

PI Industries | REDUCE

Pyroxa challenges to persist in FY27

Kumiai has guided for a meaningful decline in pyroxasulfone sales in its FY26 (Nov'25 to Oct'26). Over the last 2 years, Kumiai has delivered better pyroxasulfone numbers than its forecast. Even if the actual FY26 performance is better than the forecast there isn't likely to be meaningful growth in pyroxasulfone sales. Further, Kumiai saw muted growth in pyroxasulfone sales over FY23-25 despite no generic registrations yet in the US. Moreover, by Sep'25, PI had invoiced certain shipments (likely pyroxasulfone) worth INR 8.5bn, which are yet to be delivered to the customer. Given the few-months' lag between PI's supplies and Kumiai's sales, this backlog is likely to meet a part of Kumiai's FY26 demand and could limit incremental orders. Hence, in our view, PI needs a major push from its ex-Pyroxasulfone business in FY27. Factoring in this, we cut our FY27-28 EPS estimates by ~4% and maintain REDUCE with a revised Dec'26 TP of INR 3,465/share (based on 30x Dec'27E EPS) (from INR 3,590 earlier).

- **Kumiai unlikely to see meaningful pyroxasulfone sales growth in FY26 (Nov'25 to Oct'26):** Kumiai has indicated a ~11% YoY decline in Axeev (pyroxasulfone) sales to ~JPY 67.4bn in FY26 from JPY 75.5bn in FY25 (Nov'24 to Oct'25) (refer **Exhibits 4 & 5**). Going ahead, the company is planning to continue development of new Axeev pre-mixture formulations, and continue to pursue legal actions against patent infringements of pyroxasulfone (refer **Exhibit 6**). In FY24/FY25, Kumiai's guidance for pyroxasulfone sales was conservative as it registered a decline/growth of ~1%/6% YoY in FY24/FY25 as against the forecasted decline of ~5%/7% (refer **Exhibits 2 to 4**). Hence, despite Kumiai's guidance, even if we assume growth in pyroxasulfone sales similar to FY25 for FY26, the incremental growth is unlikely to be meaningful. Moreover, despite the lack of generic registrations in the US (refer **Exhibit 7**), pyroxa sales saw a decline in FY24 while the growth was only modest in FY25.
- **PI likely to see muted growth from pyroxasulfone shipments in FY27 (Apr'26 to Mar'27):** As of 2QFY26 (by Sep'25), PI had contracted assets worth ~INR 8.5bn in its balance sheet, representing finished goods produced exclusively for a customer, likely to be pyroxa supplies yet to be delivered. Also, the company had booked the revenue for these shipments with the delivery to be made in 2HFY26 (Oct'25 to Mar'26) (refer **Exhibit 8**). As we have highlighted previously (click [here](#)), there is a few-months' lag between the supplies from PI to Kumiai and the sales of pyroxasulfone to the customers by Kumiai. Hence, a part of the incremental demand for Kumiai in its FY26 (Nov'25 to Oct'26) is likely to be met by these invoiced goods. As a result, in our view, PI is likely to see only a muted incremental contribution from pyroxa in its FY27 (Apr'26 to Mar'27).
- **Estimate 8% EPS CAGR over FY26E-28E; maintain REDUCE:** We now build in ~3%/8% CSM growth in FY27/28. Factoring in this and the latest forecasts by Kumiai, our FY27-28 EPS estimates are revised downwards by ~4%. We now expect PI to register ~7%/8% EBITDA/EPS CAGR over FY26E-28E. We continue to wait for meaningful contributions from the ex-pyroxasulfone agri portfolio and the new pharma and electronic segments. We maintain our REDUCE rating on the name with a revised Dec'26 TP of INR 3,465/share (based on 30x Dec'27E EPS) (from INR 3,590 earlier).



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Recommendation and Price Target

Current Reco.	REDUCE
Previous Reco.	REDUCE
Current Price Target (12M)	3,465
Upside/(Downside)	4.6%
Previous Price Target	3,590
Change	-3.5%

Key Data – PI IN

Current Market Price	INR3,314
Market cap (bn)	INR502.4/US\$5.6
Free Float	47%
Shares in issue (mn)	152.0
Diluted share (mn)	152.0
3-mon avg daily val (mn)	INR790.7/US\$8.7
52-week range	4,330/2,951
Sensex/Nifty	85,268/26,047
INR/US\$	90.4

