

**RESEARCH****BOB ECONOMICS RESEARCH | CPI**

CPI still insulated

**GODREJ CONSUMER PRODUCTS | TARGET: Rs 1,136 | +10% | HOLD**

Building Future Growth Engines

**ABBOTT INDIA | TARGET: Rs 36,457 | +36% | BUY**

In line earnings; EBITDA Margin likely to sustain near its highs

**DIXON TECHNOLOGIES | TARGET: Rs 11,200 | +10% | HOLD**

Soft Q4FY26, demand outlook moderates on input pressure

**BROOKFIELD INDIA REAL ESTATE TRUST | TARGET: Rs 382 | +17% | BUY**

Record performance over FY26; organic growth to drive DPU

**SYRMA SGS | TARGET: Rs 1,020 | -5% | HOLD**

Strong Q4; capex on track

**V-GUARD INDUSTRIES | TARGET: Rs 410 | +28% | BUY**

Broadly in-line quarter; lower spends cushion margins

**SUMMARY****INDIA ECONOMICS: CPI**

CPI inched up in Apr'26 albeit remaining below the 4% target level. There has been continuous buildup of inflationary pressures on food inflation front. Among food, vegetables and pulses, edible oils and protein-based items are driving inflation higher. Further, monitoring is required as weather related vagaries persist, in terms of heatwave conditions and expected El Nino. Hence food inflation trajectory needs to be monitored closely.

[Click here](#) for the full report.



## GODREJ CONSUMER PRODUCTS

- Speedboats contribution targeted to scale from ~15% to ~40% of India revenues by FY30E, supporting double-digit UVG aspirations
- Africa profitability improved materially followed by restructuring and simplification initiatives, while Indonesia recovery remains a key focus
- RNF-led innovation, strong traction in incense sticks and improving penetration trends are driving structural recovery in the HI portfolio

[Click here](#) for the full report.

## ABBOTT INDIA

- Sales/EBITDA/PAT reported -0.4%, -1.7%, -2.1% below our estimates. EBITDA Margin reported at 40 bps below our estimates
- Healthy cash balance of Rs 23bn as on FY26, can be utilised towards in-licensing deals or continuing hefty dividend payout
- Considering the healthy cash balance and superior ROCE, we ascribe 40x and roll forward to Mar'28 EPS to arrive at TP of Rs 36,457

[Click here](#) for the full report.

## DIXON TECHNOLOGIES

- Revenue grew 2% YoY to Rs 105.2bn; EBITDA declined 8% YoY with margins contracting 40bps to 3.9%
- Multiple JVs to enhance capabilities; confident of offsetting the absence of mobile PLI in FY27 through backward integration benefits
- Ascribe 45x to Mar-28E EPS to arrive at Mar'27 TP of Rs 11,200; Maintain HOLD

[Click here](#) for the full report.

## BROOKFIELD INDIA REAL ESTATE TRUST

- Reported FY26 DPU of Rs 21.4 in-line (-0.1%) with our estimates on the back of a larger leasable area and improved utilisation
- Leasable area expanded to 32.5msf (+32.7% YoY); in-place rents rose to Rs 103psf/m (+6.2% YoY) and occupancy improved +500bps YoY
- Improved utilisation and deleveraging to drive moderate DPU growth of ~7.5% over FY27E-29E. Reduce TP to Rs 383 and maintain at BUY

[Click here](#) for the full report.

**SYRMA SGS**

- Revenue outperformed (10% beat). EBITDA substantially ahead, driven by a sharp margin expansion
- 58% YoY revenue uptick, led by a sharp growth in IT & Railways (+182%), Consumer (+102%), Automotive (+62%) and Healthcare (+47%)
- Rolling forward to Mar-28 EPS at 35x yields a Mar-27 TP of Rs 1,020 (vs earlier TP of 820). Maintain HOLD

[Click here](#) for the full report.

