

Metro Brands | BUY

Steps in right direction; upgrade to BUY

Revenue grew 11% YoY (in line) led by early onset of festivities. However, overall demand was impacted by the prolonged monsoon and sluggish consumer footfalls following the GST rate reduction announcement, as consumers awaited price cuts, leading to flat revenue per sqft. EBITDA margin was impacted in 2Q (~20bps lower YoY) despite higher gross margin (20bps higher YoY) due to higher opex related to more store openings. Store addition was robust as company added 38 (net) stores with Walkway registering an uptick in store addition (10 stores added); it also launched four Footlocker stores (avg size of 6,000 sqft). Clark's Cloudstepper ladies' range was launched in ~200 stores and has seen a positive response, and the company plans to launch the complete range by 2HFY26. We believe that (i) addition of Clarks in the portfolio, (ii) repositioning of FILA brand, (iii) mitigation of BIS-led supply chain disruptions, (iv) ramp-up in store additions, and (v) healthy response for footlocker brand are the steps in the right direction. The management remains confident on its long-term guidance of achieving revenue CAGR of ~15%+, gross margin of 55-57%, EBITDA margin of 30% and PAT margin of 15%. Owing to all these efforts and its positive outcome, we upgrade the stock from ADD to BUY with a revised TP of INR 1,370 (earlier INR 1,350) based on 58x EPS as we roll forward our multiple to Sep'27. We reduce our FY26-28 Pre Ind AS EPS estimates by 4-5% owing to higher spends for new formats and higher depreciation and interest cost (lease related) led by addition of new large stores.

- **Revenue growth in line, miss on PAT; higher opex leads to margin contraction:** Consolidated revenue grew 11% YoY to INR 6.5 bn in 2Q (in line). Revenue per sqft was flat YoY INR 4,300. EBITDA grew 10% YoY to INR 1.7 bn (3% miss) as EBITDA margin contracted ~20bps YoY to 26.2% (JMF: 27.1%) despite ~20bps YoY expansion in gross margin to 55.3% (JMF: 55.5%) due to ~50bps YoY higher other expense. PAT declined 3% YoY to INR 677 mn (18% miss) due to 26%/35% higher YoY depreciation/interest expense (10%/20% higher vs. expectation) partially offset by 21% higher other income (3% miss). Higher depreciation and interest are due to impact of Ind AS 116 led by higher store openings, leading to an impact of ~1% of sales on PAT (four Footlocker stores as these stores are 4x the size of normal store)
- **38 (net) stores added; mid-premium product contribution increases:** Metro opened 42 new stores and closed 4 stores in 2Q (net addition 38 stores), taking the total store count to 966. The company also added 5 new cities during the quarter (211 cities). Metro/Mochi/Walkway format witnessed the highest addition with 8/10/10 stores, while Crocs and Fitflop witnessed the addition of 1 store. It also added 4 stores in footlocker and 1 store in New Era. Own brand contribution contracted QoQ to 71% vs. 72% in 1QFY26. Contribution from products priced between INR 1,500 and 3,000 increased to 35% (up 300/200 bps YoY/QoQ), while contribution from products priced between INR 500 and INR 1,500 and products below INR 500 saw their contribution declining by ~100bps and ~200bps YoY respectively to 10%/ 3%.
- **New format updates: Footlocker:** Added 4 stores – 1 in Noida and 3 in Mumbai. **FILA:** Plans to open new FILA EBO's in H2FY26. **New Era:** Added 1st New Era store in Lucknow and three kiosks in Delhi, Chandigarh & Bengaluru. **Clarks:** Has already introduced Clark's Cloudstepper ladies' range in ~ 200 MBOs and received an encouraging customer response. It plans to launch the complete product range in 2HFY26 and, post stabilisation of assortment, Clarks' EBO is expected to be launched in 1HFY27.