Price Performance

%	1M	6M	12M
Absolute	-7.7	-16.1	-18.3
Relative*	-8.6	-19.7	-22.1

* To the BSE Sensex

Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	76,658	79,778	76,181	79,933	86,721
Sales Growth (%)	18.1	4.1	-4.5	4.9	8.5
EBITDA	20,147	21,790	21,156	22,303	24,321
EBITDA Margin (%)	26.3	27.3	27.8	27.9	28.0
Adjusted Net Profit	16,710	16,559	15,794	16,551	18,294
Diluted EPS (INR)	109.9	108.9	103.9	108.9	120.4
Diluted EPS Growth (%)	36.7	-0.9	-4.6	4.8	10.5
ROIC (%)	34.6	26.1	21.2	20.1	20.3
ROE (%)	21.0	17.5	14.6	13.6	13.4
P/E (x)	30.1	30.4	31.9	30.4	27.5
P/B (x)	5.8	5.0	4.4	3.9	3.5
EV/EBITDA (x)	23.1	21.4	21.6	20.1	17.9
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

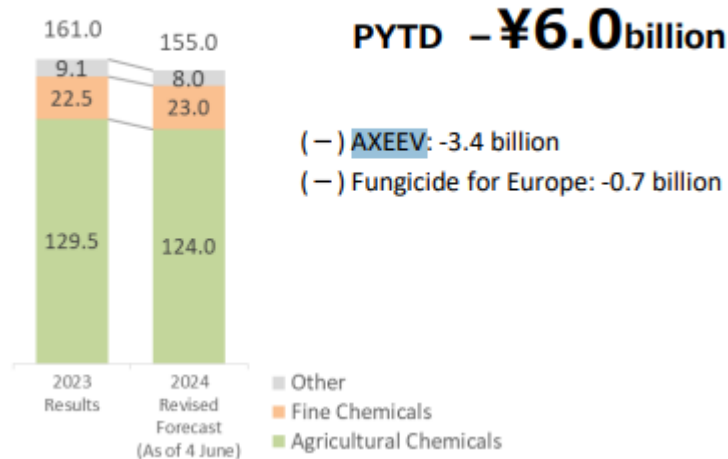
Source: Company data, JM Financial. Note: Valuations as of 12/Dec/2025

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

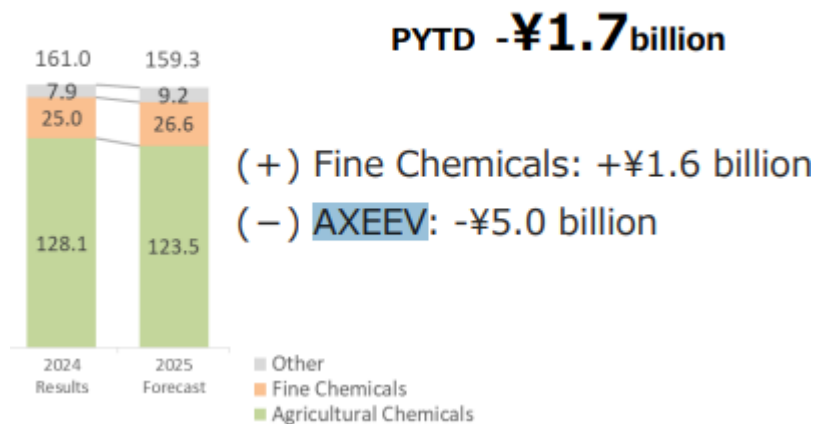
Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Exhibit 1. Kumiai has forecasted contraction in 1HFY26 and FY26 (Nov'25 to Oct'26)

JPY Mn	1HFY24A	1HFY25A	1HFY26E	%YoY	FY24A	FY25A	FY25E	% diff (FY25A vs. FY25E)	FY26E	%YoY (FY26E vs. FY25A)
Net Sales	88,100	96,177	92,800	-3.5%	161,049	170,462	159,300	7.0%	162,000	-5.0%
Operating Income	8,830	9,442	6,100	-35.4%	11,350	10,567	10,400	1.6%	7,200	-31.9%
PAT	12,990	8,291	8,200	-1.1%	18,300	-13,363	14,500	-192.2%	10,900	NA
PAT attributable to owners	9,322	6,274	4,400	-29.9%	13,590	4,381	10,900	-59.8%	6,400	46.1%
EPS	77.5	52.1	36.5	-29.9%	112.9	36.4	90.6	-59.8%	53.2	46.1%