**V-GUARD INDUSTRIES**

- Q4FY26 was broadly in-line, with revenue 1% ahead and EBITDA 2% below estimates; revenue/EBITDA grew 14%/19% YoY
- Electricals/Electronics grew 16%/22% YoY. CD grew 4%, as fans and air coolers declined; Sunflame growth came at 9% YoY
- We assign 40x to arrive at a Mar-27 TP of Rs 410. Considering the meaningful upside, maintain BUY

[Click here](#) for the full report.

**CPI**

12 May 2026

**CPI still insulated**

CPI inched up in Apr'26 albeit remaining below the 4% target level. There has been continuous buildup of inflationary pressures on food inflation front. Among food, vegetables and pulses, edible oils and protein-based items are driving inflation higher. Further, monitoring is required as weather related vagaries persist, in terms of heatwave conditions and expected El Nino. Hence food inflation trajectory needs to be monitored closely.

**Dipanwita Mazumdar**  
Economist

Core inflation is largely capped, and lower gold prices are supporting the same. We do not see any immediate upside risks from core except the restaurant and hospitality component. Our in-house BoB ECI has picked up by another 1% in May'26 (first 11 days), thus we see inflationary risks tilted to the upside, unless the war situation resolves.

**Food inflation inching up**

**CPI reading was still below 4%:** CPI inflation reading came in at 3.5% in Apr'26 compared to 3.4% in Mar'26, on YoY basis and below our estimate of 4%. This month's print however did not show much extent of pass through of higher global prices, thus giving the comfort that we are still insulated at this point. Food inflation print came in higher at 4.2% in Apr'26 compared to 3.9% in Mar'26, around 30bps higher. The fine print of food inflation shows that Tomato inflation (35%, YoY, Apr'26) and some seasonal impact on vegetables such as cauliflower (25.6%) are causing higher vegetable inflation (vegetable and pulses inflation rose to 2.3% in Apr'26 compared to 1.7% in Mar'26). Protein-based items remained in double digit inflation (meat inflation at 10.1%, fish at 8.6%). Milk inflation also inched up to 3.1% in Apr'26 from 3% in Mar'26. Edible oil stickiness also persisted amidst supply side disruption and oils and fat component of inflation rose to 9.2% in Apr'26 from 6.6% in Mar'26.

Globally as well, food prices are increasing from edible oils to cereals. The recent FAO report highlighted that vegetable oil prices are experiencing considerable upsurge driven by stronger demand. As per UPAJ data, arrival statistics of TOP (Tomato, Onion and Potato) have shown a -12.8% decline in Apr'26 over Apr'25. IMD has issued warnings of heatwave in May'26 over major TOP producing States such as East Coast States, Gujarat and Maharashtra. Thus, arrivals of TOP might be impacted in the coming months and some upside risks to inflation remain. However, some breather may be on account of strong deflation still visible in Potato and Onion prices. Hence weather-related vagaries coupled with expected El Nino conditions might impact food inflation. Thus, the risks for food inflation are tilted to the upside.



**HOLD**  
 TP: Rs 1,136 | ▲ 10%

**GODREJ CONSUMER PRODUCTS**

Consumer Staples

12 May 2026

### Building Future Growth Engines

- Speedboats contribution targeted to scale from ~15% to ~40% of India revenues by FY30E, supporting double-digit UVG aspirations
- Africa profitability improved materially followed by restructuring and simplification initiatives, while Indonesia recovery remains a key focus
- RNF-led innovation, strong traction in incense sticks and improving penetration trends are driving structural recovery in the HI portfolio

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**We attended the Investor Day meet hosted by Godrej Consumer Products. where the management outlined its medium-term roadmap focused on driving double-digit UVG in India, accelerating growth in emerging categories and improving profitability across international operations.**

**Scaling emerging categories to drive growth:** Management reiterated its aspiration of delivering double-digit UVG in India business over the medium term. This will likely be led by a rapid scale-up in “speedboat” categories such as air care, liquid detergents and incense sticks. Currently, the contribution from these categories is ~15% of India revenues and is targeted to reach ~40% by FY30E. Focus remains on premiumisation and category expansion across personal care and household products, while international businesses are expected to produce profitable growth led by revenues.

