INSTITUTIONAL RESEARCH

HSIE Results Daily

Contents

Results Reviews

- **Titan:** Consolidated jewellery sales (ex-bullion) grew 27% YoY to INR117.8bn (HSIE: in-line). Gold jewellery demand witnessed a step-up jump post the Jul-24 customs duty (CD) cut. This gold rush lasted well into mid-September (consol. topline growth stood at 16% YoY at INR 145.3bn; in-line). Margins, however, disappointed. Normalising for the INR2.9bn hit due to customs duty reduction, jewellery EBITM (consolidated) contracted 486bps YoY to 8.3% vs HSIE's 9% (note: normalised standalone jewellery EBITM came at 11.4%). Non-jewellery businesses performed well. While we tone down our FY25 EPS by 9.5%, FY26/27 estimates remain largely unchanged. We maintain our REDUCE rating with a revised DCF-based TP of INR2,950/sh (implying 50x Sep-26 P/E).
- **ABB India:** ABB reported a weak quarter where revenue/EBITDA/PAT at INR 29.1/5.4/4.4bn missed our estimates by 11/10/9%. The company achieved a muted Q3CY24 order inflow at INR 33.4bn (+11%/-3% YoY/QoQ, slight impact due to delay in large order finalisation, extended monsoons), taking the backlog to INR 100bn. Gross margins came in at 43.4%, supported by better prices and provision reversal. EBITDA margin of 18.6% (+271/-61bps YoY/QoQ, 18.4% est.) was impacted by higher warranty remeasurement. ABB saw some slowdown in ordering and believes that whilst demand is robust, in the near term, there could be some consolidation in awards. Some of the large orders' finalisation got pushed into coming quarters whilst the government capex has seen delays. We have recalibrated our estimates to factor in lower-order intake. We reduce our TP to INR 8,145/sh (rolled over to 75x Dec-26 EPS). Given the limited upside, we maintain ADD.
- **Mankind Pharma:** EBITDA (+25% YoY) was led by 14% YoY sales growth (India formulation up 10% YoY, consumer healthcare +20%, and exports grew 57% YoY), higher gross margin (+202 bps YoY), and steady costs (staff/ SG&A was up 13/ 12% YoY). In FY25, Mankind expects (1) double-digit revenue growth, (2) steady India formulation growth (to beat IPM growth) and consumer healthcare (double-digit growth), (3) exports to sustain growth momentum led by growth visibility in the US and RoW market, (4) GM to improve YoY, (5) EBITDA margin at 25-26%, and (6) Bharat Serum (BSV) integration on track – it expects 15% growth in FY25 and FY26 and 15-20% growth FY27 onwards with consistent improvement in the margin. While the BSV acquisition (of ~INR 136.3 bn) will be EBITDA margin accretive, the debt-funded acquisition will dilute the near-term EPS (accretive from FY27). Mankind's (ex-BSV) growth visibility in India (acute recovery and scale-up in chronic segment), exports growth momentum, and margin expansion for each FY25/26/27 stay. Factoring in Q2 and BSV business, we have cut EPS by 7% for FY25/26E (increased debt at ~INR 100 bn) and revised TP to INR 2,900 (40x Q3FY27E vs. 35x Q1FY27E). ADD stays.
- **Dr Reddy's Laboratories:** EBITDA^ grew (13% YoY) as +16% YoY sales growth (-4% QoQ US, +18% YoY in India, PSAI up 20%) was partly offset by lower GM (-43 bps YoY) and higher staff/R&D/SG&A (+9/ 33/ 30% YoY). DRRD expects (1) to sustain growth in the US over the next 1-2 years and gRevlimid to be meaningful product in FY25/26, (2) India to see double-digit growth in FY25, led by new launches (16 new launches in H1), scale-up in key therapies, and in-licensing opportunities; organic growth to sustain at 9-10%

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in FY25, and (3) R&D at 8.5-9% (vs 8.6% in H1FY25) and higher value products (NCEs, biosimilars, peptides, and specialty) for the global market. The company completed the Northstar (Nicotinell; NRT category) transaction in Sep'24 and operationalised JV (in Aug'23) with Nestle India in Q2FY25. Factoring Q2 performance and Nicotinell business, we have raised EPS by 1/3% for FY25/26E. We have rolled forward TP to INR 1,330 (26x Q3FY27E EPS + INR 20/sh from gRevlimid). REDUCE stays as for DRRD beyond gRevlimid; there is not enough pipeline to sustain growth and margin momentum, which would lead to core earnings (ex-Revlimid) growth concerns.

- **Berger Paints:** BRGR's revenue remained flat at INR27.7bn (in-line). Volume/value growth for Q2 stood at 3.6%/-0.4%. Decorative business saw single-digit volume growth, impacted by weather conditions and flooding in key markets. The premium segment performed well, while mass-consumption products experienced flat/negative growth. A new team has been established to drive market share growth in urban markets, with management targeting an increase from 10% to 15% over the next three years. GM improved by 58bps to 41.7%. EBITDA margin contracted 147bps to 15.6% (HSIE: 16.7%) due to higher employee costs. We cut our EPS estimates by 1-2% for FY25/26 and retain our REDUCE rating with a DCF-based TP of INR500/sh (implying 41x Sep-26E P/E).

- **KEC International:** KECI reported a mixed set of numbers in Q2FY25, with the highest-ever order inflow during the quarter and a relatively weak to muted EBITDA margin profile. Its revenue/EBITDA/APAT beat/(miss) stood at 1.5/-3.8/-17.2%. The standalone (~88% revenue) EBITDA margin also remained weak at 5.1%. KECI maintained reverting to 9-10% EBITDA margins by Q4FY25 on the back of legacy projects getting completed. KEC continues to surprise with the Order Inflow (OI) of INR 134.8bn, largely led by T&D, civil and railways segments at 69/9/10%, respectively. The order book (OB) as of Sep'24 stood at INR 341bn (~1.7x FY24 revenue), while L1 stood at INR 84.1bn. Further, KEC plans to transfer its cables business to a subsidiary (KEC Asian Cables Limited) by January 2025 as management remains optimistic about long-term growth (revenue of INR 28-29bn by FY27). KEC expects to realise INR 7-8bn of receivables in FY25, aiding its existing liquidity. KECI expects 15% FY25 revenue growth. Given the slip in the margin, we have tweaked our estimates lower. Given INR 8.7bn fundraising, robust inflows, expected margin expansion and likely higher valuation for the cable business, we increase our P/E valuation from 18x to 20x. Owing to the limited upside on our revised target price of INR 1,017/sh, we maintain an ADD rating on KECI.

