

Eternal | BUY

Blinkit: Competitive intensity and tough base may weigh on growth in 3Q

We believe the sequential growth for Blinkit is likely to moderate in 3QFY26, mainly on account of high competitive intensity and an unfavourable base (early festive benefit in 2Q). As a result, QoQ NOV growth in 3QFY26 could remain in the low-teens, c.13% (+120% YoY) vs. 25%/27% in 1Q/2Q. However, this slight moderation in sequential trends does not change our medium-to-long-term investment thesis for Eternal, as we continue to see continued structural shifts in retail ordering behaviour from traditional ecommerce as well as offline retail. Moreover, Blinkit's profitability trajectory is likely to improve in the near term on the back of take-rate expansion, operating leverage, and benefits from the inventory-led model. In addition, we believe growth trends in food delivery are improving, as we expect NOV to expand 16% YoY vs. 13%/14% in 1Q/2Q. Margins are also likely to remain stable at 5.3% as % of NOV (in line 2QFY26). Overall, despite softening of near-term growth expectations for Blinkit, Eternal remains our preferred pick as it is the best-positioned player across its B2C businesses on account of market leadership, superior unit economics, and healthy balance sheet. Maintain 'BUY' on Eternal with a revised Dec'26 TP of INR 400 (basis 75x NTM EPS vs. 80x earlier).

- **Competitive intensity and a tough base may weigh on Blinkit's sequential trends in 3Q:** We expect Blinkit's NOV growth in 3QFY26 to moderate to 13% QoQ vs. 25%/27% in 1Q/2Q, primarily due to up-fronting of some festive spending in the preceding quarter (as key festivals came in earlier this year). In addition, high competitive intensity from multiple players - through the lowering down of MOV thresholds and zero/negligible delivery/service fees - could weigh on growth, in our opinion. That said, we view this moderation as transitory in nature, as on a YoY basis, we expect Blinkit to still deliver an healthy 120%+ NOV growth 3Q, well above-management guidance of 100%+. In FY27, we build 90% YoY growth in NOV,
- **Competitive intensity should rationalise:** The quick commerce landscape has seen an uptick in competitive aggression in 3Q, with recent entrants (Minutes/Now/Jiomart) aggressively expanding store coverage and aggressive promotional strategies to drive growth. We believe these actions are not likely to sustain for a long period of time, on account of unsustainable losses. Given Blinkit's relatively better unit economics (Adj. EBITDA loss per order was INR 7 vs INR 84 for Instamart in 2Q) and superior supply chain, we believe it is better positioned to navigate this phase without having to compromise on growth as well as profitability.
- **Quality of Blinkit's growth remains superior to competition:** We believe Blinkit continues to demonstrate superior growth quality, supported by a large, engaged transacting user base and stable ordering behaviour. Importantly, there has been no material dilution in average order values or ordering frequency, underscoring the resilience of demand. Blinkit's per-order losses (Adj. EBITDA) remain meaningfully lower than peers, reinforcing its structural advantage in unit economics.
- **We expect Blinkit's profitability to improve sequentially and see break-even by 1QFY27:** We continue to expect Blinkit's absolute Adj. EBITDA losses will narrow down over the coming quarters. This improvement will be driven by take-rate expansion, operating leverage from the expanded dark store and mother hub network, and margin benefits from the inventory-led business model. Accordingly, we believe Blinkit will report EBITDA margin of -0.9% in 3Q vs. -1.8/-1.3% in 1Q/2QFY26. Overall, we believe Blinkit remains on track to achieve Adj. EBITDA break-even around 1QFY27, assuming competitive intensity remains within current bounds.