**Key pillars for next phase of growth:** Management highlighted three focus areas for driving the next leg of growth: (1) portfolio transformation through organic innovations, inorganic acquisitions and geographic expansion to accelerate UVG growth, (2) strengthening the household insecticides portfolio, led by a strong traction in incense sticks and electrics (3) improving profitability across international businesses through structural simplification, better product mix and sharper execution. Focus remains on scaling the emerging categories, expanding distribution reach and improving cash generation across geographies.

**Our View:** We believe Godrej Consumer Products is well placed for gradual improvement in growth trajectory, given the rapid scale-up in Speedboats and structural turnaround in the HI portfolio. The improving profitability across Africa and simplification initiatives in international businesses further strengthen its earnings outlook. Going forward, continued execution in the emerging categories and recovery in Indonesia remain key monitorables. We model revenue/EPS CAGR of 9%/19% for FY26-29E. We maintain our HOLD rating valuing the stock at 45x PE with TP of Rs 1,136.

### Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	GCPL IN/Rs 1,030
Market cap	US\$ 11.1bn
Free float	37%
3M ADV	US\$ 18.4mn
52wk high/low	Rs 1,309/Rs 967
Promoter/FPI/DII	53%/15%/16%

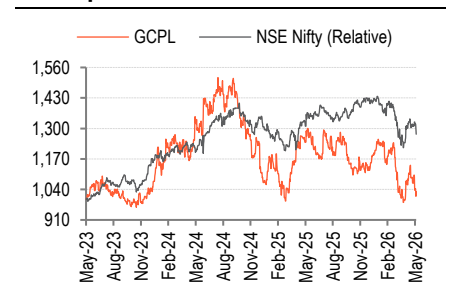
Source: NSE | Price as of 12 May 2026

### Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	151,779	171,370	188,507
EBITDA (Rs mn)	31,562	37,059	42,280
Adj. net profit (Rs mn)	20,946	24,191	28,275
Adj. EPS (Rs)	20.5	23.7	27.7
Consensus EPS (Rs)	20.5	23.8	27.7
Adj. ROAE (%)	14.7	17.5	18.5
Adj. P/E (x)	50.3	43.5	37.2
EV/EBITDA (x)	33.4	28.4	24.9
Adj. EPS growth (%)	9.4	15.5	16.9

Source: Company, Bloomberg, BOBCAPS Research

### Stock performance



Source: NSE



**BUY**  
 TP: Rs 36,457 | ▲ 36%

**ABBOTT INDIA**

| Pharmaceuticals

| 13 May 2026

**In line earnings; EBITDA Margin likely to sustain near its highs**

- Sales/EBITDA/PAT reported -0.4%, -1.7%, -2.1% below our estimates. EBITDA Margin reported at 40 bps below our estimates
- Healthy cash balance of Rs 23bn as on FY26, can be utilised towards in-licensing deals or continuing hefty dividend payout
- Considering the healthy cash balance and superior ROCE, we ascribe 40x and roll forward to Mar'28 EPS to arrive at TP of Rs 36,457

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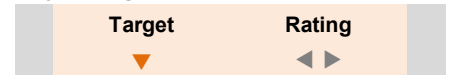
**In-line earnings** – Abbott India reported an in-line set of earnings, where sales grew by 6.5% YoY to Rs 17bn; primarily due to phasing of Mixtard sales. Change in product mix (probable lower contribution of in-licensed portfolio) and 5.7% growth in the RM cost resulted in a 7.4% YoY growth in gross profit to Rs 8bn and 47% gross margin in 4QFY26. Operating leverage was visible with 1% YoY increase in employee cost and 1.2% YoY growth in Other expenses to Rs 1.7bn led to 12.2% YoY growth in EBITDA to Rs 4.8bn. Healthy operations and 56% YoY growth in finance cost resulted in 7% YoY growth in PAT to Rs 3.9bn in 4QFY26.