- **V-MART Retail:** V-Mart KPIs mean reverting from the bottom continues to play out, led by – (1) paring down of Limeroad losses, (2) profitability improvement led by the closure of non-performing stores, and (3) recovery in footfalls/sales density. Revenue grew 20.3% YoY to INR6.61bn (-in-line). Core V-MART operations rose 27% YoY to INR5.37bn (in-line). Q2 SSSG stood at 15% (vs. -6% in Q2FY24). ASP, overall, was up by 6% (mainly due to a change in product mix). GM/EBITDAM came in at 33.6/5.8% (HSIE: 33.7/4.8%). Inventory days reduced to 111 (vs. 132 in Q2FY24). We've increased FY26/27 EBITDA estimates (3-4%) to account for a better recovery. Our DCF-based TP stands revised at INR3,400/sh (earlier INR3100/sh), implying 26x Sep-26 EV/EBITDA. However, the recovery story seems to have played out at 33x Sep-26 EV/EBITDA. Hence, we downgrade the stock to SELL.

- **Sai Silk (Kalamandir):** Sai Silk's (SSKL) revenue grew by 6.3% YoY to INR3.47bn (H1 SSSG stood at -6.5%; however, it has been on an up move. SSSG is expected to be strong in H2, backed by higher wedding dates). Blended revenue per sq. ft. stood at ~INR 20k. Demand recovery is seen in Q2. SSKL added 2 VML format stores in Q2 (area addition: 16k sq. ft). Expansion guidance remains unchanged at ~75k sq. ft in FY25. GM improved 56bps YoY to 42.2% (in-line) courtesy a better product mix. EBITDAM contracted 88bps YoY to 15.9% (HSIE: 16%), primarily due to front-loading of new store expenses. We maintain our estimates for FY25/26 and our BUY rating with a DCF-based TP of INR280/sh (implying 20x Sep-26E P/E).

Titan

Competitive intensity elevated, margins disappoint

Consolidated jewellery sales (ex-bullion) grew 27% YoY to INR117.8bn (HSIE: in-line). Gold jewellery demand witnessed a step-up jump post the Jul-24 customs duty (CD) cut. This gold rush lasted well into mid-September (consol. topline growth stood at 16% YoY at INR 145.3bn; in-line). Margins, however, disappointed. Normalising for the INR2.9bn hit due to customs duty reduction, jewellery EBITM (consolidated) contracted 486bps YoY to 8.3% vs HSIE's 9% (note: normalised standalone jewellery EBITM came at 11.4%). Non-jewellery businesses performed well. While we tone down our FY25 EPS by 9.5%, FY26/27 estimates remain largely unchanged. We maintain our REDUCE rating with a revised DCF-based TP of INR2,950/sh (implying 50x Sep-26 P/E).

- **Q2FY25 highlights**: Consolidated revenue grew 16% YoY to INR 145.3bn (in-line). Consol. jewellery (ex-bullion) sales grew 27% YoY to INR117. 8bn (HSIE: INR116.9bn). Domestic jewellery (ex-bullion; ex-Caratlane) grew 25% in Q2FY25 as the Jul-24 CD cut spurred demand. The gold segment (including gold coins) grew ~30%, while studded sales grew 12% YoY in Q2. The segment witnessed 12/10% buyer/ASP growth (SSSG stood at 15% for Q2). Studded ratio declined to 30% (vs 33% in Q2FY24). Normalising for the INR2.9bn hit due to customs duty reduction, Jewellery EBITM (consolidated) contracted 486bps YoY to 8.3% vs HSIE's 9% (note: normalised standalone jewellery EBITM came at 11.4%). Non-jewellery businesses performed well (Watches/Eyewear/Others grew 19/7/38% YoY respectively). The company added 11/12/1/11 Tanishq/Mia/Zoya/Caratlane stores respectively. Consolidated APAT declined 23% YoY to INR 7.04bn (HSIE: INR 8.1bn). Note: Normalised for CD-led margin loss; APAT was flat at INR9.2bn
- **Outlook:** Most of the heavy lifting from here is expected to be volume-led, which, amid heightened competitive intensity, could keep margin levers out of play. While we tone down our FY25 EPS by 9.5%, FY26/27 estimates remain largely unchanged. We maintain our REDUCE rating with a revised DCF-based TP of INR2,950/sh (implying 50x Sep-26 P/E).

Quarterly financial summary

(Rs mn)	Q2 FY25	Q2 FY24	YoY (%)	Q1 FY25	QoQ (%)	FY23	FY24	FY25E	FY26E	FY27E
Net Revenue	1,45,340	1,25,290	16.0	1,32,660	9.6	4,05,750	5,10,840	5,78,807	6,58,709	7,37,050
EBITDA	12,360	14,110	(12.4)	12,470	(0.9)	44,910	47,810	48,815	67,957	76,777
APAT	7,040	9,160	(23.1)	7,150	(1.5)	32,740	34,960	32,913	48,625	56,571
EPS (Rs)	7.9	10.3	(23.1)	8.0	(1.5)	36.9	39.3	37.0	54.6	63.6
P/E (x)						87.7	82.4	87.5	59.2	50.9
EV/EBITDA (x)						65.8	63.3	62.0	44.6	39.5
Core RoCE(%)						17.5	16.1	14.6	17.9	17.5

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

(Rs mn)	FY25E			FY26E			FY27E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	5,78,807	5,74,627	*0.7*	6,58,709	6,51,342	*1.1*	7,37,050	7,31,940	*0.7*
Gross Profit	1,24,002	1,28,852	*(3.8)*	1,54,953	1,53,378	*1.0*	1,73,013	1,71,991	*0.6*
Gross Profit Margin (%)	21.4	22.4	***(100 bps)***	23.5	23.5	***(2 bps)***	23.5	23.5	-
EBITDA	48,815	53,347	*(8.5)*	67,957	67,792	*0.2*	76,777	77,278	*(0.6)*
EBITDA margin (%)	8.4	9.3	***(85 bps)***	10.3	10.4	***(9 bps)***	10.4	10.4	-
APAT	32,913	36,349	*(9.5)*	48,625	48,452	*0.4*	56,571	56,920	*(0.6)*
APAT margin (%)	5.7	6.3	***(64 bps)***	7.4	7.4	***(6 bps)***	7.4	7.4	-
EPS	37.0	40.8	*(9.5)*	54.6	54.4	*0.4*	63.6	64.0	*(0.6)*

Source: Company, HSIE Research

REDUCE

CMP *(as on 5 Nov 2024)*	**INR 3,230**
Target Price	**INR 2,950**
NIFTY	**24,213**

KEY CHANGES	**OLD**	**NEW**
Rating	REDUCE	REDUCE
Price Target	INR 2,875	INR 2,950
EPS %	FY25E	FY26E
	-9.5	+0.4

KEY STOCK DATA	
Bloomberg code	TTAN IN
No. of Shares (mn)	888
MCap (INR bn) / ($ mn)	2,868/34,096
6m avg traded value (INR mn)	5,036
52 Week high / low	INR 3,887/3,056

STOCK PERFORMANCE (%)

