driven by High-Value Segments

The company reported Q4FY26 revenue of ₹1,477 crore, reflecting robust 56% YoY growth, led by strong traction across industrial, automotive, healthcare, IT, and railway segments. Industrial remained the largest contributor at 31% of revenue, followed by consumer and automotive. IT and railway emerged as standout segments with over 180% YoY growth during the quarter.

Key Data	
CMP (Rs)	1,080
Sector / Industry	Capital Goods
52 week High/Low	1,177 / 499
Market Cap (bn)	208.26
Bloomberg Code	SYRMA:IN
Face Value (₹)	10.0

Shareholding %			
Particulars	Q2FY26	Q3FY26	Q4FY26
Promoters	43.0	42.7	42.3
FII	7.0	6.5	6.6
DII	16.4	15.9	16.6
Others	33.6	34.9	34.5

No Promoter Pledge

Financial Ratios			
Ratio	FY24	FY25	FY26
ROCE (%)	11.1	14.8	20.0
ROE (%)	6.7	9.7	18.3
PE (%)	76.8	48.2	64.9
P/B(x)	2.6	2.2	7.5
Debt/Equity	0.3	0.3	0.1
EV/EBITDA	34.2	23.5	35.2

NIFTY VS SYRMA:IN				
Returns (%)	1M	3M	6M	12M
Nifty 50	(1.0)	(8.2)	(7.3)	(4.4)
SYRMA	28.1	25.0	33.9	105.0

Financial Metrics										(Rs in bn)
Particulars	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Estimates#	Var (%)	FY26	FY27#	FY28#
Revenue	14.7	9.2	59%	12.6	16%	14.6	1%	48.2	63.0	81.4
EBITDA	1.7	1.1	61%	1.6	9%	1.4	21%	5.5	6.6	8.6
EBITDA Margin (%)	11.9%	11.7%	19bps	12.6%	-70bps	9.9%	199bps	11.3%	10.5%	10.6%
Adj. PAT	1.2	0.7	68%	1.1	8%	1.0	25%	3.5	4.0	5.2
PAT Margin (%)	8.1%	7.7%	44bps	8.7%	-58bps	6.5%	160bps	7.2%	6.4%	6.4%
EPS	5.3	3.7		5.3		4.5		16.48	21.2	27.6

Syrma SGS Technology Ltd Q4FY26 Result Update

Management stated that excluding the lower-margin consumer business, overall revenue growth stood significantly higher, indicating a continued shift toward high-margin and value-added businesses.

Margin Expansion and Operational Efficiency Improvements

Management highlighted meaningful improvement in profitability during FY26, supported by operating leverage, better product mix, ODM expansion, and higher export contribution. Gross margins improved from 22.6% to 25.6%, while EBITDA margins expanded to 11.3% for FY26. PAT nearly doubled YoY, reflecting structural improvement in the business model. The company also mentioned operational initiatives such as real-time monitoring systems across SMT lines, which have already delivered 5–7% efficiency gains.

Conservative Margin Guidance Amid Global Volatility

Despite delivering nearly 12% EBITDA margins in recent quarters, management guided FY27 EBITDA margins at 10.5%–11%, citing geopolitical uncertainties, higher logistics costs, rising metal prices, and global supply-chain disruptions. Management clarified that while pass-through mechanisms exist with customers, they typically involve a time lag. The company prefers to remain conservative at this stage and may revisit guidance if macro conditions stabilize over the coming quarters.

Strong Export Momentum and ODM Growth

Exports continued to remain a key growth driver, growing 41% YoY in FY26 and contributing nearly 25% of operating revenue. Management expects exports to cross ₹1,500 crore in FY27, supported by newly onboarded customers and improving global supply-chain diversification. ODM revenue also increased significantly from ₹453 crore to ₹825 crore, with management aiming to sustain ODM contribution at nearly 17% of revenue. Healthcare and MedTech businesses remain key contributors within the ODM portfolio.

PCB Expansion and Large Capex Plans

Management provided details on its aggressive PCB manufacturing expansion strategy. The company plans to invest nearly ₹800 crore toward multilayer PCB facilities over multiple phases, with the first phase already underway. Around ₹250 crore of PCB-related capex is expected during FY27, while additional investments for HDI, flexible PCB, and copper clad laminate projects could be spread across FY28–FY30. Management remains confident that the balance sheet and subsidy inflows will adequately support these investments without liquidity concerns.

Healthy Order Book and Growth Visibility

The company closed FY26 with an order book of nearly ₹6,600 crore, diversified across automotive, consumer, industrial, healthcare, and IT & railway segments. Management emphasized that the order pipeline remains strong, supported by addition of 32 new customers during FY26, with long-term revenue potential exceeding ₹2,500 crore. New customer additions span applications such as solar trackers, power management systems, data center applications, industrial controls, and liquid processing solutions.

Focus on Working Capital Discipline

Management reiterated that working capital management remains a key priority and clarified that the company is willing to sacrifice growth if projects stretch the working capital cycle excessively. The company has already reduced working capital days significantly over the last four years and intends to continue improving efficiency through customer selectivity and disciplined capital allocation. Defense-related businesses such as Elcome carry longer working capital cycles but are offset by significantly superior margins.