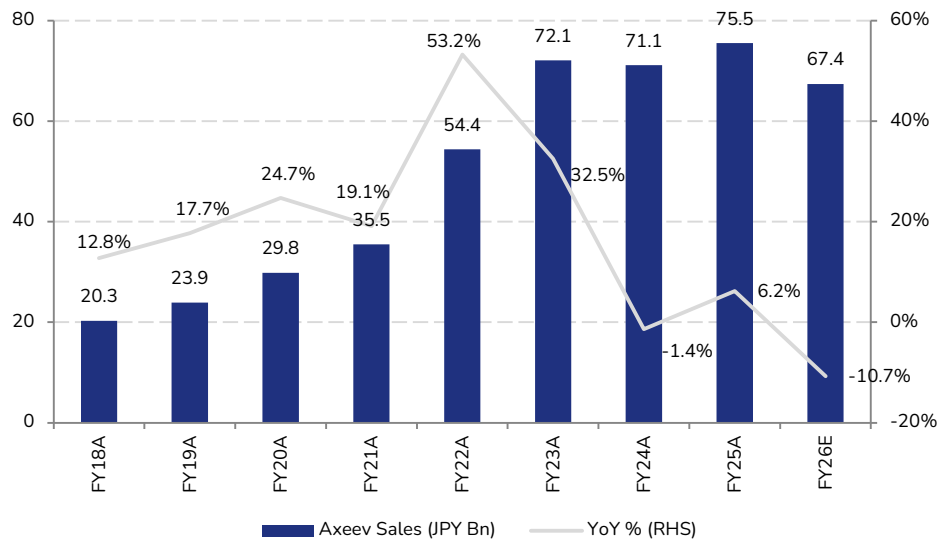
Source: Kumiai, JM Financial; **Note:** FY26 – Nov'25 to Oct'26, 1HFY26 – Nov'25 to Apr'26**Exhibit 2. Kumiai expected a decline of ~5% (JPY 3.4bn decline) in Axeev (pyroxa) sales for FY24****Sales**

Source: Industry

Exhibit 3. Kumiai expected a decline of 7% (JPY 5bn decline) in Axeev (pyroxa) sales for FY25**Sales**

Source: Kumiai, JM Financial

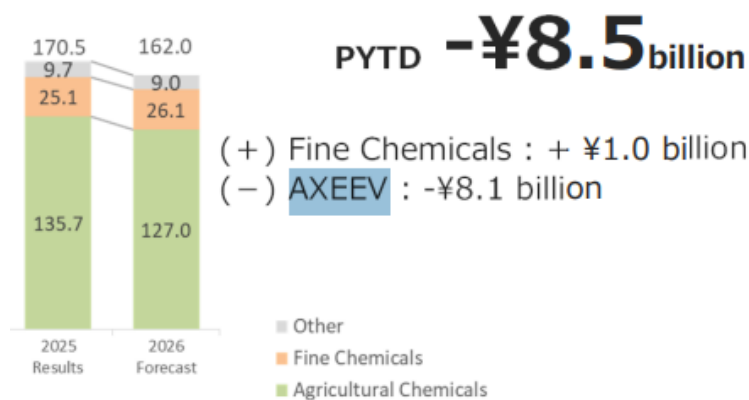
Exhibit 4. Axeev (Pyroxa) sales declined/improved by ~1%/6% YoY in FY24/FY25 while it is expected to decline by ~11% in FY26E...



Source: Kumiai, JM Financial

Exhibit 5. ...as Kumiai expects a JPY 8.1bn decline in Axeev sales in FY26

Sales



Source: Kumiai, JM Financial

Exhibit 6. Kumiai to continue pursuing legal actions against pyroxasulfone patent infringements

In the overseas market, the Group will continuously expand and maintain sales of AXEEV, a core product in its business, by promoting the development of new pre-mixture formulations and engaging in providing appropriate support for sales promotions and other activities in leading markets such as the U.S. As a countermeasure against generic products, the Group will continue to take actions, including filing lawsuits, to protect its intellectual property rights if patent infringement is identified. In addition, the Group will enhance its price competitiveness by reducing production costs. The Group will also expand sales of EFFEEDA in South Korea as well as promoting its development in the Americas, other Asian countries, and other regions. The Group will also expand sales of DISARTA in South Korea, and advance its development in various countries, primarily in Asia.