	3M	**6M**	**12M**
Absolute (%)	(4.3)	(8.6)	(1.4)
Relative (%)	(5.2)	(16.2)	(24.8)

SHAREHOLDING PATTERN (%)

	Jun-24	**Sep-24**
Promoters	52.9	52.9
FIs & Local MFs	10.87	9.29
FPIs	18.2	18.22
Public & Others	18.03	19.59
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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ABB India

Execution miss

ABB reported a weak quarter where revenue/EBITDA/PAT at INR 29.1/5.4/4.4bn missed our estimates by 11/10/9%. The company achieved a muted Q3CY24 order inflow at INR 33.4bn (+11%/-3% YoY/QoQ, slight impact due to delay in large order finalisation, extended monsoons), taking the backlog to INR 100bn. Gross margins came in at 43.4%, supported by better prices and provision reversal. EBITDA margin of 18.6% (+271/-61bps YoY/QoQ, 18.4% est.) was impacted by higher warranty remeasurement. ABB saw some slowdown in ordering and believes that whilst demand is robust, in the near term, there could be some consolidation in awards. Some of the large orders' finalisation got pushed into coming quarters whilst the government capex has seen delays. We have recalibrated our estimates to factor in lower-order intake. We reduce our TP to INR 8,145/sh (rolled over to 75x Dec-26 EPS). Given the limited upside, we maintain ADD.

- **Q2CY24 financial highlights:** Revenue was INR 29.1bn (+5.2%/+2.9% YoY/QoQ, a miss by 11%). EBITDA came in at INR 5.4bn (+23.2%/-0.4% YoY/QoQ, a miss by 10.3%). EBITDA margin was 18.6% (+271/-61bps YoY/QoQ, 18.4% est.), which led to the EBITDA miss. RPAT/APAT was INR 4.4bn (+22%/-1% YoY/QoQ, a miss by 9%).
- **Muted order booking, seasonal factor at play:** For Q3CY24, order inflow was at INR 33.4bn (+11%/-3% YoY/QoQ), taking the backlog to INR 100bn, consisting of a mix of short and long cycle orders in the ratio of 75:25. RA/MO/EL/PA saw order inflows of INR 0.7/10/17.7/5bn, growing -35/-26/71/-6% YoY. RA saw a strong inflow from automotive and electronics. In MO, growth was led by large orders from transportation. PA orders are driven by the energy industry. EL was driven by growth across data centres, railways and export orders. Elections, delays in decision-making in the Process Industry, extended monsoon, and slow government awarding impacted inflows.
- **Near-term slowdown, growth to pick up over medium term**: Whilst end market demand seems resilient, delay in decision-making has impacted growth. Some of the other factors, like price erosion in LT motors, seem to be bottoming out. Large orders from data centres have remained intact, whilst core industries' delay in decision-making has led to award postponement. Due to the growing demand for energy-efficient and premium quality products, ABB is well positioned along with its diversified business model, where it focuses on high growth sectors like data centres, EL, rail and metro, renewables, etc.

Standalone financial summary (INR mn)

Dec Year End	3QCY24	3QCY23	*YoY (%)*	2QCY24	*QoQ (%)*	CY24E	CY25E	CY26E	CY27E
Net Revenues	29,122	27,692	5.2	28,309	2.9	118,432	137,815	161,508	188,177
EBITDA	5,402	4,385	23.2	5,425	(0.4)	22,452	25,130	29,013	33,582
APAT	4,405	3,620	21.7	4,435	(0.7)	18,323	20,146	23,013	26,431
EPS (INR)	20.8	17.1	21.7	20.9	(0.7)	86.5	95.1	108.6	124.7
P/E (x)						82.4	75.0	65.6	57.1
EV/EBITDA (x)						65.1	57.6	49.2	41.9
RoE (%)						26.3	23.1	21.5	20.4

Source: Company, HSIE Research

Change in Estimates

Particulars	CY24E			CY25E			CY26E		
	New	Old	*% Change*	New	Old	*% Change*	New	Old	*% Change*
Revenues	118,432	125,012	(5.3)	137,815	150,299	(8.3)	161,508	176,964	*(8.7)*
EBITDA	22,452	22,680	(1.0)	25,130	26,932	(6.7)	29,013	31,773	*(8.7)*
EBITDA margin (%)	19.0	18.1	81.5	18.2	17.9	31.6	18.0	18.0	0.9
APAT	18,323	18,294	0.2	20,146	21,544	(6.5)	23,013	25,053	*(8.1)*

Source: Company, HSIE Research

ADD

CMP *(as on 5 Nov 2024)*	**INR 7,133**
Target Price	**INR 8,145**
NIFTY	**24,213**

KEY CHANGES	**OLD**		**NEW**
Rating	ADD		ADD
Price Target	INR 8,557		INR 8,145
EPS change %	CY24E	CY25E	CY26E
	0.2	*(6.5)*	*(8.1)*

KEY STOCK DATA	
Bloomberg code	ABB IN
No. of Shares (mn)	212
MCap (INR bn) / ($ mn)	1,512/17,971
6m avg traded value (INR mn)	3,189
52 Week high / low	INR 9,200/4,141

STOCK PERFORMANCE (%)	**3M**	**6M**	**12M**
Absolute (%)	(4.5)	6.5	71.2
Relative (%)	(5.4)	(1.1)	47.7

SHAREHOLDING PATTERN (%)	**Jun-24**	**Sep-24**
Promoters	75.00	75.00
FIs & Local MFs	5.64	5.42
FPIs	12.06	12.28
Public & Others	7.29	7.29
Pledged Shares	-	-

Source : BSE

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Mankind Pharma

Strong Q2: steady India growth; BSV integration key

EBITDA (+25% YoY) was led by 14% YoY sales growth (India formulation up 10% YoY, consumer healthcare +20%, and exports grew 57% YoY), higher gross margin (+202 bps YoY), and steady costs (staff/ SG&A was up 13/ 12% YoY). In FY25, Mankind expects (1) double-digit revenue growth, (2) steady India formulation growth (to beat IPM growth) and consumer healthcare (double-digit growth), (3) exports to sustain growth momentum led by growth visibility in the US and RoW market, (4) GM to improve YoY, (5) EBITDA margin at 25-26%, and (6) Bharat Serum (BSV) integration on track – it expects 15% growth in FY25 and FY26 and 15-20% growth FY27 onwards with consistent improvement in the margin. While the BSV acquisition (of ~INR 136.3 bn) will be EBITDA margin accretive, the debt-funded acquisition will dilute the near-term EPS (accretive from FY27). Mankind's (ex-BSV) growth visibility in India (acute recovery and scale-up in chronic segment), exports growth momentum, and margin expansion for each FY25/26/27 stay. Factoring in Q2 and BSV business, we have cut EPS by 7% for FY25/26E (increased debt at ~INR 100 bn) and revised TP to INR 2,900 (40x Q3FY27E vs. 35x Q1FY27E). ADD stays.