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	ADD
Current Price Target (12M)	1,385
Upside/(Downside)	15.1%
Previous Price Target	1,350
Change	2.6%

Key Data – METROBRA IN

Current Market Price	INR1,203
Market cap (bn)	INR327.7/US\$3.7
Free Float	19%
Shares in issue (mn)	271.7
Diluted share (mn)	272.2
3-mon avg daily val (mn)	INR127.8/US\$1.5
52-week range	1,340/890
Sensex/Nifty	83,952/25,710
INR/US\$	88.0

Price Performance

%	1M	6M	12M
Absolute	-8.9	9.8	-3.9
Relative*	-10.4	2.7	-7.0

* To the BSE Sensex

Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	23,559	25,074	28,049	33,714	40,507
Sales Growth (%)	10.8	6.4	11.9	20.2	20.2
EBITDA	6,996	7,415	8,436	10,658	12,870
EBITDA Margin (%)	29.7	29.6	30.1	31.6	31.8
Adjusted Net Profit	4,125	3,513	4,042	5,284	6,599
Diluted EPS (INR)	15.2	12.9	14.8	19.4	24.2
Diluted EPS Growth (%)	14.1	-14.9	15.1	30.7	24.9
ROIC (%)	44.2	33.7	36.4	45.5	52.6
ROE (%)	24.2	19.7	22.3	25.4	27.0
P/E (x)	79.3	93.2	81.0	62.0	49.6
P/B (x)	17.6	19.2	17.0	14.7	12.4
EV/EBITDA (x)	45.6	43.3	37.8	29.7	24.4
Dividend Yield (%)	0.4	0.4	0.6	0.7	0.7

Source: Company data, JM Financial. Note: Valuations as of 17/Oct/2025

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Exhibit 1. Quarterly performance (INR mn)

INR mn	Quarterly			Chng (%)	Chng (%)	Estimate	Chng (%)	For the period		Chng (%)
	Q2FY25	Q1FY26	Q2FY26	YoY	QoQ	Q2FY26E	vs. Est.	H1FY25	H1FY26	YoY
Net operating revenue	5,855	6,282	6,511	11	4	6,514	(0)	11,615	12,794	10
Material cost	(2,633)	(2,555)	(2,914)	11	14	(2,899)	1	(4,967)	(5,469)	10
Gross Profit	3,222	3,727	3,598	12	(3)	3,615	(0)	6,649	7,325	10
Employee cost	(597)	(630)	(662)	11	5	(700)	(5)	(1,191)	(1,291)	8
Other expenses	(1,077)	(1,159)	(1,229)	14	6	(1,150)	7	(2,106)	(2,387)	13
Total expenditure	(4,306)	(4,343)	(4,804)	12	11	(4,749)	1	(8,263)	(9,148)	11
EBITDA	1,548	1,939	1,707	10	(12)	1,765	(3)	3,352	3,646	9
Other income	234	286	282	21	(1)	290	(3)	467	568	21
Interest	(218)	(237)	(294)	35	24	(245)	20	(426)	(531)	25
Depreciation	(624)	(688)	(784)	26	14	(710)	10	(1,224)	(1,472)	20
Pretax profits	939	1,300	911	(3)	(30)	1,100	(17)	2,169	2,210	2
Tax	(225)	(320)	(221)	(2)	(31)	(277)	(20)	(534)	(542)	1
Share of Profit/(loss) JV	3	9	1	(81)	(93)	10	(94)	5	9	
Minority Interest	(22)	(3)	(13)	(42)	345	(4)		(28)	(16)	(43)
Adj. PAT	696	985	677	(3)	(31)	829	(18)	1,613	1,662	3
Extraordinary items	-	-	-	-	-	-	-	-	-	
Net profit (reported)	696	985	677	(3)	(31)	829	(18)	1,613	1,662	3
Recurring EPS	2.6	3.6	2.5	(3)	(31)	3.0	(18)	5.9	6.1	3
% of operating revenues										
Gross margin	55.0	59.3	55.3	21 bps	-408 bps	55.5	-25 bps	57.2	57.3	1 bps
EBITDA margin	26.4	30.9	26.2	-23 bps	-465 bps	27.1	-89 bps	28.9	28.5	-36 bps
Material cost	45.0	40.7	44.7	-22 bps	407 bps	44.5	24 bps	42.8	42.7	-2 bps
Employee cost	10.2	10.0	10.2	-3 bps	14 bps	10.7	-59 bps	10.2	10.1	-16 bps
Other expenses	18.4	18.4	18.9	47 bps	42 bps	17.7	121 bps	18.1	18.7	52 bps
Income tax rate (% of PBT)	23.9	24.6	24.3	38 bps	-33 bps	25.2	-89 bps	24.6	24.5	-10 bps

