

April 01, 2021

Master Pick

Equities



V-Guard Industries Ltd

- V-Guard Industries started its operations in 1977 at Kochi to manufacture and market Voltage stabilizers. It is a strong player in south India and has a strong brand name. Since inception it has aggressively diversified its portfolio to become a multi-product company catering to the Light Electricals sector manufacturing Invertors & Digital UPS systems, Pumps, House wiring cables, electric & solar water heaters, fans, etc. The company has manufacturing facilities at Coimbatore in Tamil Nadu, Kashipur in Uttaranchal and Kala Amb in Himachal Pradesh. It has a network of 31 branches spread across ~40,000+ retailers.
- The company posted strong numbers for Q3FY21 led by healthy festive demand and strong recovery of consumer demand. It gained market share from unorganized and regional players. Revenue grew by 32% YoY, accompanied by strong EBITDA margins of 13.7%, an improvement of 424bps YoY.
- Going forward, the management plan is to focus on strengthening its product portfolio, expanding its distribution network in non-south regions and increase presence across e-commerce and modern trade. Besides V-guard has strong balance sheet and decent cash flow which will help in inorganic expansion.

Technical Outlook

- VGUARD has had a history of exceptional performance as it rose from a single-digit mark to 250 during the uptrend which lasted for nearly nine years (2009-2018).
- It retested the record high in 2019, after a marginal dip but it couldn't sustain around that zone and again inched lower. It penetrated the major support zone of the previous swing low around 160 levels for a brief but didn't see any major fall.
- It has been gradually inching higher for the last four months and reached closer to its record high. Indications are in the favor of breakout from the three-year long consolidation phase. We thus advise accumulating within 240-250 levels with the close below stop loss of 215 for the target of 310.

BSE Code	532953
NSE Code	VGUARD
Sector	Electric Equipment

Technical Recommendation

CMP (₹)	247.55
Accumulation Range(₹)	240-250
Stop Loss- Closing (₹)	215
Target (₹)	310
Time Horizon	2-3 Months

Data Matrix

Equity (₹Cr)	42.8
EPS (₹)	4.4
Book Value (₹)	23.3
Face Value (₹)	1.0
P/ BV (x)	6.7
Dividend Yield (%)	0.4
Beta	0.4
52 Week High / Low	262/152
ROE%	18.8

Source : Capitaline, Moneycontrol

Technical Chart (Weekly)



Running Recommendations

Scrip Name	Rec. Date	Rec. Price	CMP (01st Apr,2021)	Closing S/L	Target
GODREJCP	26-Mar-2020	710.25	726.30	640	820
RALLIS	05-Mar-2020	270.65	259.80	235	340
RELAXO	05-Feb-2020	882.8	904.35	800*	1080
* Closing S/L Trailed					

Performance of Closed Recommendations

Rec. Date	Scrip Name	Rec. Price	Closed On	Return %	Remarks
08-Jan-2020	POWERGRID	203.55	22-Feb-2021	10.54	Booked profit as trailed SL triggered at 225
27-Nov-2020	RADICO	454.50	25-Jan-2021	12.40	Booked profit at 511
31-Jul-2020	GODREJCP	691.85	25-Jan-2021	16.10	Booked profit at 803
18-Dec-2020	VGUARD	193.70	21-Jan-2021	21.30	Booked profit at 235 as Target Met
13-Nov-2020	RELAXO	725.35	01-Jan-2021	13.00	Booked profit at 820 as Target Met
19-Jun-2020	HEIDELBERG	167.80	01-Dec-2020	27.53	Booked profit at 214 as Target Met
01-Oct-2020	GUJGASLTD	310.85	27-Nov-2020	15.80	Booked profit at 360 as Target Met
07-Aug-2020	INDIACEM	116.85	20-Nov-2020	32.65	Booked profit at 155 as Target Met
23-Oct-2020	SUBROS	256.80	18-Nov-2020	20.70	Booked profit at 310 as Target Met
16-Oct-2020	CEATLTD	992	27-Oct-2020	19.00	Booked profit at 1180 as Target Met
28-Aug-2020	DCB BANK	94.55	24-Sep-2020	-12.21	Booked loss as SL triggered at 83
21-Aug-2020	POWERGRID	185	17-Sep-2020	-8.10	Booked loss as SL triggered at 170
10-Jul-2020	EQUITAS	59.60	29-Aug-2020	-17.78	Booked loss as SL triggered at 49
17-Apr-2020	RADICO	327.95	29-Jul-2020	14.65	Booked profit as trailed SL triggered at 376
12-Jun-2020	RALLIS	234.75	23-Jul-2020	32.05	Booked profit at 310 as Target Met
30-Apr-2020	BIOCON	353.95	13-Jul-2020	24.30	Booked profit at 440 as Target Met
22-May-2020	GRANULES	165.75	12-Jun-2020	26.70	Booked profit at 210 as Target Met
29-May-2020	RELAXO	676.45	04-Jun-2020	15.30	Booked profit at 780 as Target Met

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S. No.	Statement	Answer	
		Tick appropriate	
		Yes	No
	I/we or any of my/our relative has any financial interest in the subject company? [If answer is yes, nature of Interest is given below this table]		No
	I/we or any of my/our relatives, 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?		No
	I / we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance?		No
	I/we have received any compensation from the subject company in the past twelve months?		No
	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation for products or services other than brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		No
	I/we have served as an officer, director or employee of the subject company?		No
	I/we have been engaged in market making activity for the subject company?		No

Nature of Interest (if answer to F (a) above is Yes :

Name(s) with Signature(s) of RA(s).

[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) above, are given below]

SS.No.	Name (s) of RA.	Signatures of RA	Serial Question of question which the signing RA needs to make a separate declaration / answer	Yes	No.

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