**Core product margins increasing** - Core portfolio sales (65% of the total sales) grew by 6.6% YoY to Rs 11.1bn and gross profit by 7.5% to Rs 7.4bn. EBITDA rose by 12% to Rs 4.5bn and EBITDA margin for core products increased to 41.8% — an increase of 219 bps YoY and 120 bps QoQ respectively. Core sales growth came from brands like Duphaston, Thyronorm, Udiliv, Cremaffin, Duphalac, Digene, Vertin, Creon etc., where Abbott is sustaining its 1st or 2nd position in their respective therapies.

**Hefty dividend payout of ~90%** - Abbott announced 90% dividend payout with Rs 656 per share. The company announced final dividend of Rs 525 per share and special dividend of Rs 131 per share. Abbott has huge cash reserves with cash and bank balance of Rs 22.5bn in FY26 vs Rs 16.3 bn in FY25. The company has a history of announcing above 70% final dividend including in FY26, where they announced 71.9% final dividend and 17.9% special dividend payout. With a hefty cash balance and minimal capex (~Rs 500mn), we expect that the company would continue paying hefty dividend as its capital allocation strategy.

**Our View** - We notice due to phasing out of key product, Abbott's PAT CAGR is likely to be at 12% for FY27-29 vs earlier 14% from FY24-26, thus we reduce our ascribed PE multiple to 40x (earlier 43x). We continue to ascribe 40x due to its 1) 40% + ROCE, 2) healthy cash balance which can be utilized toward M&A or hefty dividend and 3) sustenance of all time high EBITDA margin. We ascribe 40x and roll forward to Mar'28 EPS to arrive at a PT of Rs 36,457 (earlier Rs 40,277).

**Key changes**



Ticker/Price	BOOT IN/Rs 26,900
Market cap	US\$ 6.6bn
Free float	50%
3M ADV	US\$ 3.3mn
52wk high/low	Rs 37,000/Rs 25,150
Promoter/FPI/DII	0%/0%/0%

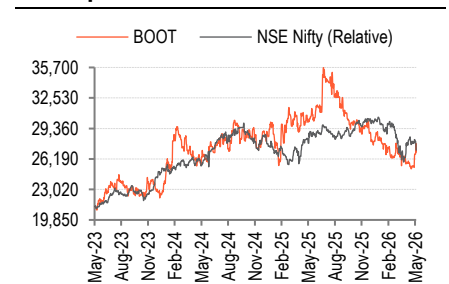
Source: NSE | Price as of 12 May 2026

**Key financials**

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	69,291	75,373	81,854
EBITDA (Rs mn)	18,921	20,896	23,520
Adj. net profit (Rs mn)	15,520	17,213	19,368
Adj. EPS (Rs)	730.4	810.0	911.4
Consensus EPS (Rs)	730.4	818.7	903.2
Adj. ROAE (%)	34.5	34.9	35.9
Adj. P/E (x)	36.8	33.2	29.5
EV/EBITDA (x)	32.8	29.7	26.4
Adj. EPS growth (%)	9.6	10.9	12.5

Source: Company, Bloomberg, BOBCAPS Research

**Stock performance**



Source: NSE



**HOLD**  
 TP: Rs 11,200 | ▲ 10%

**DIXON TECHNOLOGIES**

Consumer Durables

13 May 2026

**Soft Q4FY26, demand outlook moderates on input pressure**

- Revenue grew 2% YoY to Rs 105.2bn; EBITDA declined 8% YoY with margins contracting 40bps to 3.9%
- Multiple JVs to enhance capabilities; confident of offsetting the absence of mobile PLI in FY27 through backward integration benefits
- Ascribe 45x to Mar-28E EPS to arrive at Mar'27 TP of Rs 11,200; Maintain HOLD

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**Q4 performance reflects margin headwinds:** DIXON's Q4FY26 reported that revenue grew 3% YoY to Rs 106bn, and EBITDA rose 9% YoY to Rs 4.9bn. This was aided by a Rs 750mn of fair value gains on its stake in Aditya Infotech. Excluding these gains, revenue grew 2% YoY and EBITDA declined 8% YoY to Rs 4.2bn, with EBITDA margin contracting 40bps YoY to 3.9%. For FY26, the revenue excluding exceptional items grew 26% YoY to Rs 488.9bn, EBITDA rose 24% YoY to Rs 18.9bn, and EBITDA margin remained flat at 3.8%.