- **Q2 highlight—India growth was steady**: Sales were at ~INR 30.7 bn (+14% YoY) as India formulations (83%) were up 10% YoY at INR 25.6 bn, led by strong growth in chronic (+12% YoY) and volume growth (1.3% YoY vs 0.4% for IPM), which was offset by regulatory headwinds in certain key products in the acute segment; consumer healthcare (8%) was +20% YoY at INR 2.3 bn (+13% QoQ) and exports (9%) grew 57% YoY on traction in recent launches.
- **EBITDA growth on cost controls:** GM was up 202 bps YoY at 71.6%. Steady costs staff (+13% YoY) and SG&A (+12%; M&A related/non-recuring costs) led to EBITDA of INR 8.5 bn (+25% YoY) and the margin was at 27.6% (+242 bps YoY). Higher other income (+82% YoY), depreciation (+9%), and interest cost (-18%) led to a reported PAT of INR 6.5 bn (+30% YoY).
- **Key takeaways from the con call:** It expects to maintain growth momentum in the India business on the back of scale-up in specialty and super specialty business and increasing market coverage. Dydrogesterone growth was strong at 20+% in Q2. Panacea is growing at ~25% with a 30%+ EBITDA margin. In Q2FY25, the company had a regulatory impact (inclusion in NLEM) on two key products: Codistar (respiratory; it expects to normalise from Q3) and Unwanted 72 (gynaec; it expects to sustain volume share). Tier 1/ metro was at 9.8% (vs 8.8% IPM; 1.1-1.2x vs IPM in H1) and Tier 2-6 was at 7.2% (vs 6.9% IPM; 1.1x vs IPM in H1). **BSV acquisition**: The company achieved transaction closure in Oct'24. It targets to liquidate the entire INR 100 bn debt over the next 3 years through a combination of equity infusion (possible QIP up to INR 30 bn), divestment of non-core assets (hospitality), and internal accruals. It retains a net debt/EBITDA target of <2x in FY26. BSV's gross/ EBITDA margin was slightly higher than Mankind's. BSV NLEM exposure is ~40%.

Quarterly financial summary

(INR mn)	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)	FY23	FY24	FY25E	FY26E	FY27E
Net Revenue	30,765	27,081	14	28,934	6	87,494	1,03,348	1,26,632	1,56,976	1,77,750
EBITDA	8,500	6,826	25	6,818	25	19,006	25,351	32,418	42,384	49,415
APAT	6,535	5,010	30	5,365	22	13,720	19,129	20,248	23,842	30,778
EPS (INR)	16.3	12.5	30	13.4	22	34.2	47.8	50.5	59.5	76.8
P/E (x)						79.2	56.8	53.7	45.6	35.3
EV/EBITDA (x)						56.6	41.7	36.3	27.3	22.9
RoCE (%)						22	27	19	17	20

Source: Company, HSIE Research

ADD

CMP *(as on 5 Nov 2024)*	INR 2,714
Target Price	INR 2,900
NIFTY	24,213

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2320	INR 2900
EPS %	FY25E	FY26E
	(7.4)	(6.9)

KEY STOCK DATA	
Bloomberg code	MANKIND IN
No. of Shares (mn)	401
MCap (INR bn) / ($ mn)	1,087/12,929
6m avg traded value (INR mn)	1,663
52 Week high / low	INR 2,839/1,733

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	36.4	17.3	52.9
Relative (%)	35.5	9.7	29.4

SHAREHOLDING PATTERN (%)	Jun-24	Sep-24
Promoters	74.87	74.87
FIs & Local MFs	9.95	9.9
FPIs	11.58	12.37
Public & Others	3.6	2.86
Pledged Shares	-	-

Source: BSE

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Dr Reddy's Laboratories

Steady Q2; focus on high-value portfolio development

EBITDA^ grew (13% YoY) as +16% YoY sales growth (-4% QoQ US, +18% YoY in India, PSAI up 20%) was partly offset by lower GM (-43 bps YoY) and higher staff/R&D/SG&A (+9/ 33/ 30% YoY). DRRD expects (1) to sustain growth in the US over the next 1-2 years and gRevlimid to be meaningful product in FY25/26, (2) India to see double-digit growth in FY25, led by new launches (16 new launches in H1), scale-up in key therapies, and in-licensing opportunities; organic growth to sustain at 9-10% in FY25, and (3) R&D at 8.5-9% (vs 8.6% in H1FY25) and higher value products (NCEs, biosimilars, peptides, and specialty) for the global market. The company completed the Northstar (Nicotinell; NRT category) transaction in Sep'24 and operationalised JV (in Aug'23) with Nestle India in Q2FY25. Factoring Q2 performance and Nicotinell business, we have raised EPS by 1/3% for FY25/26E. We have rolled forward TP to INR 1,330 (26x Q3FY27E EPS + INR 20/sh from gRevlimid). REDUCE stays as for DRRD beyond gRevlimid; there is not enough pipeline to sustain growth and margin momentum, which would lead to core earnings (ex-Revlimid) growth concerns.

- **Q2 highlight—strong sales growth**: Sales grew 16% YoY to INR 80.4 bn as US sales (47% of sales) declined 4% QoQ to USD 445 mn (+17% YoY), YoY growth led by an increase in volumes (launched 4 products in Q2). India (17%) grew 18% YoY to INR 13.9 bn (ex-Vaccine growth was at ~9%), EM (18%) grew 19% YoY as 31% YoY growth in RoW and 19% in Russia was offset by 5% decline in CIS. EU (7%) grew 9% and PSAI (10%) grew 20% YoY.
- **Elevated costs impacted EBITDA:** GM was at 70.6% (-43 bps YoY) due to a change in business mix. Higher staff/R&D/SG&A cost (+9%/33%/30% YoY) led to EBITDA of INR 21.6 bn (+8% YoY) and a margin of 27.0% (-219 bps YoY). Adjusted EBITDA (for ~INR 1.01 bn related to M&As) was at INR 22.7 bn (+13% YoY) and the margin at 28.2% (-93 bps YoY). Muted other income (-2% YoY), interest cost (+6%) and depreciation (+6%), led to PAT of INR 12.55 bn (-15% YoY). Adjusted for one-offs, PAT grew 3% YoY at INR 13.28 bn.
- **Key takeaways from con call:** DRRD expects to sustain growth in the US business led by new launch visibility. **Update on biosimilars**: Expects filing for Denosumab (partnered with Alvotech) in FY26 and Aflibercept in FY27; Abatacept (partnered with Coya) is under Phase III, and it expects approval/ launch in CY26 end/CY27; secured approval in EU for rituximab biosimilar in Q2. **GLP-1**: The company sees it as an important segment for peptide supply opportunity in its API segment; it has identified ~15 GLP products for development; Semaglutide will have day 1 launch on patent expiry or early in all the market; it has in-house capability for both formulation and API. **R&D allocation**: ~36% going towards biologics/Aurigene, balance towards generics – within which, 60% on the US generics and 40% for APIs. It expects SG&A at 27.5-28% of sales and ETR at 25% in FY25.