Source: Kumiai, JM Financial

Exhibit 7. No generic registrations yet in the US for pyroxasulfone

Registration Number	Registration Type	Product Name	Alternate Brand Names	Status	Status Group	Status Date	Date First Registered	Latest Label Date	Company Number	Company Name	Pesticide Type	Pesticide Category	Use Type	Use Pattern	Physical Form	Signal Word	Restricted Use Flag	Restricted Use Reason	Active Ingredients
279-9670	Sec3	Atz-Pyr-Fm Herbicide	ABNs	Registered	Active	06/05/2024	06/05/2024	07/15/2025	279	Fmc Corporation	Conventional Chemical	Herbicide	End Use	Terrestrial food crop		Warning	Y	Hazard to non-target species	Atrazine (080803/1912-24-9) - (42.5%), Fluthiacet-methyl (108803/117337-19-6) - (1.5%), Pyroxasulfone (090099/447399-55-5) - (5.15%)
7999-501	Sec3	Surtain Herbicide	ABNs	Conditionally Registered	Active	02/08/2024	02/08/2024	05/16/2025	7999	BASF Agricultural Solutions U.S. LLC	Conventional Chemical	Herbicide, Terrestrial	End Use	Terrestrial feed crop, Terrestrial food crop		Caution	N		Pyroxasulfone (090099/447399-55-5) - (10.91%), Sulfenacil (118203/372137-35-4) - (6.82%)
100-1735	Sec3	A23980 Herbicide	ABNs	Conditionally Registered	Active	06/02/2023	06/02/2023	06/02/2023	100	Syngenta Crop Protection, LLC	Conventional Chemical	Herbicide	End Use			Caution	N		Bicyclopyrone (018996/352010-66-5) - (81%), Mesotrione (122990/104206-82-8) - (3.34%), Pyroxasulfone (090099/447399-55-5) - (1.63%), S-Metolachlor (108800/87392-12-9) - (29.3%)
59639-255	Sec3	V-10494 2.04 Sc Herbicide	ABNs	Registered	Active	06/01/2022	06/01/2022	07/09/2025	59639	Valent U.S.A. LLC	Conventional Chemical	Herbicide	End Use	Terrestrial food crop		Caution	N		Clopyralid (117403/1702-17-6) - (7.45%), Mesotrione (122990/104206-82-8) - (8.91%), Pyroxasulfone (090099/447399-55-5) - (1.63%)

Source: US EPA, JM Financial

Exhibit 8. Revenue and contracted assets, likely for pyroxa supplies, booked as of 2QFY26 with shipments to be delivered only in 2HFY26

As you know, the increase in contract asset is in line with the customer delivery schedules, which are lined up for H2. And those are recorded in accordance with the accounting standards. So, there has been an increase but this is keeping in line with the customer delivery schedule, which is arising again from the global agrochemical industry situation today.

So, these are the finished goods, what we have produced, which is to be delivered to the customers. And as we have confirmed orders from them and they have been produced exclusively for them, the deliveries will happen over a period of time in the next 1 to 2 quarters. And therefore, as per accounting standard, we have to recognize the revenue and create a corresponding asset on the balance sheet side.

Yes, the revenue has been recorded. This is not the first quarter that we are talking about contract assets. It has increased in the recent quarter mainly because of deferment of customer delivery schedule. So, there is nothing new about it.

Source: Company, JM Financial

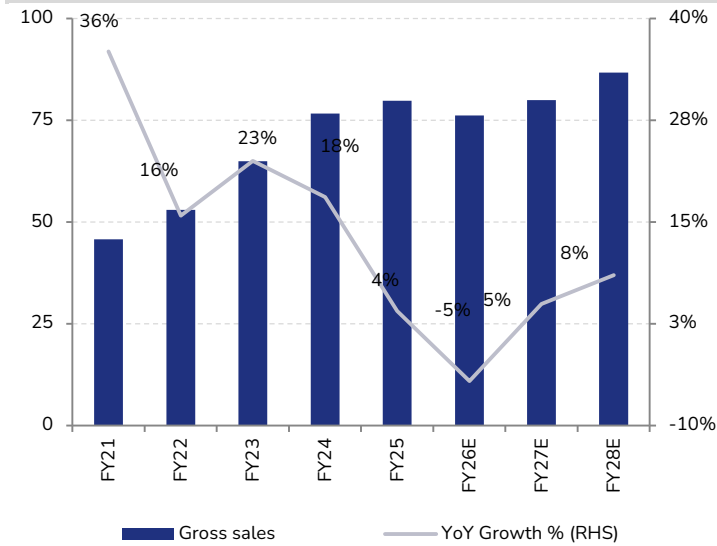
Exhibit 9. Change in estimates

	New	Old	Difference
EBITDA (INR Mn)			
FY26	21,156	21,156	0.0%
FY27	22,303	23,082	-3.4%
FY28	24,321	25,171	-3.4%
PAT (INR Mn)			
FY26	15,794	15,794	0.0%
FY27	16,551	17,166	-3.6%
FY28	18,294	18,965	-3.5%
EPS (INR)			
FY26	103.9	103.9	0.0%
FY27	108.9	112.9	-3.6%
FY28	120.4	124.8	-3.5%