**Mobile & EMS volume moderates, margin to compress on PLI completion:** The Mobile & EMS segment delivered 4% YoY revenue growth to Rs 94.9bn, though revenue declined 3% QoQ. Segment operating profit declined 3% YoY to Rs 3.4bn, with margin moderating to 3.6% from 3.8% in Q4FY25, reflecting the initial impact of mobile PLI expiry, which contributed an estimated 50-70bps of margin support. FY26 segment margin was flat YoY at 3.5%, as scale benefits offset the subsidy roll-off; the near-term margin trajectory will depend on the pace of backward integration across camera modules and displays.

**CE&A stabilises sequentially; home appliances margin dips as input costs rise:** CE&A revenue was broadly flat YoY at Rs 7.0bn and improved 23% QoQ, though margin moderated to 5.7% from 6.1% in Q4FY25, as the LED TV demand remained subdued. FY26 CE&A revenue declined 19% YoY to Rs 28.9bn, but margin improved 91bps YoY to 4.9%, aided by cost actions and mix. Home Appliances revenue grew 9% YoY to Rs 3.3bn, but margin contracted sharply to 9.4% from 12.3% in Q4FY25, indicating input cost pressure and an adverse mix.

**Cut estimates, Maintain HOLD:** We cut our FY27-28 PAT estimates by 2% to factor in the elevated memory-price-led concerns, delays in the Vivo JV ramp-up and the increasing competitive intensity. While growth in IT hardware, telecom and components should partly offset weaker mobile volumes. We assign a target multiple of 45x to Mar-28E EPS to derive TP of Rs 11,200. Given the limited upside from current levels, we maintain HOLD.

**Key changes**

Target	Rating
▼	◀ ▶

Ticker/Price	DIXON IN/Rs 10,138
Market cap	US\$ 6.4bn
Free float	66%
3M ADV	US\$ 78.6mn
52wk high/low	Rs 18,471/Rs 9,600
Promoter/FPI/DII	34%/12%/24%

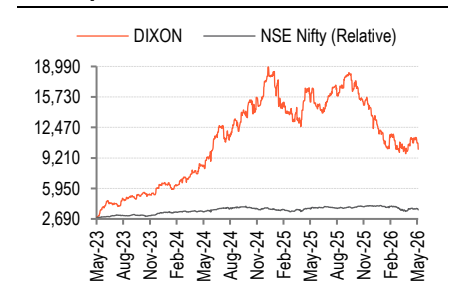
Source: NSE | Price as of 12 May 2026

**Key financials**

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	4,88,728	6,66,596	8,29,195
EBITDA (Rs mn)	18,665	22,937	33,258
Adj. net profit (Rs mn)	14,386	9,726	14,788
Adj. EPS (Rs)	241.6	163.3	248.3
Adj. ROAE (%)	37.4	18.9	23.2
Adj. P/E (x)	42.0	62.1	40.8
EV/EBITDA (x)	32.3	26.3	18.2
Adj. EPS growth (%)	126.4	(32.4)	52.0

Source: Company, Bloomberg, BOBCAPS Research

**Stock performance**



Source: NSE



**BUY**  
 TP: Rs 382 | ▲ 17%

**BROOKFIELD INDIA  
 REAL ESTATE TRUST**

Real Estate (REITs)

12 May 2026

**Record performance over FY26; organic growth to drive DPU**

- Reported FY26 DPU of Rs 21.4 in-line (-0.1%) with our estimates on the back of a larger leasable area and improved utilisation
- Leasable area expanded to 32.5msf (+32.7% YoY); in-place rents rose to Rs 103psf/m (+6.2% YoY) and occupancy improved +500bps YoY
- Improved utilisation and deleveraging to drive moderate DPU growth of ~7.5% over FY27E-29E. Reduce TP to Rs 383 and maintain at BUY

**Yashas Gilganchi**  
 Research Analyst  
 research@bobcaps.in

Over FY26, Brookfield India Real Estate Trust (BIRET) expanded leasable area by ~+32.7% to 32.5msf, with the acquisition of Ecoworld in Bengaluru (~7.7msf). The REIT leased a record 4msf, with **GCCs continuing to account for ~50% of the total absorption**. Gross leasing spreads were marginally lower at ~18% (vs 19% over FY25).