Source: Company, JM Financial

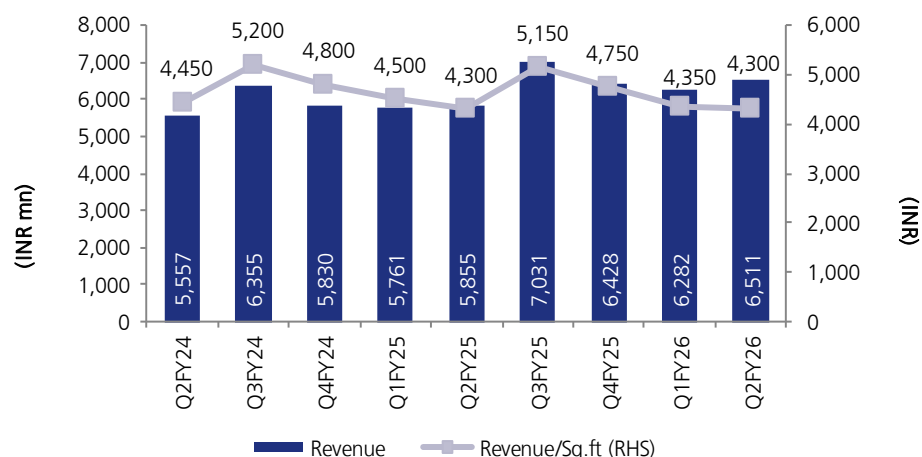
Exhibit 2. We cut our Pre Ind AS EPS estimates by 4-5% over FY26-28E owing to weak consumer demand

	FY26E			FY27E			FY28E		
	Revised	Earlier	Chg (%)	Revised	Earlier	Chg (%)	Revised	Earlier	Chg (%)
Net revenues	28,049	28,439	(1.4)	33,571	34,569	(2.9)	40,338	41,276	(2.3)
Gross Margin (%)	57.7	57.7	5bps	57.9	57.8	6bps	58.0	57.9	4bps
EBITDA	8,436	8,601	(1.9)	10,599	10,797	(1.8)	12,800	12,971	(1.3)
EBITDA margin (%)	30.1	30.2	-17bps	31.6	31.2	33bps	31.7	31.4	30bps
PAT	4,042	4,388	(7.9)	5,240	5,667	(7.5)	6,547	6,994	(6.4)
EPS (INR/share)	14.8	16.1	(7.9)	19.2	20.8	(7.5)	24.0	25.7	(6.4)
Pre IND AS									
EBITDA	5,498	5,746	(4.3)	7,240	7,555	(4.2)	8,993	9,350	(3.8)
EBITDA margin (%)	19.6	20.2	-61bps	21.6	21.9	-29bps	22.3	22.7	-36bps
PAT	4,456	4,680	(4.8)	5,756	5,975	(3.7)	7,064	7,338	(3.7)
EPS (INR/share)	16.4	17.2	(4.8)	21.1	21.9	(3.7)	25.9	27.0	(3.7)