Quarterly financial summary

(INR mn)	2Q FY25	2Q FY24	YoY (%)	1Q FY25	QoQ (%)	FY23	FY24	FY25E	FY26E	FY27E
Net Revenue	80,382	69,026	16	76,961	4	2,46,697	2,80,111	3,26,176	3,47,716	3,37,817
EBITDA	21,689	20,138	8	21,304	2	64,189	79,334	90,024	94,926	80,401
APAT	13,281	12,868	3	13,329	(0)	35,229	51,110	55,343	57,124	47,243
EPS (INR)	15.9	15.4	3	16.0	(0)	42.2	61.3	66.4	68.5	56.6
P/E (x)						30.1	20.8	19.2	18.6	22.5
EV/EBITDA (x)						15.8	12.9	11.9	11.0	12.6
RoCE (%)						26	26	24	21	16

Source: Company, HSIE Research, PAT adjusted for one-offs, ^ Adjusted for INR 1.017 bn one-off

REDUCE

CMP *(as on 5 Nov 2024)*	INR 1,273
Target Price	INR 1,330
NIFTY	24,213

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 1286	INR 1330
EPS %	FY25E	FY26E
	0.8	3.1

KEY STOCK DATA	
Bloomberg code	DRRD IN
No. of Shares (mn)	834
MCap (INR bn) / ($ mn)	1,061/12,620
6m avg traded value (INR mn)	2,867
52 Week high / low	INR 1,421/1,057

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(6.6)	0.2	20.9
Relative (%)	(7.5)	(7.4)	(2.6)

SHAREHOLDING PATTERN (%)	Jun-24	Sep-24
Promoters	26.65	26.64
FIs & Local MFs	20.73	21.48
FPIs	42.27	41.75
Public & Others	10.35	10.13
Pledged Shares	-	-

Source: BSE

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Berger Paints

Demand remains subdued; margins disappoint

BRGR's revenue remained flat at INR27.7bn (in-line). Volume/value growth for Q2 stood at 3.6%/-0.4%. Decorative business saw single-digit volume growth, impacted by weather conditions and flooding in key markets. The premium segment performed well, while mass-consumption products experienced flat/negative growth. A new team has been established to drive market share growth in urban markets, with management targeting an increase from 10% to 15% over the next three years. GM improved by 58bps to 41.7%. EBITDA margin contracted 147bps to 15.6% (HSIE: 16.7%) due to higher employee costs. We cut our EPS estimates by 1-2% for FY25/26 and retain our REDUCE rating with a DCF-based TP of INR500/sh (implying 41x Sep-26E P/E).

- **Q2FY25 highlights**: Consolidated revenue remained flat at INR 27.7bn (in-line). Standalone revenue was also stable at INR 24.3bn (in-line). GM improved by 58bps to 41.7%. EBITDA margin contracted 147bps to 15.6% (HSIE: 16.7%) due to higher employee costs associated with urban initiatives. A new team has been established to drive market share growth in urban markets, with management targeting an increase from 10% to 15% over the next three years. The profitability of the company's overseas subsidiary, Bolix, was impacted by one-off costs related to its project business. The decorative business saw single-digit volume growth, impacted by weather conditions. The premium segment performed well, while mass-consumption products experienced flat/negative growth. In the industrial business, growth in GI, automotive, and powder coatings was flat, influenced by subdued demand in the CV segment. Protective coatings delivered strong results, with double-digit volume and mid-single-digit value growth. Net cash position moderated to INR 2.42bn on account of dividend payment in Q2. APAT declined by 7.6% YoY to INR 2.7bn (HSIE: INR 3.1bn).
- **Outlook**: BRGR has taken steps to increase its market share in response to rising competitive pressure, but its success in doing so will be a key monitorable. We cut our EPS estimates by 1-2% for FY25/26 and retain our REDUCE rating with a DCF-based TP of INR500/sh (41x Sep-26E P/E).

Quarterly financial summary

(Rs mn)	Q2 FY25	Q2 FY24	YoY (%)	Q2 FY25	QoQ (%)	FY23	FY24	FY25E	FY26E	FY27E
Net Revenue	27,746	27,673	*0.3*	30,910	*(10.2)*	1,05,678	1,11,989	1,17,903	1,32,924	1,50,197
EBITDA	4,342	4,737	*(8.3)*	5,224	*(16.9)*	14,872	18,613	19,243	22,026	25,264
APAT	2,699	2,921	*(7.6)*	3,540	*(23.8)*	8,604	11,699	12,277	14,375	16,654
EPS (Rs)	2.3	2.5	*(7.6)*	3.0	*(23.8)*	8.9	10.0	10.5	12.3	14.3
P/E (x)						57.9	51.1	48.7	41.6	35.9
EV/EBITDA (x)						33.9	32.0	30.5	26.4	22.7
Core RoCE(%)						17.6	19.9	20.3	23.1	25.0

Change in estimates

(Rs mn)	FY25E			FY26E			FY27E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	1,17,903	1,19,950	*(1.7)*	1,32,924	1,35,229	*(1.7)*	1,50,197	1,52,804	*(1.7)*
Gross Profit	47,816	48,646	*(1.7)*	53,974	54,910	*(1.7)*	61,063	62,122	*(1.7)*
Gross Profit Margin (%)	40.6	40.6	***0 bps***	40.6	40.6	***0 bps***	40.7	40.7	***0 bps***
EBITDA	19,243	19,577	*(1.7)*	22,026	22,408	*(1.7)*	25,264	25,703	*(1.7)*
EBITDA margin (%)	16.3	16.3	***0 bps***	16.6	16.6	***0 bps***	16.8	16.8	***0 bps***
APAT	12,277	12,504	*(1.8)*	14,375	14,612	*(1.6)*	16,654	16,926	*(1.6)*
APAT margin (%)	10.4	10.4	***-1 bps***	10.8	10.8	***1 bps***	11.1	11.1	***1 bps***
EPS (Rs)	10.5	10.7	*(1.8)*	12.3	12.5	*(1.6)*	14.3	14.5	*(1.6)*

Source: Company, HSIE Research

REDUCE

CMP *(as on 05 Nov 2024)*	**INR 513**
Target Price	**INR 500**
NIFTY	**24,213**

KEY CHANGES	**OLD**	**NEW**
Rating	REDUCE	REDUCE
Price Target	INR 500	INR 500
EPS %	FY26E	FY26E
	-1.8	-1.6

KEY STOCK DATA	
Bloomberg code	BRGR IN
No. of Shares (mn)	1,166
MCap (INR bn) / ($ mn)	599/7,116
6m avg traded value (INR mn)	1,022
52 Week high / low	INR 630/439