Committed occupancy improved to ~93% (+500bps YoY), resulting in higher average in-place rents of Rs 103psf/m (+6.2% YoY) across the portfolio. Operating lease rents grew +22.9% YoY to Rs 21,466mn pushing NOI up +23.8% to Rs 22,913mn on the back of higher CAM revenue. **We believe that robust leasing, higher occupancy and in-place rents signal strong demand for space in BIRET’s office assets.**

BIRET raised debt capital worth ~Rs20,000mn and equity capital of ~Rs 35,000mn over FY26. The REIT **remains exposed to higher interest expenses (90% floating rate debt)**, despite no material debt expiry through FY29.

We believe that, with committed occupancy of ~93%, expansion in leasable area is key to driving DPU growth. As of Q4FY26, management indicated that they remain open to the acquisition of third-party assets and had access to an incremental ~10.3msf from its Sponsor Group.

However, in the absence of any material announcement of an expansion in leasable area, we **expect improved utilisation** (higher occupancy and in-place rents) of BIRET’s existing portfolio **and deleveraging using QIP proceeds to drive DPU growth of +7.5% CAGR over FY27E-29E**; higher than -0.8% CAGR over FY23-26 but more moderate than +11.2% over FY26.

We expect BIRET to trade at a lower DPUx of 15.5x (from 16.5x), reflecting the relatively moderate pace growth (vs FY26) applied to FY28E DPU, implying lower 1Y TP of Rs 382 (from Rs 416). **Maintain at BUY.**

**Key changes**

Target	Rating
▼	◀ ▶

Ticker/Price	BIRET IN/Rs 325
Market cap	US\$ 2.9bn
Free float	79%
3M ADV	US\$ 3.1mn
52wk high/low	Rs 376/Rs 293
Promoter/FPI/DII	21%/10%/39%

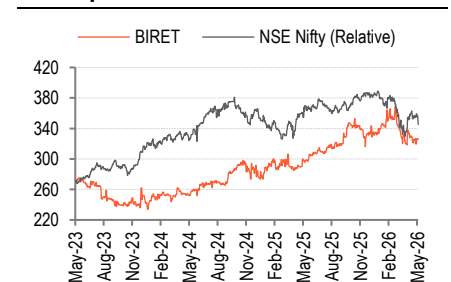
Source: NSE | Price as of 12 May 2026

**Key financials**

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	30,688	46,475	50,894
EBITDA (Rs mn)	22,429	34,831	35,625
Adj. net profit (Rs mn)	5,368	11,240	11,203
DPU (Rs)	21.4	22.8	24.6
Consensus DPU (Rs)	21.1	23.5	25.4
Adj. ROAE (%)	3.0	5.5	5.3
Price/DPU	15.2	14.3	13.2
EV/EBITDA (x)	12.0	7.8	7.6
Adj. EPS growth (%)	151.6	80.4	(0.3)

Source: Company, Bloomberg, BOBCAPS Research

**Stock performance**



Source: NSE



**HOLD**  
 TP: Rs 1,020 | ▼ 5%

**SYRMA SGS**

| Consumer Durables

| 13 May 2026

**Strong Q4; capex on track**

- Revenue outperformed (10% beat). EBITDA substantially ahead, driven by a sharp margin expansion
- 58% YoY revenue uptick, led by a sharp growth in IT & Railways (+182%), Consumer (+102%), Automotive (+62%) and Healthcare (+47%)
- Rolling forward to Mar-28 EPS at 35x yields a Mar-27 TP of Rs 1,020 (vs earlier TP of 820). Maintain HOLD

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**Q4 profitability improves with scale:** Syrma SGS reported revenue growth of 58% YoY to Rs 14.65bn in Q4FY26. EBITDA grew 62% YoY to Rs 1.74bn and margin expanded 30bps YoY to 11.9%, in the quarter. Margin expansion was due to operating leverage at scale and higher utilisation, partly offset by higher IT mix and input/logistics cost pressure. Adjusted PAT rose 43% YoY to Rs 1.02bn. FY26 revenue/EBITDA/adjusted PAT grew 27%/77%/73% to Rs 48.19bn/Rs 5.35bn/Rs 3.22bn, with EBITDA margin expanding 310bps YoY to 11.1%.