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	400
Upside/(Downside)	34.0%
Previous Price Target	450
Change	-11.1%

Key Data – ETERNAL IN

Current Market Price	INR298
Market cap (bn)	INR2,880.2/US\$31.7
Free Float	100%
Shares in issue (mn)	9,650.4
Diluted share (mn)	9,650.4
3-mon avg daily val (mn)	INR9,272.1/US\$102.2
52-week range	368/190
Sensex/Nifty	85,213/26,027
INR/US\$	90.7

Price Performance

%	1M	6M	12M
Absolute	-1.7	19.8	3.5
Relative*	-2.5	14.1	-0.2

* To the BSE Sensex

Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,21,150	2,02,430	5,44,177	10,33,572	14,38,825
Sales Growth (%)	71.1	67.1	168.8	89.9	39.2
EBITDA	430	6,370	11,539	44,064	79,126
EBITDA Margin (%)	0.4	3.1	2.1	4.3	5.5
Adjusted Net Profit	3,520	5,270	3,954	33,225	58,223
Diluted EPS (INR)	0.4	0.6	0.4	3.4	6.0
Diluted EPS Growth (%)	0.0	41.9	-28.6	740.3	75.2
ROIC (%)	-7.3	-1.7	-2.2	15.1	30.2
ROE (%)	1.8	2.1	1.3	9.9	15.0
P/E (x)	737.0	519.5	727.3	86.6	49.4
P/B (x)	12.7	8.9	9.1	8.1	6.8
EV/EBITDA (x)	6,402.8	421.9	233.9	60.8	33.3
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 15/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.

- **Zomato's NOV growth seems to have bottomed out, medium-term CAGR could be in the high-teens:** We believe Zomato will report sequential improvement in NOV growth trends (on a YoY basis) in 3QFY26, vs. 13-14% YoY trends in 1Q/2QFY26 due to macro challenges. From a medium-term perspective, we expect the business to report high-teens NOV growth, which is 1.2x-1.5x that of the underlying organised food services market. Growth should be aided by changing consumer habits (increasing consumption of out-of-home cooked food), the addition of new restaurant supply (new brands, cloud kitchens, differentiated cuisine restaurants, health-focussed restaurant, meals focussed supply etc.), and under-penetration (penetration is significantly lower compared to the US/Europe/China/SEA). Further, margins are likely to be stable, within the sustainable range of 5-6% as % of NOV, given that the market is a duopoly.
- **Strong balance sheet provides strategic flexibility:** Eternal's balance sheet remains robust, with net cash of over INR 180bn, providing ample flexibility to withstand periods of competitive intensity and invest behind growth levers if required. The company continues to generate free cash flows at a consolidated level (excluding one-off working capital impact from the inventory transition), without sacrificing growth.
- **Valuation remains attractive:** Even after factoring in near-term moderation in Blinkit's growth, Eternal continues to trade at a meaningful discount to high-quality retail and consumer internet peers on a PEG basis. As profitability scales up across Blinkit and food delivery, we believe the stock remains well positioned for medium-term re-rating.
- **Maintain 'BUY' on Eternal with a revised TP of INR 400:** We broadly maintain our NOV estimates for Zomato (food delivery) over FY26-28, with sequentially improving trends in 2HFY26. On the other hand, we revise down Blinkit's NOV estimates by 3-8% over FY26-28 to factor in the high competitive intensity. On the margins front, we maintain Zomato's Adj. EBITDA margin (as % of NOV). In quick commerce, we tone down our Adj. EBITDA margin (as % of NOV) estimates by 3-37bps over FY26-28 to adjust for lower growth. Overall, our EPS estimates are cut by 5-16% over FY26-28. We revise down our target multiple to 75x (earlier 80x) on account of earnings cut. We roll-forward to Dec'26 for a revised TP INR 400. Eternal continues to be one of our preferred picks in the listed Internet space as we believe it is well positioned to benefit from robust industry tailwinds for the hyperlocal delivery businesses. Its balance sheet also remains strong with net cash of INR 183bn as of Sep'25 (INR 189bn in Jun'25). We maintain 'BUY'.