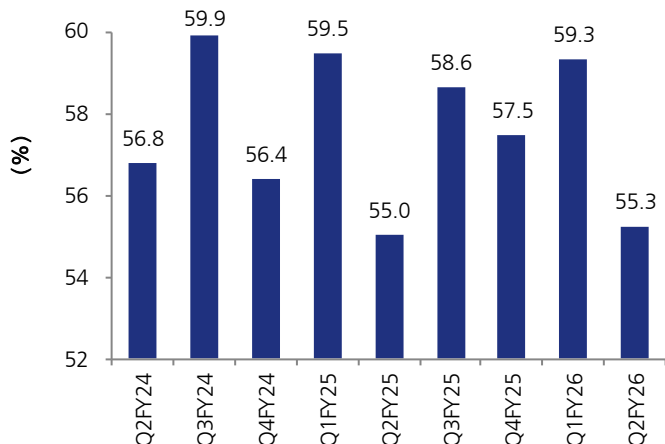
Source: Company, JM Financial

Concall Highlights

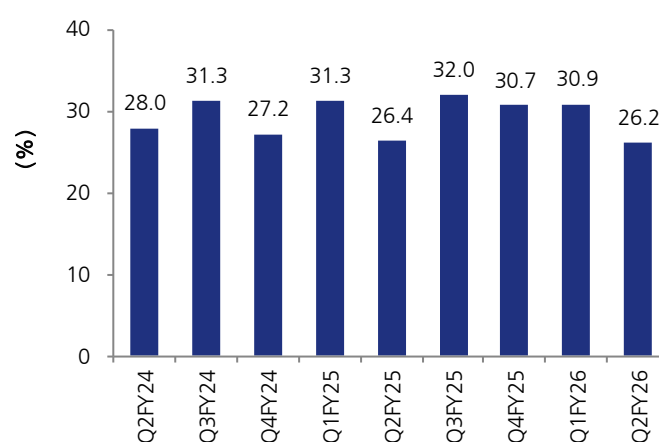
- **Demand:** Covid-related lumpiness and shift in wedding dates has impacted demand. However, GST reductions will drive demand and the company doesn't see any headwinds in the coming festive quarter.
- **GST benefits:** Owing to reduction in GST rates, the company has seen 11% reduction in the prices of footwear in the price range of INR 1,000- INR 2,500, and 6% reduction in the price for products under INR 1,000. This price reduction will help to drive volume in Metro/Mochi and Walkway segment.
- **Fila:** The company expects to be ahead of all the hurdles due to BIS by early part of next year. Hence, store addition is cautious in the Fila format, and it is continuing with its efforts to reposition the brand. It launched the brand in ~100 Metro/Mochi stores and has received good response from customers.
- **Clarks:** The management believes that there is no major risk of sales cannibalisation. It has reintroduced the brand in the Metro/Mochi chain with an intention to plug out the low-hanging fruits and will rationally open the stores in August. It does not intend to position it as a discount brand as earlier it was scaled online via aggressive discounts. The company will list the products on the online platform but growth will be moderate. Over the next 2-3 quarters, it wants to stabilise the entire supply chain of Clarks as currently it is offering only 35-40% of the total products. After stabilisation, it will expand Clarks aggressively.
- **Walkway:** The company is targeting the customers in the Tier 2 market and will tap the unorganised market, which comprises ~70% of the total market. The management believes that it has corrected the model and is set to scale it up quickly and profitably. Aggressive expansion in this format will result in dilution of sales per sqft of the company. Margin in the format will be lower vs Metro/Mochi and will flow through in the next 3-5 years. It expects to deliver 20-30% RoCE in this format.
- **Footlocker:** Store under the Footlocker format are ~3x the size of Metro/Mochi store and throughput per store is largely in line with the expectation despite supply chain disruptions due to BIS regulations and limited availability of merchandise. The company expects scale-led benefits to flow in for these stores, resulting in slightly efficient investment in this format vs. other formats.
- **Capex** in 1HFY26 was higher YoY due to three reasons - (i) The company added four footlocker stores where the capex/ store is higher vs. other stores, (ii) renovated a few stores, and (iii) addition of more stores YoY. There has been no increase in the average capex/store for the older stores. It keeps 6.5-7 months of inventory in a store.
- **Rent:** In 1HFY26, rental as % of sales increased to ~15% vs. ~13% average for the company. This is mainly due to - (i) aggressive addition of stores in 2Q, (ii) addition of large Footlocker stores (3x size of normal stores), and (iii) 1H accounts for 44-46% of the sales for full year while rentals are constant, leading to higher number in % terms.
- **BIS update:** Import restrictions due to BIS regulations has led to supply chain disruptions in the global brand portfolio of the company, especially in the Sports & Athleisure footwear segment. Though global brands have started receiving some BIS approvals for their manufacturing units across foreign geographies, the company expects supply chain disruptions to fully normalise by end of FY26.
- **Ind AS 116 impact:** PAT in 2Q was impacted due to INR 116 adjustments (non-cash) led by addition of 42 new stores (especially four big footlocker stores). Overall impact was 0.6% of PAT margin (INR 370mn non-cash charge in books). The management highlighted that there is 8.5-9% difference in Pre and Post Ind AS EBITDA.
- **Crocs:** It targets to add 10% store network every year in the brand for the next 3-5 years.
- **Others - Ecommerce sales** (including omni-channel) grew by 39% YoY, contributing to ~14% of the revenue (vs. ~11% in Q2FY25). ASP stood at INR 1,550 in 1HFY26 (3% up YoY).