STOCK PERFORMANCE (%)

	3M	**6M**	**12M**
Absolute (%)	(5.7)	(1.9)	(7.2)
Relative (%)	(6.6)	(9.5)	(30.7)

SHAREHOLDING PATTERN (%)

	Jun-24	**Sep-24**
Promoters	74.99	74.99
FIs & Local MFs	7.58	8.77
FPIs	7.51	6.98
Public & Others	9.92	9.24
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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KEC International

Mixed performance

KECI reported a mixed set of numbers in Q2FY25, with the highest-ever order inflow during the quarter and a relatively weak to muted EBITDA margin profile. Its revenue/EBITDA/APAT beat/(miss) stood at 1.5/-3.8/-17.2%. The standalone (~88% revenue) EBITDA margin also remained weak at 5.1%. KECI maintained reverting to 9-10% EBITDA margins by Q4FY25 on the back of legacy projects getting completed. KEC continues to surprise with the Order Inflow (OI) of INR 134.8bn, largely led by T&D, civil and railways segments at 69/9/10%, respectively. The order book (OB) as of Sep'24 stood at INR 341bn (~1.7x FY24 revenue), while L1 stood at INR 84.1bn. Further, KEC plans to transfer its cables business to a subsidiary (KEC Asian Cables Limited) by January 2025 as management remains optimistic about long-term growth (revenue of INR 28-29bn by FY27). KEC expects to realise INR 7-8bn of receivables in FY25, aiding its existing liquidity. KECI expects 15% FY25 revenue growth. Given the slip in the margin, we have tweaked our estimates lower. Given INR 8.7bn fundraising, robust inflows, expected margin expansion and likely higher valuation for the cable business, we increase our P/E valuation from 18x to 20x. Owing to the limited upside on our revised target price of INR 1,017/sh, we maintain an ADD rating on KECI.

- **Q2FY25 financial snapshot:** Revenue: INR 51.1bn (+13.7/13.3%, YoY/QoQ, beat of 1.5%). The EBITDA came in at INR 3.2bn (+16.7/+13.9%, YoY/QoQ, a miss of 3.8%), while the EBITDA margin stood at 6.3% (+16.6/+20.3bps, YoY/QoQ, vs. our estimate of 6.6%). APAT came in at INR 854mn (+53/-2.5% YoY/QoQ, a miss of 17.2%). Management envisages challenges such as manpower shortages, adverse weather, and delayed collections in water projects affecting margins.
- **Record high order book:** KECI's OI stood at INR 135bn in FYTD25, a surge of 50% on a YoY basis, led by T&D, civil and railways. The tender pipeline is currently at INR 1.5trn, with KEC targeting OI of INR 250bn for FY25. The OB as of Sep'24 stood at INR 341bn (~1.7x FY24 revenue), including L1 of INR 84.1bn the order book stood at INR 425bn.
- **Effective debtor management crucial for achieving lower NWC targets:** The consolidated net debt, including interest-bearing acceptances, has reduced by INR 3.3bn to INR 52.7bn (from INR 55.97bn as of Jun 2024). The interest cost for Q2FY25 was at 3.3% (vs. 3.9%/3.4% YoY/QoQ) of revenue. The NWC days as of Sep 2024 stood at 130 (+8 days QoQ) and are expected to be <~100 by FY25-end.

Consolidated financial summary (INR mn)

Particulars	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)	FY24	FY25E	FY26E	FY27E
Net Revenues	51,133	44,990	13.7	45,119	13.3	199,142	227,479	258,683	291,155
EBITDA	3,202	2,743	16.7	2,704	18.4	12,146	16,568	23,206	26,991
APAT	854	558	53.0	876	(2.5)	3,468	6,506	11,623	14,169
EPS (INR)	3.3	2.2	53.0	3.4	(2.5)	13.5	24.4	43.7	53.2
P/E (x)						61.5	39.2	22.0	18.0
EV/EBIDTA (x)						21.9	18.7	13.2	11.3
RoE (%)						8.8	14.9	22.4	22.2

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY25E			FY26E			FY27E		
	New	Old	Chg. (%)	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenues	227,479	227,479	-	258,683	258,683	-	291,155	291,155	0.0
EBITDA	16,568	17,307	(4.3)	23,206	23,681	(2.0)	26,991	26,461	2.0
EBITDA (%)	7.3	7.6	(32.5)	9.0	9.2	(18.4)	9.3	9.1	18.2
APAT	6,506	7,406	(12.1)	11,623	12,047	(3.5)	14,169	13,827	2.5

Source: Company, HSIE Research

ADD

CMP *(as on 5 Nov 2024)*	**INR 949**
Target Price	**INR 1,017**
NIFTY	**24,213**

KEY CHANGES	**OLD**	**NEW**
Rating	ADD	ADD
Price Target	INR 906	INR 1,017

EPS Change %	FY25E	FY26E	FY27E
	(12.1)	(3.5)	2.5

KEY STOCK DATA	
Bloomberg code	KECI IN
No. of Shares (mn)	266
MCap (INR bn) / ($ mn)	253/3,004
6m avg traded value (INR mn)	1,029
52 Week high / low	INR 1,068/550

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	14.7	26.2	57.9
Relative (%)	13.8	18.6	34.4

SHAREHOLDING PATTERN (%)

	Jun-24	Sep-24
Promoters	51.88	50.1
FIs & Local MFs	25.29	26.33
FPIs	12.66	13.60
Public & Others	10.16	9.97
Pledged Shares	-	-

Source: BSE

Pledge share as a % of total shares

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V-MART Retail

Healthy recovery underway

V-Mart KPIs mean reverting from the bottom continues to play out, led by – (1) paring down of Limeroad losses, (2) profitability improvement led by the closure of non-performing stores, and (3) recovery in footfalls/sales density. Revenue grew 20.3% YoY to INR6.61bn (-in-line). Core V-MART operations rose 27% YoY to INR5.37bn (in-line). Q2 SSSG stood at 15% (vs. -6% in Q2FY24). ASP, overall, was up by 6% (mainly due to a change in product mix). GM/EBITDAM came in at 33.6/5.8% (HSIE: 33.7/4.8%). Inventory days reduced to 111 (vs. 132 in Q2FY24). We've increased FY26/27 EBITDA estimates (3-4%) to account for a better recovery. Our DCF-based TP stands revised at INR3,400/sh (earlier INR3100/sh), implying 26x Sep-26 EV/EBITDA. However, the recovery story seems to have played out at 33x Sep-26 EV/EBITDA. Hence, we downgrade the stock to SELL.