Exhibit 1. Eternal: Key forecasts for 3QFY26

Food delivery	3QFY26E	3QFY25	YoY	2QFY26	QoQ
NOV (INR bn)	98	84	16.3%	94	4.2%
Adj. Revenue (INR bn)	30	24	24.1%	29	4.6%
Take-rate (% of NOV)	30.5%	28.6%	190bps	30.4%	10bps
Reported Revenue (INR bn)	26	21	27.2%	25	6.1%
Take-rate (% of NOV)	26.8%	24.5%	230bps	26.4%	47bps
Contribution margin (% of NOV)	10.3%	10.0%	31bps	10.4%	-3bps
Adj. EBITDA (INR bn)	5.2	4.2	22.9%	5.0	3.3%
Adj. EBITDA margin (% of NOV)	5.3%	5.0%	28bps	5.3%	-4bps
Quick Commerce	3QFY26E	3QFY25	YoY	2QFY26	QoQ
NOV (INR bn)	132	60	120.1%	117	13.4%
Reported Revenue (INR bn)	120	14	754.6%	99	20.9%
Gross Profit / Take-rate (% of NOV)	26.5%	23.2%	326bps	26.8%	-30bps
Contribution margin (% of NOV)	4.9%	3.9%	105bps	4.6%	26bps
Adj. EBITDA (INR bn)	-1.2	-1.0	19.4%	-1.6	-21.2%
Adj. EBITDA margin (% of NOV)	-0.9%	-1.7%	78bps	-1.3%	41bps
Consol.	3QFY26E	3QFY25	YoY	2QFY26	QoQ
Revenue (INR bn)	159	54	193.9%	136	16.9%
Reported EBITDA (INR bn)	3.4	1.6	108.7%	2.4	41.5%
Reported EBITDA Margin (as % of revenue)	2.1%	3.0%	-87bps	1.8%	37bps
Adj. EBITDA (INR bn)	2.8	2.9	-0.9%	2.2	26.1%
Adj. EBITDA Margin (as % of revenue)	1.8%	5.3%	-349bps	1.6%	13bps
Adj. PAT (INR bn)	1.0	0.6	65.8%	0.7	50.5%
Diluted EPS (INR)	0.1	0.1	62.1%	0.1	50.5%

Source: JM Financial, Company

Exhibit 2. Key operating metrics and financial assumptions

Mar YE (INR bn)	FY26E	FY27E	FY28E	FY29E	FY30E
Food Delivery					
Orders (million)	996	1,148	1,310	1,496	1,663
NAOV (INR)	380	393	407	421	436
NOV (INR bn)	378	451	532	630	724
Revenue (INR bn)	100	121	142	168	194
Take rate (% of NOV)	26.4%	26.8%	26.8%	26.8%	26.8%
Contribution Profit (INR per order)	39.0	41.5	43.0	44.8	47.0
% of NAOV	10.3%	10.6%	10.6%	10.6%	10.8%
Adj. EBITDA (INR bn)	20.0	25.7	31.1	38.2	45.6
% of NOV	5.3%	5.7%	5.8%	6.1%	6.3%
Blinkit					
Orders (million)	933	1,691	2,354	2,788	3,245
NAOV (INR)	532	559	575	593	610
NOV (INR bn)	496	945	1,354	1,652	1,981
Revenue (INR bn)	382	850	1,219	1,488	1,783
Contribution Profit (INR per order)	25.4	35.2	40.3	44.4	47.0
% of NAOV	4.8%	6.3%	7.0%	7.5%	7.7%
Adj. EBITDA (INR bn)	-4.8	16.7	41.2	61.8	81.7
% of NOV	-1.0%	1.8%	3.0%	3.7%	4.1%
Hyperpure					
Revenue (INR bn)	52	47	57	65	73
Adj. EBITDA (INR bn)	-0.3	0.1	0.5	0.8	1.2
% of revenue	-0.5%	0.2%	0.8%	1.3%	1.6%
Going-Out					
NOV (INR bn)	93	126	151	182	214
Adj. EBITDA (INR bn)	-2.5	-1.0	0.8	4.2	8.9
% of NOV	-2.7%	-0.8%	0.5%	2.3%	4.1%
Others					
Revenue (INR mn)	192	576	864	1,296	1,503
Adj. EBITDA (INR mn)	-1,920	-1,008	-648	-518	-376
% of revenue	-1000%	-175%	-75%	-40%	-25%
Group					
Revenue (INR bn)	544	1,034	1,439	1,748	2,086
Adj. EBITDA (INR bn)	10	40	73	105	137
Adj. EBITDA margin (% of revenue)	1.9%	3.9%	5.1%	6.0%	6.6%
EBITDA (INR bn)	12	44	79	112	147
EBITDA margin (% of revenue)	2.1%	4.3%	5.5%	6.4%	7.0%
Depreciation & amortisation (INR bn)	16	20	23	25	27
EBIT (INR bn)	-5	24	56	87	119
PBT	7	36	65	97	133
PAT	4	33	58	73	99

Source: JM Financial

Maintain BUY; TP revised to INR 400

Exhibit 3. What has changed in our forecasts and assumptions?

