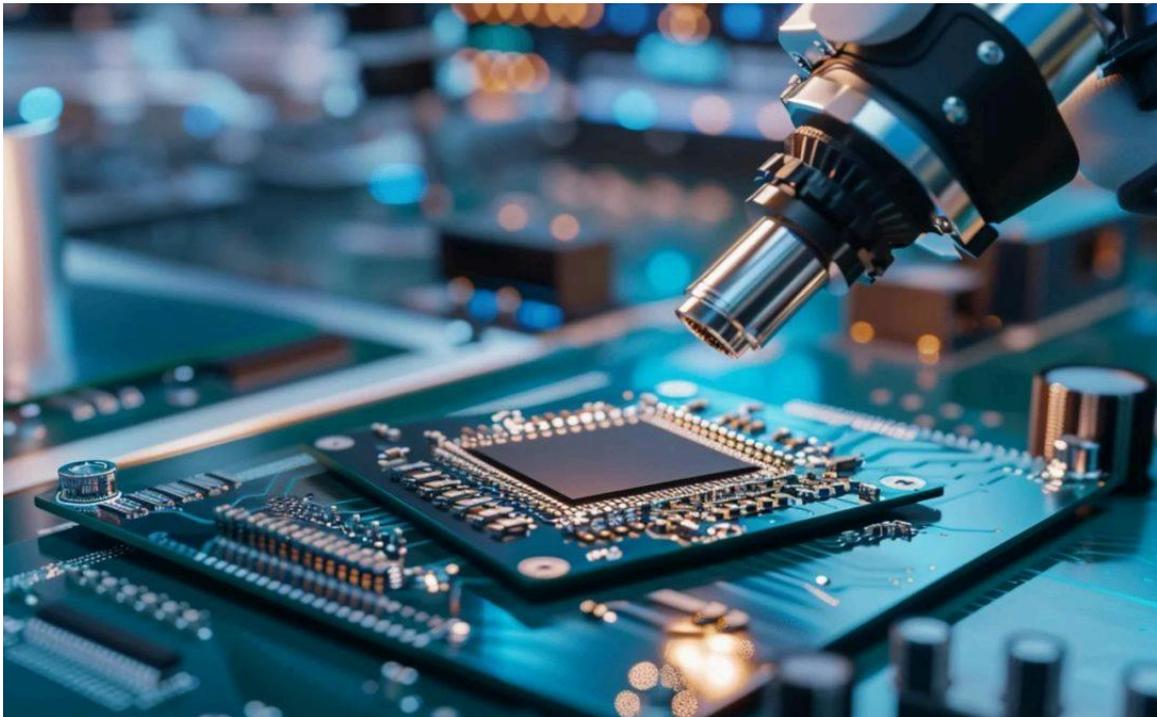


# Semiconductor stock jumps 3% after JV with Italian firm for Electronics Manufacturing

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**Synopsis:** Syrma SGS and Elemaster form a joint venture in India, combining expertise to target high-reliability railway, industrial, and medical electronics, with a 60:40 equity split.

This small-cap Semiconductor Stock, engaged in providing high-reliability electronics solutions and serving automotive, industrial, healthcare, IT, and railway sectors, jumped 3 percent

after a joint venture agreement with an Italian firm to launch an electronics company in India.

With a market capitalization of Rs. 14,560.88 crores, the share of **Syrma SGS Technology Limited** has reached an intraday high of Rs. 779.60 per equity share, rising nearly 3.24 percent from its previous day's close price of Rs. 755.15. Since then, the stock has retreated and is currently trading at Rs. 756.55 per equity share.

### **What is the news?**

On September 1, 2025, Syrma SGS Technology Limited announced the execution of a joint venture agreement with Elemaster S.p.A Tecnologie Elettroniche and its wholly-owned subsidiary, Syrma SGS Design and Manufacturing Private Limited (JVCo). The JV aims to unlock growth opportunities in the railway, industrial, and medical electronics sectors by combining Syrma SGS's manufacturing expertise with Elemaster's strong European OEM relationships.

Under the agreement, Syrma SGS will hold 60 percent of JVCo's equity, while Elemaster will hold 40 percent. The JV will operate from India and is structured to ensure dedicated focus on high-reliability electronics manufacturing. The facility will be situated in the Bommasandra Industrial Area of Bengaluru, covering an initial area of approximately 20,000 sq. ft., and designed for SMT, THT, and box-build assembly lines.

The agreement outlines governance and operational terms, including a board of three directors with two nominated by Syrma SGS and one by Elemaster. It also establishes customary rights for share transfers, future funding, and information access.

The investment will be made at fair market value, with Syrma SGS contributing approximately Rs. 33 crore and Elemaster

contributing Rs. 22 crore. This strategic partnership positions both companies for scalable growth and global market expansion.

## Management Guidance

Syrma SGS Technology has projected a year-on-year revenue growth of 30–35 percent for FY26, driven by robust demand across its core business segments. The company anticipates maintaining an operating EBITDA margin in the range of 8.5–9 percent.

Management also intends to limit the consumer electronics segment to around 30 percent of annual revenue, promoting balanced growth across automotive, industrial, healthcare, IT, and railway sectors.

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## Order Book

Syrma SGS currently has an open order book of Rs. 5,400 crore, driven by strong demand across multiple sectors. Automotive accounts for 35–40 percent, consumer electronics 25–27 percent, industrials 25–27 percent, and healthcare 6–8 percent, with the remaining portion coming from IT and railway segments, ensuring a well-diversified revenue mix.

## Capex Plans

Syrma SGS has announced its Phase-1 CAPEX plan of approximately \$91 million, to be deployed gradually over the next three to four years. For its EMS business, the company expects full-year CAPEX in FY26 to remain under Rs. 100 crore, reflecting disciplined investment while supporting growth initiatives.

## Company Overview

Syrma SGS Technology Limited was incorporated in 2004 and is headquartered in Chennai. The company is a leading electronics manufacturing services (EMS) provider. The company specializes in electronic system design and manufacturing, with expertise in product engineering, RFID-based solutions, and MedTech devices, serving both domestic and international markets.

## Recent quarter results

Coming into financial highlights, Syrma SGS Technology Limited's revenue has decreased from Rs. 1,160 crore in Q1 FY25 to Rs. 944 crore in Q1 FY26, which is a drop of 18.62 percent. The net profit has also grown by 150 percent from Rs. 20 crore in Q1 FY25 to Rs. 50 crore in Q1 FY26.

Syrma SGS Technology Limited's revenue and net profit have grown at a CAGR of 34.45 percent and 14.87 percent, respectively, over the last five years. In terms of return ratios, the company's ROCE and ROE stand at 12.4 percent and 10.2 percent, respectively. Syrma SGS Technology Limited has an earnings per share (EPS) of Rs. 9.53, and its debt-to-equity ratio is 0.38x.

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