Exhibit 3. Sales/sqft flat YoY at INR 4,300 in 2QFY26

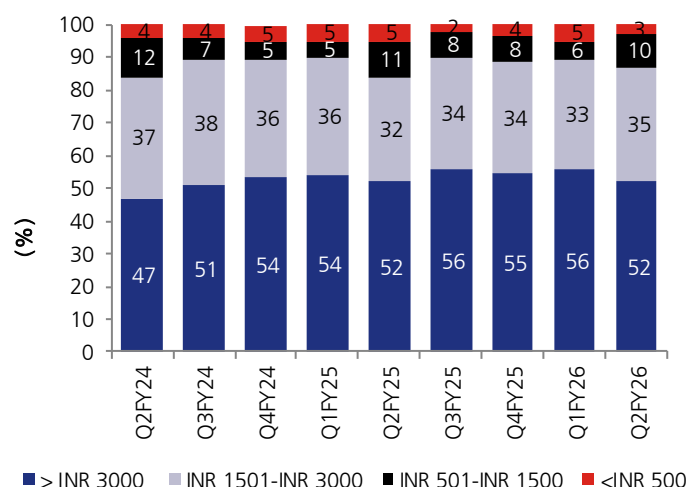
Source: Company, JM Financial

Exhibit 4. GM expanded ~20bps YoY

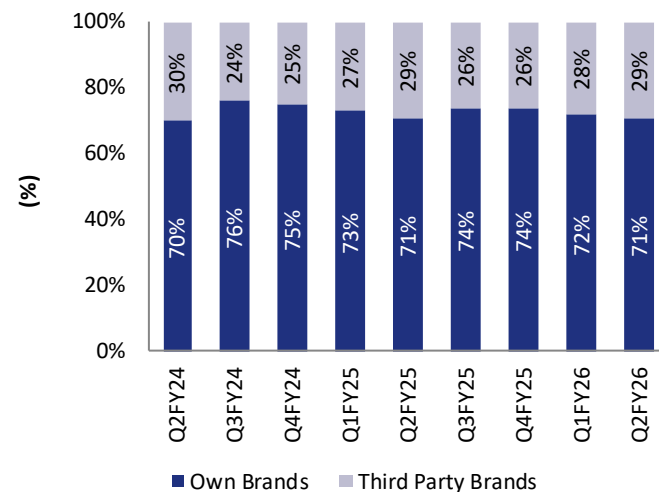
Source: Company, JM Financial

Exhibit 5. EBITDA margin contracted ~20bps YoY

Source: Company, JM Financial

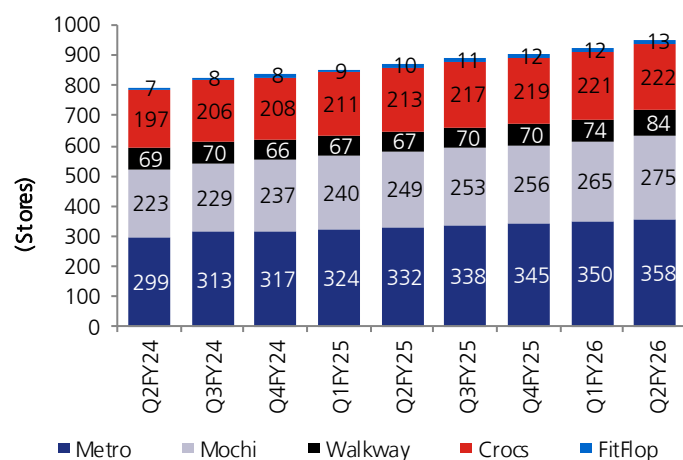
Exhibit 6. Contribution of products > INR 1500 up ~300bps YoY

