

Analyst Name – Jeet B Bhayani

SEBI Registration No- INH000018142

Trade View Report-



Published Date	April 20th, 2026
Rating	BUY
Trade Type	Long Term
Stock Name	MOSCHIP
Entry Price	200
Target	240
Stop Loss Price	185
Target%	20%
SL%	7.5%

Rationale-

MosChip Technologies Limited (MOSCHIP) is a specialized player in semiconductor design and system engineering, currently transitioning from a pure-play services firm into a comprehensive product engineering solutions provider.

Registered Address- 37, Joy Narayan Santra Lane, Howrah 711101
Principal Officer- Jeet B Bhayani
Email- jeetbhayani2017@gmail.com

Financial Performance (Q3 FY26 & 9M FY26)

The company's recent financials show strong top-line momentum but significant near-term pressure on margins and profitability:

- **Revenue Growth:** Consolidated revenue for **Q3 FY26** grew by **18.3% YoY** to approximately **₹150.68 crore**.
- **Profitability Decline:** Net profit (PAT) for Q3 FY26 plunged **60.8% YoY** to **₹4.34 crore**, primarily due to rising expenses and one-time charges related to new labor code provisions.
- **Margin Contraction:** EBITDA margins compressed to **~10.5%** in Q3 FY26 (down from previous levels) as expenses grew by over **20% YoY**.
- **Balance Sheet Stability:** The company maintains a conservative capital structure with a **Debt-to-Equity ratio of ~0.13** as of March 2025.
- **Asset Performance:** Return on Equity (ROE) stood at approximately **7.48%** for the period ending March 2025.

Investment Rationale

The rationale for MosChip is driven by its strategic positioning within the global semiconductor value chain and high-value domestic projects:

1. Strategic M&A and Consolidation

- **Vayavya Labs Acquisition:** In April 2026, MosChip approved the acquisition of a **73% stake** in Vayavya Labs for **₹245.49 crore**. This move significantly bolsters its software-led engineering and automotive (ADAS validation) capabilities.
- **Softnautics Amalgamation:** The company completed the merger of its subsidiaries, **Softnautics Inc** and **Softnautics Private Limited**, into the parent entity to streamline operations and achieve operational synergies.

2. High-Value Project Wins

- **Defense and Space:** MosChip successfully delivered a custom **SoC (System on Chip)** to **ISRO** in 28nm technology for satellite navigation, demonstrating high-end technical expertise.
- **Government Contracts:** The company is executing a **₹509.37 crore** contract from **C-DAC**, providing significant revenue visibility for the coming years.

3. Participation in India Semiconductor Mission (ISM)

- **DLI and PLI Schemes:** As a leading domestic design house, MosChip is a primary beneficiary of the **Design Linked Incentive (DLI)** scheme and broader government initiatives to establish a domestic semiconductor ecosystem.
- **AI and 5G Focus:** The company is pivoting toward emerging sectors like **Generative AI** and **5G infrastructure**, which typically command higher specialization premiums and margins.

4. Geographical and Service Expansion

- **Global Footprint:** Post-acquisition, the company expects its total headcount to cross **2,000 employees** across six locations, including the **Silicon Valley**, enhancing its delivery scale for international clients.

Key Monitorables & Risks

- **Valuation:** The stock trades at a high **Price-to-Book (P/B) ratio of ~8.7**, suggesting it is valued as an aggressive growth company despite recent flat profitability.
- **Margin Recovery:** Investors are closely monitoring whether the integration of Vayavya Labs and the Softnautics merger can restore EBITDA margins to the **14%–15%** range.
- **Revenue Concentration:** Dependence on high-value government contracts and large clients remains a risk to watch in FY27.

Disclaimer-

Investment in securities market is subject to market risks. Read all the related documents carefully before investing. Trading in Futures & Options (F&O) carries high risk as it depends on market momentum. "Registration granted by SEBI & Certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to Investors." Past performance is no guarantee of future results.

Intraday- Not more than one day

Short term – 0-15 days

Medium term – 1- 3 months

Long term – more than a Year

DISCLOSURES WITH RESPECT TO RESEARCH AND RECOMMENDATIONS SERVICES

1. Research entity or Research Analyst or his associate or his relative may have financial interest or actual / beneficial ownership of one per cent or more in the securities recommended in its personal portfolio at the end of the month immediately preceding the date of publication of the research report or date of the public appearance. Details of the same may be referred through the disclosures made at the time of advice.
2. There are no actual or potential conflicts of interest arising from any connection of Research entity or Research Analyst or his associate or his relative to or association with any issuer of products/ securities, including any material information or facts that might compromise its objectivity or independence in the carrying on of Research Analyst services. Such conflict of interest shall be disclosed to the client as and when they arise.
3. Research analyst or research entity or its associates or relatives, may have actual/beneficial ownership of one per cent or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance or research recommendation. Details of the same may be referred through the disclosures made at the time of advice.
4. Research entity or Research analyst or its associate or relatives has no connection or association of any sort with any issuer of products/ securities recommended herein.
5. Research analyst or his associate or his relative has no actual or potential conflicts of interest arising from any connection to or association with any issuer of products/ securities, including any material information or facts that might compromise its objectivity or independence in the carrying on of research and recommendations services.
6. Research entity or Research analyst or its associates has not received any kind of remuneration or consideration form the products/ securities recommended herein.
7. Research entity or Research analyst or its associates have not received any compensation from the subject company in past 12 months.
8. Research entity or Research analyst or its associates have not managed or co-managed the public offering of Subject Company in past 12 months.
9. Research entity or Research analyst or its associates have not received any compensation for investment banking or merchant banking of brokerage services from the subject company in past 12 months.
10. Research entity or Research analyst or its associates have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months.
11. Research entity or Research analyst or its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report or research recommendations.
12. Research entity or Research analyst or its associates have not received any compensation for products or services from the subject company in past 12 months.
13. The subject company is or was not a client of Research entity or Research analyst or its associates during twelve months preceding the date of distribution of the research report and recommendation services provided.
14. Research Analysts or its associates has not served as an officer, director or employee of the subject company.
15. Research Analysts has not been engaged in market making activity of the subject company.