Source: JM Financial

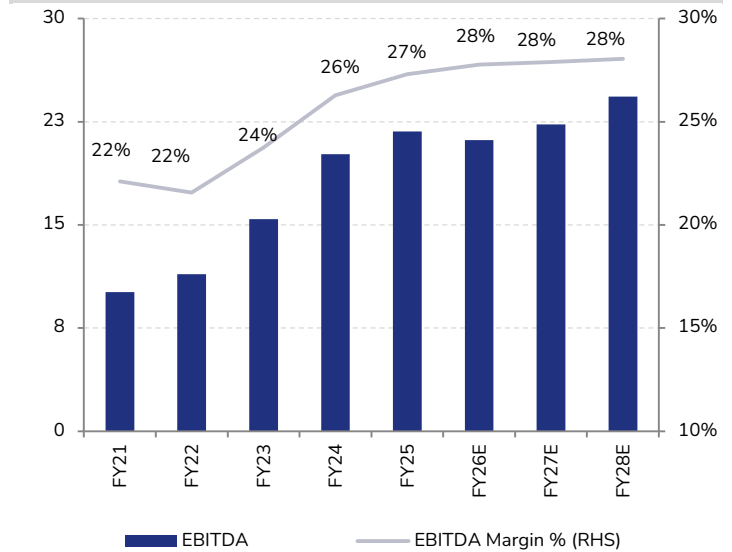
Assumptions and Estimates

Exhibit 10. PI's revenue likely to register 7% CAGR over FY26E-28E



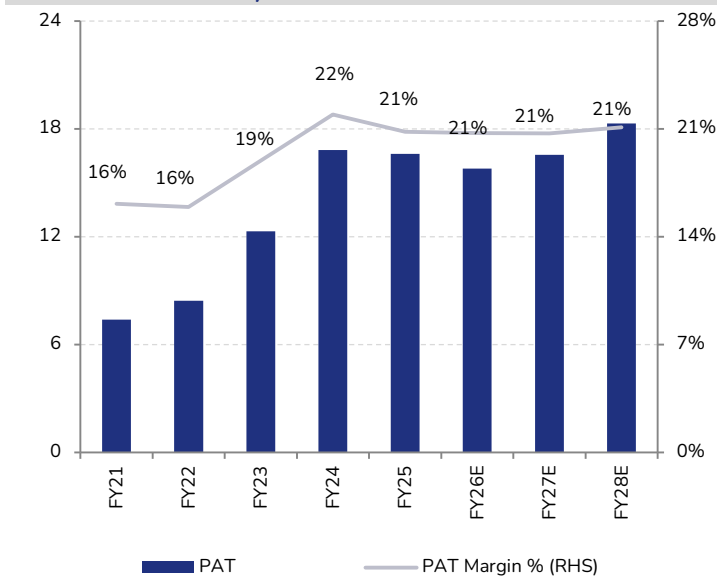
Source: Company, JM Financial

Exhibit 11. PI's EBITDA likely to witness 7% CAGR over FY26E-28E



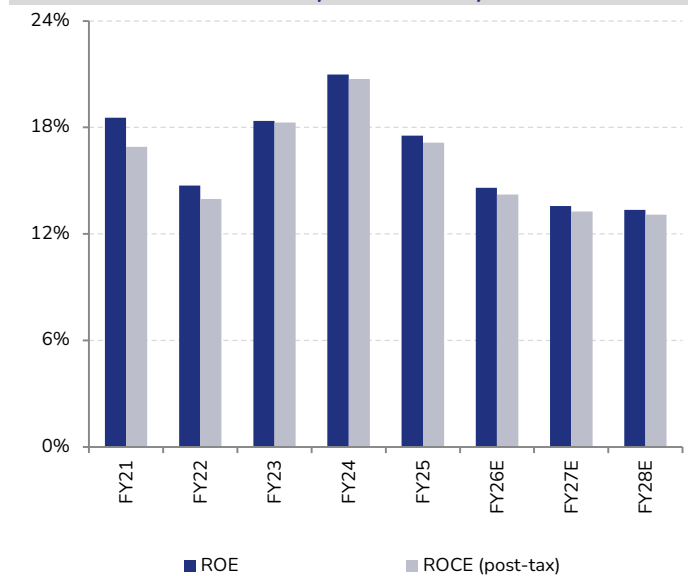
Source: Company, JM Financial

Exhibit 12. PI's PAT likely to witness 8% CAGR over FY26E-28E



Source: Company, JM Financial

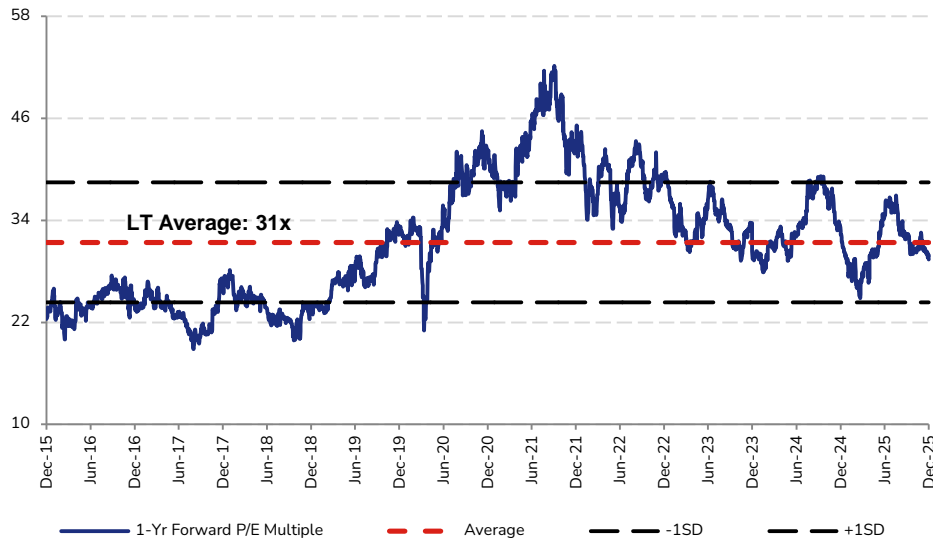
Exhibit 13. RoE and RoCE likely to normalise by FY28E



Source: Company, JM Financial

Valuation

Exhibit 14. PI is currently trading at ~29x 1-year forward consensus P/E multiple



Source: Bloomberg, JM Financial

Exhibit 15. Chemical companies peer valuation

Company	Rating	CMP (INR)	TP (INR)	P/E (x)				P/B (x)				EV/EBITDA (x)				ROE (%)			
				FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
SRF	BUY	3,024	3,510	71.6	47.3	34.3	31.7	7.1	6.3	5.5	4.8	34.3	26.4	20.4	17.7	10.4	14.1	17.1	16.2
PI Industries	REDUCE	3,314	3,465	30.4	31.9	30.4	27.5	5.0	4.4	3.9	3.5	21.4	21.6	20.1	17.9	17.5	14.6	13.6	13.4
Deepak Nitrite	BUY	1,529	2,005	29.9	37.3	25.2	22.7	3.8	3.5	3.2	2.8	19.6	24.4	16.9	15.0	13.6	9.9	13.3	13.1
Clean Science	BUY	909	1,195	36.5	36.2	27.6	21.5	6.8	5.8	4.8	3.9	24.0	24.1	18.3	14.3	20.2	17.3	18.9	20.1