Renewable Energy and Future Growth Areas

Management confirmed that despite discontinuing the K-Solare acquisition with Premier Energies due to unmet conditions precedent, the company remains committed to entering the renewable energy space. Syрма SGS is now evaluating greenfield opportunities and technology partnerships for inverter and renewable energy-related products. Alongside automotive, MedTech, defense, industrial electronics, and PCB manufacturing, renewable energy is expected to become an important long-term growth vertical.

Long-Term Vision and Global Ambition

Management reiterated its ambition to build Syрма SGS into a globally recognized EMS and ODM player. The company highlighted its growing global customer base, export traction, certifications such as TISAX for automotive electronics security, and continued investments in advanced manufacturing capabilities. Management believes the company is well positioned to consistently deliver 30%–35% growth over the medium term while improving product mix, export contribution, and profitability profile.

WEEKLY ECONOMIC CALENDAR

FOR THE WEEK ENDING ON 15-MAY-2026

China

Event:

11 May

- CPI (MoM) (Apr)
- PPI (YoY) (Apr)
- CPI (YoY) (Apr)

India

Event:

12 May

- CPI (YoY) (Apr)

Event:

14 May

- WPI Inflation (YoY) (Apr)

United States

Event:

12 May

- ADP Employment Change Weekly
- CPI (MoM) (Apr)

Event:

13 May

- API Weekly Crude Oil Stock
- PPI (MoM) (Apr)

Event:

14 May

- Core Retail Sales (MoM) (Apr)
- Initial Jobless Claims

Event:

15 May

- Industrial Production (YoY) (Apr)

Nifty 50 stocks – Support & Resistance

Stock Name	Support 2	Support 1	Close	Resistance 1	Resistance 2
ADANIANT	2327.40	2366.30	2405.20	2477.90	2550.60
ADANIPORTS	1629.73	1658.97	1688.20	1741.67	1795.13
APOLLOHOSP	7948.83	7985.67	8022.50	8068.67	8114.83
ASIANPAINT	2464.70	2485.10	2505.50	2540.80	2576.10
AXISBANK	1246.57	1253.33	1260.10	1270.43	1280.77
BAJAJ-AUTO	10164.00	10280.50	10397.00	10599.00	10801.00
BAJAJFINSV	1709.60	1727.20	1744.80	1776.70	1808.60
BAJFINANCE	881.97	893.08	904.20	923.98	943.77
BEL	404.50	410.50	416.50	427.50	438.50
BHARTIARTL	1736.60	1746.70	1756.80	1771.70	1786.60
CIPLA	1276.77	1284.53	1292.30	1304.53	1316.77
COALINDIA	457.22	460.13	463.05	467.48	471.92
DRREDDY	1250.47	1260.23	1270.00	1284.03	1298.07
EICHERMOT	6998.33	7062.17	7126.00	7232.67	7339.33
ETERNAL	234.16	237.07	239.98	245.17	250.36
GRASIM	2836.47	2869.73	2903.00	2960.23	3017.47
HCLTECH	1116.07	1130.93	1145.80	1172.33	1198.87
HDFCBANK	740.75	745.60	750.45	757.50	764.55
HDFCLIFE	586.40	594.10	601.80	615.75	629.70
HINDALCO	1010.73	1026.07	1041.40	1055.67	1069.93
HINDUNILVR	2224.00	2243.00	2262.00	2294.00	2326.00
ICICIBANK	1221.90	1231.10	1240.30	1254.70	1269.10
INDIGO	4111.43	4156.57	4201.70	4277.97	4354.23
INFY	1102.77	1121.53	1140.30	1160.53	1180.77
ITC	296.20	298.45	300.70	304.60	308.50
JIOFIN	222.54	226.50	230.47	237.19	243.92
JSWSTEEL	1230.63	1241.47	1252.30	1267.87	1283.43
KOTAKBANK	370.70	373.35	376.00	379.85	383.70
LT	3788.17	3822.33	3856.50	3915.33	3974.17
M&M	3106.00	3141.00	3176.00	3236.30	3296.60
MARUTI	12954.00	13063.00	13172.00	13368.00	13564.00
MAXHEALTH	993.90	1005.80	1017.70	1037.80	1057.90
NESTLEIND	1450.33	1459.47	1468.60	1484.37	1500.13
NTPC	386.00	389.35	392.70	397.95	403.20
ONGC	280.70	287.60	294.50	300.65	306.80
POWERGRID	302.27	304.28	306.30	309.53	312.77
RELIANCE	1339.40	1351.70	1364.00	1384.90	1405.80
SBILIFE	1794.23	1814.07	1833.90	1864.67	1895.43
SBIN	953.80	964.20	974.60	983.20	991.80
SHRIRAMFIN	891.45	910.95	930.45	964.95	999.45
SUNPHARMA	1815.63	1830.67	1845.70	1870.07	1894.43
TATACONSUM	1229.73	1241.37	1253.00	1273.67	1294.33
TATASTEEL	208.45	210.22	212.00	215.05	218.11
TCS	2227.43	2263.87	2300.30	2355.87	2411.43
TECHM	1351.50	1372.20	1392.90	1430.30	1467.70
TITAN	3938.70	3997.00	4055.30	4163.60	4271.90
TMPV	329.82	333.33	336.85	343.03	349.22
TRENT	3944.67	3997.63	4050.60	4143.53	4236.47
ULTRACEMCO	11265.33	11390.67	11516.00	11753.67	11991.33
WIPRO	184.56	187.07	189.57	194.11	198.64



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