- **Q2FY25 highlights:** V-MART posted 20.3% YoY growth to INR6.61bn. Core V-MART operations grew 27% YoY to INR5.4bn (in-line). Footfall/store increased by 18.3% and currently stands at INR16.4k/store. Annualized sales density for core VMART stood at INR6.8k/sq ft (up 19.4% YoY). Transaction size has remained stable YoY at INR 1,001. SSSG for Q2 stood at 15% (vs. -6% in Q2FY24). SSSG for core VMART and Unlimited stood at 14/9%, respectively. GM contracted by 101bps YoY to 33.6% in Q1 (HSIE: 33.7%). EBITDAM increased to 5.8% (0.1% YoY; HSIE: 4.8%), led by (1) favourable operating leverage, (2) reduction in advertising expense and (3) lower Limeroad losses (down 63% YoY and 27% QoQ to INR73mn). Inventory days have improved to 111 days (vs. 132 in Q2FY24). The company aims to add 55 stores (gross) in FY25. It added 14 VMART/5 Unlimited stores (net) in Q2. The majority of unprofitable store closures are now complete. Adj. EBITDA/APAT stood at -INR185/565mn (HSIE: -INR245/445mn).
- **Outlook**: Stabilising core operations + ebbing Limeroad losses could ensure a healthy FY25. However, the KPI mean reversion story now seems to have played out at current valuations (33x Sep-26 EV/EBITDA). We've increased FY26/27 EBITDA estimates (3-4%) to account for a better recovery. Our DCF-based TP stands revised at INR3,400/sh (earlier INR3100/sh), implying 26x Sep-26 EV/EBITDA. Downgrade to SELL.

Quarterly financial summary

(Rs mn)	Q2 FY25	Q2 FY24	YoY (%)	Q1 FY25	QoQ (%)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net Revenue	6,610	5,494	20.3	7,861	(15.9)	16,662	24,648	27,856	32,847	37,669	43,541
EBITDA	(185)	(498)	(62.9)	438	(142.2)	792	909	95	1,448	2,255	2,909
APAT	(565)	(622)	(9.2)	121	(565.5)	116	(78)	(968)	135	600	1,035
EPS (Rs)	(28.6)	(31.5)	(9.2)	6.1	(565.3)	5.9	(4.0)	(48.9)	6.8	30.4	52.3
P/E (x)						716.1	(1,062.0)	(86.5)	620.4	139.3	80.8
EV/EBITDA (x)						103.2	93.0	891.8	58.4	37.4	28.9
Core RoCE(%)						5.1	2.1	(5.3)	4.3	10.3	14.2

Source: Company, HSIE Research, Standalone Financials

Change in estimates

(Rs mn)	FY25E			FY26E			FY27E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	32,847	32,301	*1.7*	37,669	37,044	*1.7*	43,541	42,820	*1.7*
Gross Profit	11,080	10,895	*1.7*	12,800	12,588	*1.7*	14,883	14,636	*1.7*
Gross Profit Margin (%)	33.7	33.7	*0 bps*	34.0	34.0	*0 bps*	34.2	34.2	*0 bps*
EBITDA	1,448	1,383	*4.7*	2,255	2,177	*3.6*	2,909	2,816	*3.3*
EBITDA margin (%)	4.4	4.3	*13 bps*	6.0	5.9	*11 bps*	6.7	6.6	*11 bps*

Source: Company, HSIE Research, Pre IND AS 116 financials

SELL

CMP *(as on 5 Nov 2024)*	INR 4,177
Target Price	INR 3,400
NIFTY	24,213

KEY CHANGES	OLD	NEW
Rating	ADD	SELL
Price Target	INR 3,100	INR 3,400
EBITDA %	FY25E 4.7	FY26E 3.6

KEY STOCK DATA	
Bloomberg code	VMART IN
No. of Shares (mn)	20
MCap (INR bn) / ($ mn)	83/983
6m avg traded value (INR mn)	147
52 Week high / low	INR 4,520/1,606

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	27.5	90.9	144.4
Relative (%)	26.6	83.3	120.9

SHAREHOLDING PATTERN (%)	Jun-24	Sep-24
Promoters	44.3	44.3
FIs & Local MFs	32.6	32.8
FPIs	15.5	16.0
Public & Others	7.6	6.9
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Sai Silk (Kalamandir)

Encouraging recovery; set for a strong comeback

BUY

Sai Silk's (SSKL) revenue grew by 6.3% YoY to INR3.47bn (H1 SSSG stood at -6.5%; however, it has been on an up move. SSSG is expected to be strong in H2, backed by higher wedding dates). Blended revenue per sq. ft. stood at ~INR 20k. Demand recovery is seen in Q2. SSKL added 2 VML format stores in Q2 (area addition: 16k sq. ft). Expansion guidance remains unchanged at ~75k sq. ft in FY25. GM improved 56bps YoY to 42.2% (in-line) courtesy a better product mix. EBITDAM contracted 88bps YoY to 15.9% (HSIE: 16%), primarily due to front-loading of new store expenses. We maintain our estimates for FY25/26 and our BUY rating with a DCF-based TP of INR280/sh (implying 20x Sep-26E P/E).

- **Q2FY25 highlights**: Revenue grew by 6.3% YoY to INR3.47bn, primarily driven by a base effect and a recovery in Q2FY25. Revenue for H1FY25 was overall affected by fewer wedding days and a poor monsoon season. The market is expected to recover in H2FY25 due to a higher number of wedding dates. Additionally, Pitru Paksha, which is viewed as an inauspicious period, occurred in Q2 this year (vs Q3 last year). This should aid H2FY25 demand. Revenue per sq. ft. stood at INR 20.2k. H1 SSSG stood at -6.5%. SSKL added two stores of VML in Q2 —an area addition of ~16k sq. ft. The company targets to add 6-8 VML stores in H2. GM improved 56bps YoY to 42.2% (HSIE: 42%) courtesy better product mix. In the KLM segment, the company is focused on improving margins and expanding its product portfolio. It has also entered the innerwear market through format. EBITDAM contracted 88bps YoY to 15.9% (HSIE: 16%). The company has shifted from traditional marketing to digital marketing to improve margins, with a focus on creating higher-quality content. EBITDA grew by 0.7% to INR 554mn (HSIE: INR 555mn). APAT improved by 1.8% YoY to INR 238mn (HSIE: INR 269mn).
- **Outlook**: SSKL's growth is expected to primarily unfold in H2FY25 and beyond, driven by store expansions and peak wedding season. We maintain our estimates for FY25/26 and our BUY rating with a DCF-based TP of INR280/sh (implying 20x Sep-26E P/E).