	Old			New			Change		
All numbers are in INR mn except EPS	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Food Delivery									
NOV	376,764	449,734	531,055	378,187	450,929	532,466	0.4%	0.3%	0.3%
Revenue	98,819	119,757	141,411	99,683	120,660	142,478	0.9%	0.8%	0.8%
Adj. EBITDA	19,887	25,717	31,049	19,951	25,746	31,083	0.3%	0.1%	0.1%
Adj. EBITDA Margin (as % of NOV)	5.3%	5.7%	5.8%	5.3%	5.7%	5.8%	0bp	-1bp	-1bp
Blinkit									
NOV	513,798	1,028,348	1,463,502	496,349	944,661	1,354,311	-3.4%	-8.1%	-7.5%
Revenue	398,078	930,424	1,324,141	382,334	850,472	1,219,278	-4.0%	-8.6%	-7.9%
Adj. EBITDA	-4,866	21,932	47,948	-4,832	16,672	41,249	-0.7%	-24.0%	-14.0%
Adj. EBITDA Margin (as % of NOV)	-0.9%	2.1%	3.3%	-1.0%	1.8%	3.0%	-3bp	-37bp	-23bp
Hyperpure									
Revenue	49,568	39,654	47,585	52,356	47,121	56,545	5.6%	18.8%	18.8%
Adj. EBITDA	-270	63	454	-254	86	468	5.9%	37.3%	3.1%
Adj. EBITDA Margin (as % of revenue)	-0.5%	0.2%	1.0%	-0.5%	0.2%	0.8%	6bp	2bp	-13bp
Dining-Out & Others									
NOV	93,043	125,608	150,730	93,472	126,187	151,424	0.5%	0.5%	0.5%
Adj. EBITDA	-2,362	2,369	4,617	-2,501	-1,003	764	5.9%	-142.4%	-83.4%
Adj. EBITDA Margin (as % of NOV)	-2.5%	1.9%	3.1%	-2.7%	-0.8%	0.5%	-14bp	-268bp	-256bp
Others									
Revenue	192	576	864	192	576	864	0.0%	0.0%	0.0%
Adj. EBITDA	-1,824	-1,008	-648	-1,920	-1,008	-648	-5.3%	0.0%	0.0%
Adj. EBITDA Margin (as % of revenue)	-950.0%	-175.0%	-75.0%	-1000.0%	-175.0%	-75.0%	-5000bp	0bp	0bp
Consolidated									
Revenue	639,700	1,216,019	1,664,731	628,037	1,145,015	1,570,588	-1.8%	-5.8%	-5.7%
Adj. EBITDA	10,564	49,072	83,421	10,443	40,492	72,918	-1.1%	-17.5%	-12.6%
Adj. EBITDA Margin (as % of revenue)	1.7%	4.0%	5.0%	1.7%	3.5%	4.6%	1bp	-50bp	-37bp
EBITDA	11,429	52,403	89,366	11,539	44,064	79,126	1.0%	-15.9%	-11.5%
EBITDA Margin (as % of revenue)	1.8%	4.3%	5.4%	1.8%	3.8%	5.0%	5bp	-46bp	-33bp
Adj. PAT	4,142	39,716	68,188	3,954	33,225	58,223	-4.6%	-16.3%	-14.6%
Diluted EPS (INR)	0.43	4.12	7.07	0.41	3.44	6.03	-4.6%	-16.3%	-14.6%