Source: Company, JM Financial

Exhibit 7. Own brands contribution was 71% in 2Q

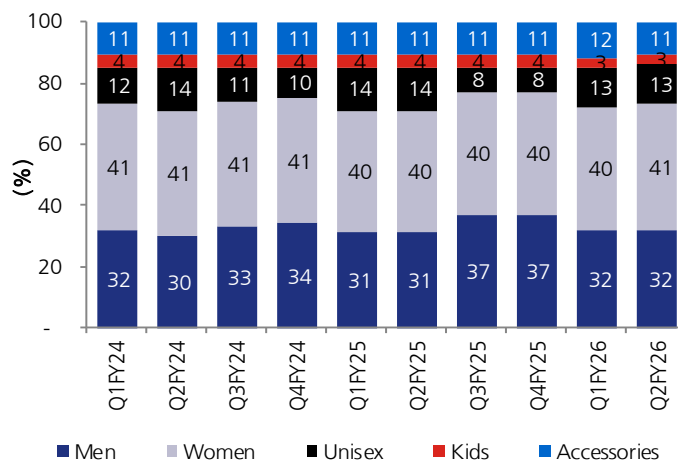
Source: Company, JM Financial

Exhibit 8. Metro/Mochi/Walkway added 8/10/10 stores in 2Q



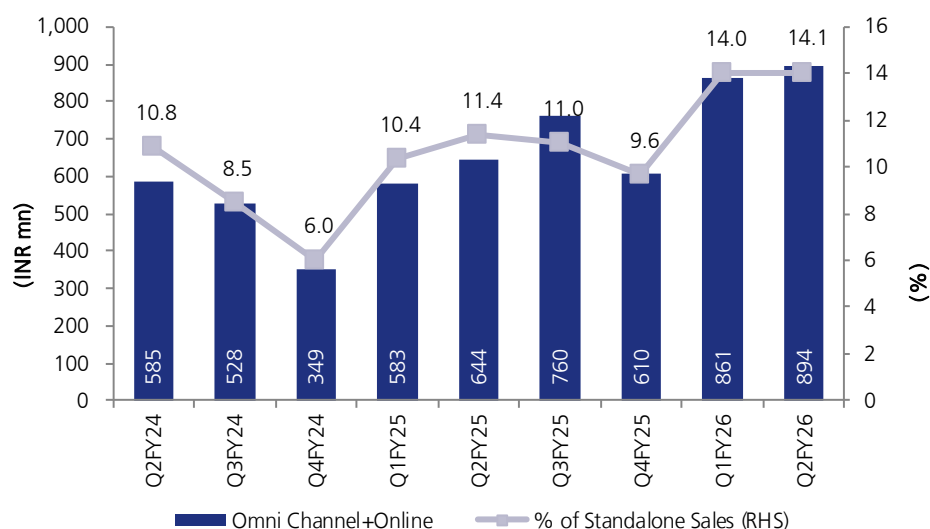
Source: Company, JM Financial

Exhibit 9. Men's contribution increased by ~100bps YoY in 2Q



Source: Company, JM Financial

Exhibit 10. Omni + Online sales rose to 14.1% of standalone sales



Source: Company, JM Financial

Exhibit 11. Revenue per store for South/North increased by ~10/8% YoY

Zone Wise	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Revenue per store (INR mn)									
South	7.6	6.9	6.8	6.8	6.8	6.8	5.9	6.2	7.5
West	7.1	7.6	7.7	6.6	6.4	8.3	7.0	6.8	6.0
North	5.4	7.3	6.2	6.1	5.4	7.6	7.4	6.4	5.8
East	6.5	9.7	5.8	7.1	8.0	8.9	7.9	7.7	7.7
Growth (% YoY)									
South	0%	-10%	-7%	-13%	-11%	0%	-13%	-9%	10%
West	2%	-16%	9%	-8%	-10%	9%	-10%	3%	-5%
North	-8%	-6%	2%	-5%	0%	4%	18%	5%	8%
East	-10%	11%	-23%	-9%	23%	-9%	37%	7%	-4%

Source: Company, JM Financial

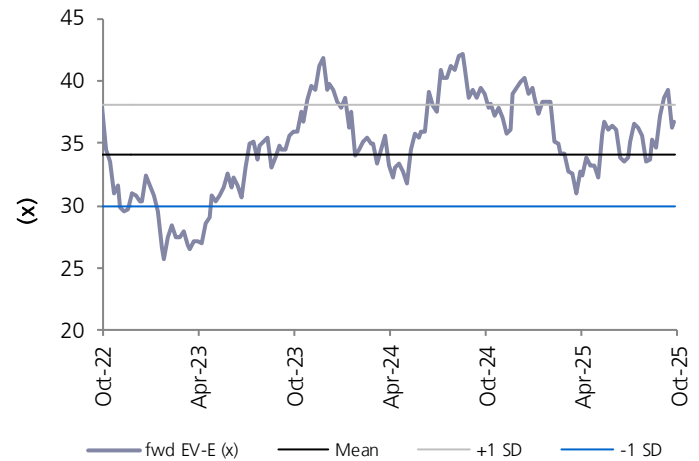
Exhibit 12. Tier III towns saw contraction of ~15%; Metro/Tier 1 region grew 7% YoY (both)