Navin Fluorine	BUY	6,120	6,685	108.6	55.4	44.1	36.8	11.9	8.2	7.2	6.2	60.5	34.2	28.9	24.0	11.5	17.6	17.3	18.1
Fine Organic	REDUCE	4,406	4,225	32.9	32.0	32.6	30.7	5.9	5.1	4.5	4.0	24.5	23.3	22.0	19.2	19.5	17.1	14.7	13.9
Galaxy Surfactants	REDUCE	1,987	2,185	23.1	24.0	21.1	19.9	3.0	2.8	2.6	2.4	13.8	14.2	12.6	11.6	13.4	12.0	12.8	12.5
PCBL Chemical	REDUCE	313	350	27.2	33.0	20.5	18.2	3.2	3.1	2.8	2.5	12.6	13.8	11.3	10.4	12.5	9.5	14.3	14.6
Aether Industries	BUY	865	1,075	67.5	52.7	38.9	29.9	5.2	4.7	4.2	3.7	47.5	32.4	25.6	19.7	7.9	9.3	11.4	13.1
Acutaas Chemicals	ADD	1,665	1,750	85.0	52.0	39.7	32.1	10.4	8.8	7.3	6.0	57.7	36.5	28.0	22.5	16.2	18.3	20.0	20.4
Anupam Rasayan	SELL	1,304	800	153.6	96.6	64.2	45.4	5.0	4.5	4.2	3.8	39.3	30.5	25.2	20.2	3.3	5.0	6.8	8.8
Archean Chemicals	REDUCE	489	550	32.0	33.7	19.0	13.4	3.5	3.2	2.8	2.3	20.4	18.6	11.5	8.3	11.3	9.9	15.7	18.9
Tatva Chintan Pharma Chem	SELL	1,437	820	588.4	86.5	64.9	49.5	4.6	4.3	4.1	3.8	98.9	39.3	31.0	25.3	0.8	5.1	6.5	7.9
Paradeep Phosphates	REDUCE	156	175	24.5	13.6	12.9	11.9	2.8	2.3	1.9	1.7	10.8	8.2	7.7	7.3	12.8	18.4	16.3	15.1
Gujarat Fluorochemicals	REDUCE	3,461	3,650	69.7	50.4	38.2	32.6	5.2	4.8	4.3	3.8	34.2	26.3	20.7	17.7	8.3	9.9	11.8	12.3
Tata Chemicals	ADD	759	945	59.1	26.2	22.9	16.8	0.9	0.9	0.9	0.8	12.9	10.3	8.7	7.4	1.5	3.4	3.8	5.0