**Mix shifts toward IT & Consumer:** IT & Railways rose 182% YoY to Rs 1.40bn, lifting its Q4 mix to 10% from 5% last year. Consumer grew 102% YoY to Rs 3.83bn and moved to 26% of revenue. Automotive/Healthcare grew 62%/47% YoY to Rs 3.48bn/Rs 1.36bn, supporting the higher-margin vertical base. Industrials rose 21% YoY to Rs 4.59bn. However, its mix descended to 31% from 41% reflecting a faster growth in other verticals. While the mix supported the revenue growth, margin upside was limited, as the faster growth came from IT & Railways and Consumer sectors.

**Exports support margin profile:** Q4FY26 exports rose 33% YoY to ~Rs 3.72bn; implying ~25% of operating revenue, even as faster growth in Consumer and IT & Railways diluted the export-growth optics. FY26 exports grew 41% YoY to ~Rs 12.0bn, with Industrial exports, MedTech and Automotive export programs remaining relevant to the margin delivery.

**ODM mix adds to revenue quality:** ODM revenue rose ~80% YoY to Rs 8.25bn in FY26 from Rs 4.53bn, increasing its mix to ~17% from ~12%. Ex-Consumer revenue grew 38% YoY versus consolidated revenue growth of 27%, indicating that FY26 growth was not dependent only on lower-margin Consumer volume.

**Raise estimates; maintain HOLD:** We raise FY27-28E estimates to factor in the higher FY26 exit run-rate, improved utilisation and better margin base; while building in margin normalisation from Q4FY26 levels, on mix and cost pressures. Applying 35x P/E to Mar'28E EPS yields a Mar'27 TP of Rs 1,020 (vs Rs 820); HOLD maintained.

**Key changes**

<b>Target</b>	<b>Rating</b>
▲	◀ ▶

Ticker/Price	SYRMA IN/Rs 1,075
Market cap	US\$ 2.0bn
Free float	53%
3M ADV	US\$ 14.0mn
52wk high/low	Rs 1,188/Rs 500
Promoter/FPI/DII	47%/5%/9%

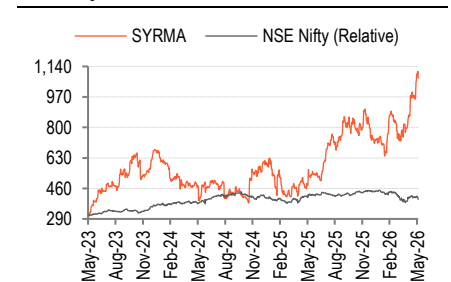
Source: NSE | Price as of 12 May 2026

**Key financials**

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	48,191	65,096	88,701
EBITDA (Rs mn)	5,445	6,346	9,329
Adj. net profit (Rs mn)	3,224	3,943	5,604
Adj. EPS (Rs)	16.7	20.5	29.1
Adj. ROAE (%)	14.0	13.0	16.0
Adj. P/E (x)	64.2	52.5	37.0
EV/EBITDA (x)	34.9	29.9	20.4
Adj. EPS growth (%)	73.2	22.3	42.1

Source: Company, Bloomberg, BOBCAPS Research

**Stock performance**



Source: NSE



**BUY**  
 TP: Rs 410 | ▲ 28%

**V-GUARD INDUSTRIES**

Consumer Durables

13 May 2026

**Broadly in-line quarter; lower spends cushion margins**

- Q4FY26 was broadly in-line, with revenue 1% ahead and EBITDA 2% below estimates; revenue/EBITDA grew 14%/19% YoY
- Electricals/Electronics grew 16%/22% YoY. CD grew 4%, as fans and air coolers declined; Sunflame growth came at 9% YoY
- We assign 40x to arrive at a Mar-27 TP of Rs 410. Considering the meaningful upside, maintain BUY