Tier Wise	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Revenue per store (INR mn)									
Metro	8.5	9.4	8.4	7.9	8.1	9.8	7.8	8.2	8.6
Tier I	6.7	7.6	6.9	6.9	6.2	8.4	7.2	7.1	6.7
Tier II	6.2	7.1	6.4	6.1	6.0	6.3	7.1	6.1	6.1
Tier III	4.0	4.5	4.1	4.4	4.6	4.8	4.1	3.9	3.9
Growth (% YoY)									
Metro	-4%	-9%	-5%	-14%	-6%	4%	-7%	3%	7%
Tier I	1%	-8%	-1%	-4%	-7%	12%	4%	4%	7%
Tier II	1%	-2%	2%	-9%	-4%	-11%	10%	0%	3%
Tier III	-9%	-10%	-1%	-2%	13%	6%	1%	-12%	-15%

Source: Company, JM Financial

Exhibit 13. PE (x) 1 year forward

Source: Bloomberg

Exhibit 14. EV-EBITDA (x) 1 year forward

Source: Bloomberg

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	23,559	25,074	28,049	33,714	40,507
Sales Growth	10.8%	6.4%	11.9%	20.2%	20.2%
Other Operating Income	8	8	0	0	0
Total Revenue	23,567	25,074	28,049	33,714	40,507
Cost of Goods Sold/Op. Exp	9,875	10,609	11,856	14,192	17,019
Personnel Cost	2,280	2,450	2,803	3,210	3,743
Other Expenses	4,417	4,600	4,954	5,653	6,876
EBITDA	6,996	7,415	8,436	10,658	12,870
EBITDA Margin	29.7%	29.6%	30.1%	31.6%	31.8%
EBITDA Growth	3.1%	6.0%	13.8%	26.3%	20.8%
Depn. & Amort.	2,291	2,580	3,078	3,637	4,078
EBIT	4,705	4,835	5,358	7,021	8,792
Other Income	708	930	1,158	1,263	1,372
Finance Cost	789	905	1,145	1,260	1,396
PBT before Excep. & Forex	4,624	4,860	5,371	7,024	8,769
Excep. & Forex Inc/Loss(-)	0	0	0	0	0
PBT	4,624	4,860	5,371	7,024	8,769
Taxes	499	1,325	1,353	1,770	2,210
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	60	55	65	70	70
Reported Net Profit	4,125	3,513	4,042	5,284	6,599
Adjusted Net Profit	4,125	3,513	4,042	5,284	6,599
Net Margin	17.5%	14.0%	14.4%	15.7%	16.3%
Diluted Share Cap. (mn)	271.9	272.2	272.2	272.2	272.2
Diluted EPS (INR)	15.2	12.9	14.8	19.4	24.2
Diluted EPS Growth	14.1%	-14.9%	15.1%	30.7%	24.9%
Total Dividend + Tax	1,360	1,361	1,906	2,178	2,450
Dividend Per Share (INR)	5.0	5.0	7.0	8.0	9.0

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	4,654	4,877	5,416	7,074	8,824
Depn. & Amort.	2,291	2,580	3,078	3,637	4,078
Net Interest Exp. / Inc. (-)	342	288	507	562	637
Inc (-) / Dec in WCap.	-490	574	-352	-1,210	-1,424
Others	-57	20	-540	-585	-628
Taxes Paid	-840	-1,363	-1,353	-1,770	-2,210
Operating Cash Flow	5,901	6,975	6,755	7,708	9,276
Capex	-1,161	-861	-1,084	-1,233	-1,278
Free Cash Flow	4,740	6,115	5,671	6,476	7,998
Inc (-) / Dec in Investments	-1,881	1,597	-1,500	-2,000	-2,500
Others	529	488	1,158	1,263	1,372
Investing Cash Flow	-2,513	1,224	-1,426	-1,970	-2,405
Inc / Dec (-) in Capital	44	83	0	0	0
Dividend + Tax thereon	-1,155	-5,420	-1,906	-2,178	-2,450
Inc / Dec (-) in Loans	-15	0	0	0	0
Others	-2,100	-2,394	-2,943	-3,361	-3,809
Financing Cash Flow	-3,227	-7,730	-4,849	-5,539	-6,259
Inc / Dec (-) in Cash	161	469	480	200	611
Opening Cash Balance	318	479	948	1,429	1,628
Closing Cash Balance	479	948	1,429	1,628	2,239