Source: Companies, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	76,658	79,778	76,181	79,933	86,721
Sales Growth	18.1%	4.1%	-4.5%	4.9%	8.5%
Other Operating Income	0	0	0	0	0
Total Revenue	76,658	79,778	76,181	79,933	86,721
Cost of Goods Sold/Op. Exp	38,376	37,711	32,861	34,355	37,044
Personnel Cost	7,013	7,837	9,046	9,279	10,031
Other Expenses	11,122	12,440	13,118	13,997	15,325
EBITDA	20,147	21,790	21,156	22,303	24,321
EBITDA Margin	26.3%	27.3%	27.8%	27.9%	28.0%
EBITDA Growth	30.6%	8.2%	-2.9%	5.4%	9.1%
Depn. & Amort.	3,082	3,525	4,281	5,021	5,705
EBIT	17,065	18,265	16,875	17,281	18,616
Other Income	2,077	3,442	3,537	4,375	5,305
Finance Cost	300	330	162	162	162
PBT before Excep. & Forex	18,842	21,377	20,249	21,494	23,758
Excep. & Forex Inc/Loss(-)	0	0	0	0	0
PBT	18,842	21,377	20,249	21,494	23,758
Taxes	2,132	4,818	4,455	4,944	5,464
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	16,710	16,559	15,794	16,551	18,294
Adjusted Net Profit	16,710	16,559	15,794	16,551	18,294
Net Margin	21.8%	20.8%	20.7%	20.7%	21.1%
Diluted Share Cap. (mn)	152.0	152.0	152.0	152.0	152.0
Diluted EPS (INR)	109.9	108.9	103.9	108.9	120.4
Diluted EPS Growth	36.7%	-0.9%	-4.6%	4.8%	10.5%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	18,947	21,420	20,249	21,494	23,758
Depn. & Amort.	3,082	3,525	4,281	5,021	5,705
Net Interest Exp. / Inc. (-)	-949	-1,897	-2,065	-2,065	-2,065
Inc (-) / Dec in WCap.	3,671	-4,472	532	-555	-1,004
Others	-642	-609	0	0	0
Taxes Paid	-3,750	-3,837	-4,455	-4,944	-5,464
Operating Cash Flow	20,359	14,130	18,542	18,952	20,931
Capex	-6,204	-8,500	-8,364	-9,000	-9,000
Free Cash Flow	14,155	5,630	10,178	9,952	11,931
Inc (-) / Dec in Investments	3,171	5,026	0	0	0
Others	-14,972	-10,768	2,227	2,227	2,227
Investing Cash Flow	-18,005	-14,242	-6,137	-6,773	-6,773
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	-2,464	-3,014	-2,594	-2,594	-2,594
Inc / Dec (-) in Loans	248	149	0	0	0
Others	0	35	0	0	0
Financing Cash Flow	-2,216	-2,830	-2,594	-2,594	-2,594
Inc / Dec (-) in Cash	138	-2,942	9,811	9,585	11,564
Opening Cash Balance	8,727	8,865	5,923	15,734	25,319
Closing Cash Balance	8,865	5,923	15,734	25,319	36,883