Quarterly financial summary

(Rs mn)	Q2 FY25	Q2 FY24	YoY (%)	Q1 FY25	QoQ (%)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net Revenue	3,473	3,268	6.3	2,673	29.9	11,361	13,515	13,736	14,933	18,685	21,939
Adj EBITDA	554	550	0.7	189	192.7	1,263	1,858	1,793	2,011	2,900	3,539
APAT	238	234	1.8	21	1,037.3	544	976	1,009	1,228	1,934	2,433
EPS (Rs)	1.6	1.5	5.9	0.1	1,037.3	3.5	6.4	6.6	8.0	12.6	15.9
P/E (x)						49.3	27.5	26.6	21.8	13.9	11.0
EV/EBITDA (x)						23.1	16.0	14.2	12.1	8.1	6.3
Core RoCE(%)						15.4	22.1	17.5	16.7	23.3	25.6

Change in estimates

(Rs mn)	FY25E			FY26E			FY27E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	14,933	14,933	-	18,685	18,685	-	21,939	21,939	-
Gross Profit	6,195	6,195	-	7,883	7,883	-	9,307	9,307	-
Gross Profit Margin (%)	41.5	41.5	-	42.2	42.2	-	42.4	42.4	-
EBITDA	2,011	2,011	-	2,900	2,900	-	3,539	3,539	-
EBITDA margin (%)	13.5	13.5	-	15.5	15.5	-	16.1	16.1	-
APAT	1,228	1,228	-	1,934	1,934	-	2,433	2,433	-
APAT margin (%)	8.2	8.2	-	10.3	10.3	-	11.1	11.1	-
EPS (Rs)	8.0	8.0	-	12.6	12.6	-	15.9	15.9	-
Cost of Retailing (%)	28.0	28.0	-	26.7	26.7	-	26.3	26.3	-

Source: Company, HSIE Research

CMP (*as on 05 Nov 2024*)	**INR 175**
Target Price	**INR 280**
NIFTY	**24,213**

KEY CHANGES	**OLD**	**NEW**
Rating	BUY	BUY
Price Target	INR 280	INR 280
EPS %	FY26E	FY26E
	-	-

KEY STOCK DATA	
Bloomberg code	SSKL IN
No. of Shares (mn)	153
MCap (INR bn) / ($ mn)	27/320
6m avg traded value (INR mn)	78
52 Week high / low	INR 312/144

STOCK PERFORMANCE (%)	**3M**	**6M**	**12M**
Absolute (%)	9.7	(8.8)	(27.3)
Relative (%)	8.8	(16.4)	(50.8)

SHAREHOLDING PATTERN (%)	**Jun-24**	**Sep-24**
Promoters	60.80	60.80
FIs & Local MFs	19.12	16.16
FPIs	2.86	3.29
Public & Others	17.22	19.75
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Rating Criteria

BUY: >+15% return potential

ADD: +5% to +15% return potential

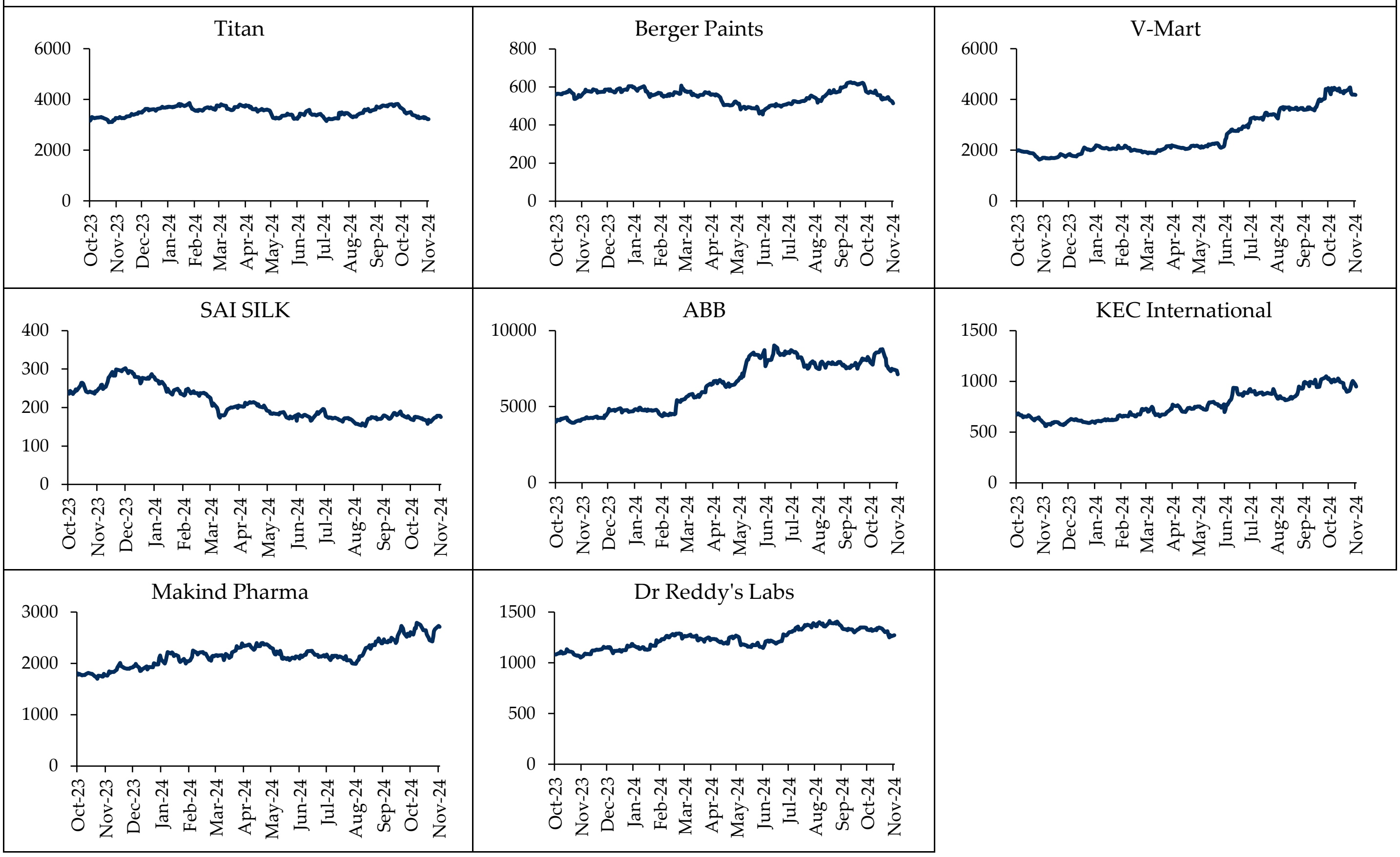
REDUCE: -10% to +5% return potential

SELL: > 10% Downside return potential

Disclosure:

Analyst	Company Covered	Qualification	Any holding in the stock
Jay Gandhi	Titan, Berger Paints, V-MART Retail, Sai Silk (Kalamandir)	MBA	NO
Parikshit Kandpal	ABB India, KEC International	CFA	NO
Aditya Sahu	ABB India, KEC International	MBA	NO
Jay Shah	ABB India, KEC International	CA	NO
Mehul Sheth	Mankind Pharma, Dr Reddy's Laboratories	MBA	NO

1 Yr Price movement



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