Source: Company, JM Financial

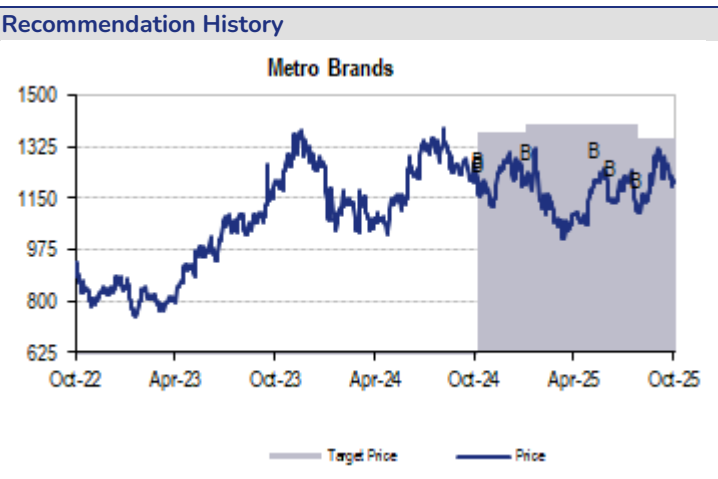
Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	18,637	17,091	19,228	22,334	26,483
Share Capital	1,360	1,361	1,361	1,361	1,361
Reserves & Surplus	17,278	15,730	17,866	20,973	25,121
Lease Liabilities	10,984	12,271	14,131	16,241	18,377
Minority Interest	294	289	289	289	289
Total Loans	0	0	0	0	0
Def. Tax Liab. / Assets (-)	-363	-340	-340	-340	-340
Total - Equity & Liab.	29,553	29,311	33,308	38,523	44,808
Net Fixed Assets	14,916	16,114	17,779	19,585	21,334
Gross Fixed Assets	5,331	5,880	6,964	8,197	9,475
Intangible Assets	1,638	1,645	1,560	1,475	1,390
Less: Depn. & Amort.	1,829	2,173	2,815	3,573	4,457
Capital WIP	9,776	10,762	12,070	13,486	14,926
Investments	7,486	5,445	6,945	8,945	11,445
Current Assets	10,762	11,446	14,024	16,514	19,845
Inventories	7,102	6,369	8,223	9,791	11,653
Sundry Debtors	757	912	922	1,108	1,332
Cash & Bank Balances	1,474	1,010	1,491	1,690	2,301
Loans & Advances	17	14	13	12	12
Other Current Assets	1,414	3,141	3,376	3,913	4,548
Current Liab. & Prov.	3,612	3,694	5,440	6,521	7,816
Current Liabilities	2,574	2,258	3,842	4,618	5,549
Provisions & Others	1,038	1,436	1,598	1,903	2,267
Net Current Assets	7,151	7,752	8,584	9,993	12,029
Total - Assets	29,553	29,311	33,308	38,523	44,808

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	17.5%	14.0%	14.4%	15.7%	16.3%
Asset Turnover (x)	0.9	0.8	0.9	0.9	1.0
Leverage Factor (x)	1.6	1.7	1.7	1.7	1.7
RoE	24.2%	19.7%	22.3%	25.4%	27.0%
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	68.5	62.8	70.6	82.0	97.3
ROIC	44.2%	33.7%	36.4%	45.5%	52.6%
ROE	24.2%	19.7%	22.3%	25.4%	27.0%
Net Debt/Equity (x)	-0.5	-0.4	-0.4	-0.5	-0.5
P/E (x)	79.3	93.2	81.0	62.0	49.6
P/B (x)	17.6	19.2	17.0	14.7	12.4
EV/EBITDA (x)	45.6	43.3	37.8	29.7	24.4
EV/Sales (x)	13.5	12.8	11.4	9.4	7.7
Debtor days	12	13	12	12	12
Inventory days	110	93	107	106	105
Creditor days	40	33	50	50	50

Source: Company, JM Financial

History of Recommendation and Target Price			
Date	Recommendation	Target Price	% Chg.
22-Oct-24	Buy	1,375	
24-Oct-24	Buy	1,375	0.0
19-Jan-25	Buy	1,400	1.8
24-May-25	Buy	1,400	0.0
23-Jun-25	Buy	1,400	0.0
8-Aug-25	Buy	1,350	-3.6



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

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New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return \geq 15% over the next twelve months.
ADD	Expected return \geq 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return \geq -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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