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	87,310	101,570	114,932	129,051	144,913
Share Capital	152	152	152	152	152
Reserves & Surplus	87,158	101,418	114,780	128,899	144,761
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	1,279	1,117	1,117	1,117	1,117
Def. Tax Liab. / Assets (-)	-561	171	171	171	171
Total - Equity & Liab.	88,028	102,858	116,220	130,339	146,201
Net Fixed Assets	38,064	47,589	51,672	55,651	58,946
Gross Fixed Assets	41,826	50,227	61,568	70,568	79,568
Intangible Assets	3,820	4,431	4,295	4,295	4,295
Less: Depn. & Amort.	12,924	16,449	20,730	25,751	31,456
Capital WIP	5,342	9,380	6,539	6,539	6,539
Investments	31,783	36,372	36,372	36,372	36,372
Current Assets	37,030	38,426	47,160	57,868	71,465
Inventories	13,012	9,839	9,395	9,858	10,695
Sundry Debtors	9,299	14,058	13,424	14,085	15,281
Cash & Bank Balances	8,865	5,923	15,734	25,319	36,883
Loans & Advances	37	23	23	23	23
Other Current Assets	5,817	8,583	8,583	8,583	8,583
Current Liab. & Prov.	18,849	19,529	18,983	19,553	20,582
Current Liabilities	13,889	14,691	14,145	14,715	15,744
Provisions & Others	4,960	4,838	4,838	4,838	4,838
Net Current Assets	18,181	18,897	28,176	38,316	50,883
Total - Assets	88,028	102,858	116,220	130,339	146,201

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	21.8%	20.8%	20.7%	20.7%	21.1%
Asset Turnover (x)	0.9	0.8	0.7	0.6	0.6
Leverage Factor (x)	1.0	1.0	1.0	1.0	1.0
RoE	21.0%	17.5%	14.6%	13.6%	13.4%

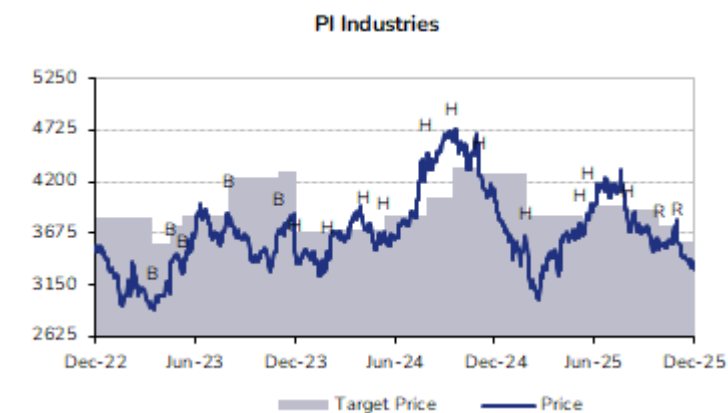
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	574.4	668.2	756.1	849.0	953.4
ROIC	34.6%	26.1%	21.2%	20.1%	20.3%
ROE	21.0%	17.5%	14.6%	13.6%	13.4%
Net Debt/Equity (x)	-0.4	-0.4	-0.4	-0.4	-0.5
P/E (x)	30.1	30.4	31.9	30.4	27.5
P/B (x)	5.8	5.0	4.4	3.9	3.5
EV/EBITDA (x)	23.1	21.4	21.6	20.1	17.9
EV/Sales (x)	6.1	5.9	6.0	5.6	5.0
Debtor days	44	64	64	64	64
Inventory days	62	45	45	45	45
Creditor days	74	76	77	77	77

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
27-Sep-22	Buy	3,790	
9-Nov-22	Buy	3,830	1.1
24-Mar-23	Buy	3,575	-6.7
28-Apr-23	Buy	3,755	5.0
20-May-23	Buy	3,865	2.9
10-Aug-23	Buy	4,250	10.0
10-Nov-23	Buy	4,295	1.1
13-Dec-23	Hold	3,695	-14.0
12-Feb-24	Hold	3,720	0.7
18-Apr-24	Hold	3,720	0.0
23-May-24	Hold	3,850	3.5
8-Aug-24	Hold	4,035	4.8
24-Sep-24	Hold	4,340	7.6
15-Nov-24	Hold	4,275	-1.5
7-Feb-25	Hold	3,860	-9.7
20-May-25	Hold	3,775	-2.2
4-Jun-25	Hold	3,960	4.9
13-Aug-25	Hold	3,920	-1.0
7-Oct-25	Reduce	3,745	-4.5
12-Nov-25	Reduce	3,590	-4.1

Recommendation History



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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Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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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