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**In-line growth with spend moderation:** V-Guard Industries reported revenue growth of 14.1% YoY to Rs 17.6bn in Q4FY26 1% above estimate. This was led by Electricals, while CD grew 4.1% and Electronics grew 22.3%. Gross margin contracted 20bps YoY to 35.3% amid input-cost inflation, but EBITDA grew 19.3% YoY to Rs 1.7bn, with ad/promotional spends down 80bps and employee-cost ratio less 70bps. Q4FY26 EBITDA margin expanded 40bps YoY to 9.7%. FY26 revenue grew 7.0% to Rs 59.6 bn and EBITDA grew 2.6%, with net cash rising to Rs 2.3bn.

**Growth masks margin compression:** CD revenue grew 4.1% YoY to Rs 4.3bn, but EBIT declined 50% YoY to Rs 70mn, as the margin contracted 177bps to 1.6% with fans and air coolers declining despite the growth in water heaters and kitchen appliances. Electronics revenue grew 22.3% YoY to Rs 5.0bn, but EBIT growth lagged at 11.4% and margin contracted 170bps to 17.4% indicating that the volume-led growth did not fully translate into operating leverage.

**Electricals continued driving growth:** Electricals revenue grew 15.9% YoY to Rs 7.7bn in Q4FY26, on the back of wires, pumps, switchgears and modular switches. EBIT grew 23.6% YoY to Rs 951mn, with the margin expanding 77bps YoY to 12.3% indicating a better price-cost alignment and mix. Demand and price pass-through were more relevant drivers than the channel inventory, as management highlighted healthy collections and no broad inventory issue.

**Sunflame recovery remains gradual:** Sunflame revenue grew 8.6% YoY to Rs 0.6bn in Q4FY26, but declined 1.6% in FY26, with CSD softness and product refresh gaps weighing on the scale. The integration across sales, service, quality and sourcing has progressed, while margin expanded 560bps to 6.7%. Benefits from NPD launches are likely to phase in over 3-4 quarters.

**Cut estimates; Maintain BUY:** We lower FY27E/FY28E EBITDA by 7%/3% and PAT by 5%/3%, with revenue estimates unchanged, on cost inflation and margin assumptions. We roll forward to Mar'27 TP of Rs 410 at 40x Mar'28E EPS of Rs 10.3 and maintain BUY on 28% upside.

**Key changes**

Target	Rating
▼	◀ ▶

Ticker/Price	VGRD IN/Rs 321
Market cap	US\$ 1.5bn
Free float	44%
3M ADV	US\$ 0.8mn
52wk high/low	Rs 410/Rs 290
Promoter/FPI/DII	56%/13%/19%

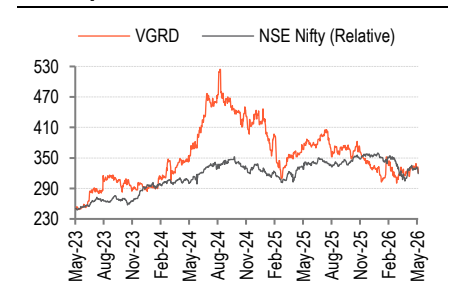
Source: NSE | Price as of 12 May 2026

**Key financials**

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	59,658	67,839	76,362
EBITDA (Rs mn)	5,268	6,160	7,274
Adj. net profit (Rs mn)	3,304	3,796	4,433
Adj. EPS (Rs)	7.6	8.8	10.3
Adj. ROAE (%)	12.8	15.1	15.5
Adj. P/E (x)	42.0	36.6	31.3
EV/EBITDA (x)	26.4	22.5	19.1
Adj. EPS growth (%)	5.3	14.9	16.8

Source: Company, Bloomberg, BOBCAPS Research

**Stock performance**



Source: NSE



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**HOLD** – Expected return from -6% to +15%

**SELL** – Expected return <-6%

**Note:** Recommendation structure changed with effect from 21 June 2021

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