Source: JM Financial estimates

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,21,150	2,02,430	5,44,177	10,33,572	14,38,825
Sales Growth	71.1%	67.1%	168.8%	89.9%	39.2%
Other Operating Income	0	0	0	0	0
Total Revenue	1,21,150	2,02,430	5,44,177	10,33,572	14,38,825
Cost of Goods Sold/Op. Exp	0	0	0	0	0
Personnel Cost	28,820	55,650	2,90,021	6,79,320	9,64,020
Other Expenses	91,900	1,40,410	2,42,617	3,10,188	3,95,679
EBITDA	430	6,370	11,539	44,064	79,126
EBITDA Margin	0.4%	3.1%	2.1%	4.3%	5.5%
EBITDA Growth	0.0%	1,381.4%	81.1%	281.9%	79.6%
Depn. & Amort.	5,260	8,630	16,218	19,989	23,067
EBIT	-4,830	-2,260	-4,679	24,075	56,059
Other Income	7,750	9,230	11,214	12,040	8,633
Finance Cost	0	0	0	0	0
PBT before Excep. & Forex	2,920	6,970	6,535	36,115	64,693
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	2,920	6,970	6,535	36,115	64,693
Taxes	-600	1,700	2,581	2,889	6,469
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	3,520	5,270	3,954	33,225	58,223
Adjusted Net Profit	3,520	5,270	3,954	33,225	58,223
Net Margin	2.9%	2.6%	0.7%	3.2%	4.0%
Diluted Share Cap. (mn)	8,705.8	9,186.6	9,650.4	9,650.4	9,650.4
Diluted EPS (INR)	0.4	0.6	0.4	3.4	6.0
Diluted EPS Growth	0.0%	41.9%	-28.6%	740.3%	75.2%
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	2,09,814	2,60,900	6,535	36,115	64,693
Depn. & Amort.	32,742	35,517	16,218	19,989	23,067
Net Interest Exp. / Inc. (-)	-5,790	-6,470	-11,214	-12,040	-8,633
Inc (-) / Dec in WCap.	1,180	-10,930	-32,476	-35,225	-49,390
Others	-2,30,436	-2,74,757	7,342	6,975	6,975
Taxes Paid	-1,050	-1,180	-2,380	-3,868	-7,280
Operating Cash Flow	6,460	3,080	-15,975	11,946	29,431
Capex	-2,020	-9,310	-14,704	-14,625	-14,894
Free Cash Flow	4,440	-6,230	-30,678	-2,679	14,537
Inc (-) / Dec in Investments	-7,630	-58,760	20,000	0	0
Others	6,180	-11,860	14,679	16,852	15,754
Investing Cash Flow	-3,470	-79,930	19,976	2,227	860
Inc / Dec (-) in Capital	220	84,470	0	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	-1,690	-2,580	7,905	12,036	20,949
Others	-600	-1,470	-3,465	-4,812	-7,121
Financing Cash Flow	-2,070	80,420	4,439	7,224	13,827
Inc / Dec (-) in Cash	920	3,570	8,440	21,397	44,119
Opening Cash Balance	2,170	3,090	6,660	15,100	36,498
Closing Cash Balance	3,090	6,660	15,100	36,498	80,617

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	2,04,130	3,03,170	3,14,465	3,54,665	4,19,863
Share Capital	8,680	9,070	9,070	9,070	9,070
Reserves & Surplus	1,95,450	2,94,100	3,05,395	3,45,595	4,10,793
Preference Share Capital	0	0	0	0	0
Minority Interest	-70	-70	-70	-70	-70
Total Loans	0	0	0	0	0
Def. Tax Liab. / Assets (-)	-2,210	-1,290	-1,088	-2,067	-2,878
Total - Equity & Liab.	2,01,850	3,01,810	3,13,307	3,52,528	4,16,916
Net Fixed Assets	57,760	76,650	83,854	90,260	95,622
Gross Fixed Assets	5,290	13,450	28,154	42,778	57,672
Intangible Assets	54,710	66,490	63,190	60,219	57,249
Less: Depn. & Amort.	2,420	3,800	7,999	13,248	19,809
Capital WIP	180	510	510	510	510
Investments	1,19,320	1,81,760	1,61,760	1,61,760	1,61,760
Current Assets	54,270	96,530	1,64,907	2,45,770	3,62,246
Inventories	880	1,760	30,066	54,344	77,307
Sundry Debtors	7,940	19,460	35,703	49,248	69,012
Cash & Bank Balances	3,090	6,660	15,100	36,498	80,617
Loans & Advances	0	0	0	0	0
Other Current Assets	42,360	68,650	84,037	1,05,680	1,35,310
Current Liab. & Prov.	29,500	53,130	97,214	1,45,261	2,02,712
Current Liabilities	18,260	37,940	80,923	1,14,320	1,59,639
Provisions & Others	11,240	15,190	16,291	30,941	43,073
Net Current Assets	24,770	43,400	67,693	1,00,509	1,59,533
Total - Assets	2,01,850	3,01,810	3,13,307	3,52,528	4,16,916

Source: Company, JM Financial

Dupont Analysis

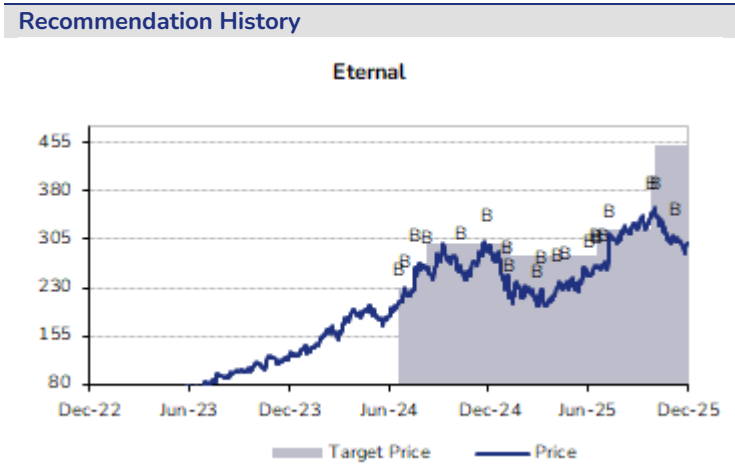
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	2.9%	2.6%	0.7%	3.2%	4.0%
Asset Turnover (x)	0.6	0.8	1.6	2.8	3.3
Leverage Factor (x)	1.0	1.1	1.1	1.1	1.1
RoE	1.8%	2.1%	1.3%	9.9%	15.0%

Key Ratios

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	23.4	33.4	32.6	36.8	43.5
ROIC	-7.3%	-1.7%	-2.2%	15.1%	30.2%
ROE	1.8%	2.1%	1.3%	9.9%	15.0%
Net Debt/Equity (x)	-0.6	-0.6	-0.6	-0.6	-0.6
P/E (x)	737.0	519.5	727.3	86.6	49.4
P/B (x)	12.7	8.9	9.1	8.1	6.8
EV/EBITDA (x)	6,402.8	421.9	233.9	60.8	33.3
EV/Sales (x)	22.7	13.3	5.0	2.6	1.8
Debtor days	24	35	24	17	18
Inventory days	3	3	20	19	20
Creditor days	27	29	35	26	26

Source: Company, JM Financial

History of Recommendation and Target Price			
Date	Recommendation	Target Price	% Chg.
3-Jul-24	Buy	230	
12-Jul-24	Buy	230	0.0
2-Aug-24	Buy	260	13.0
22-Aug-24	Buy	300	15.4
23-Oct-24	Buy	300	0.0
11-Dec-24	Buy	300	0.0
16-Jan-25	Buy	300	0.0
21-Jan-25	Buy	280	-6.7
12-Mar-25	Buy	280	0.0
21-Mar-25	Buy	280	0.0
18-Apr-25	Buy	280	0.0
2-May-25	Buy	280	0.0
16-Jun-25	Buy	280	0.0
27-Jun-25	Buy	280	0.0
2-Jul-25	Buy	320	14.3
13-Jul-25	Buy	320	0.0
22-Jul-25	Buy	320	0.0
8-Oct-25	Buy	400	25.0
17-Oct-25	Buy	450	12.5
21-Nov-25	Buy	450	0.0



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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