Jindal Stainless | BUY

Better downstream mix to drive growth; guidance intact

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JSL reported 2Q consol. EBITDA of INR13.9bn, in-line with JMFe. EBITDA was up 6% QoQ driven by higher realizations (up ~3% QoQ) and higher scale of ops. Sales volume for the quarter stood at 648kt compared to 626kt in 1Q. Consequently, EBITDA/t came in at INR21.4k/t, up INR500/t QoQ. Key takeaways from the call – a) volume growth guidance for FY26 maintained at of 9-10% b) consol. EBITDA/t guidance for FY26 maintained at INR19-21k/t c) sales product mix for series 200/300/400 stood at 34% / 49% / 17% d) company expects Chromeni to ramp-up to ~80% utilisation level in 2HFY26 with current utilization at ~70% - to aid to margins with a higher CR to HR ratio e) Rathi turned EBITDA positive with current utilisation at 70-75% – share of rebar to go up going ahead f) Indonesia SMS capacity remains on track – expected to be commissioned in FY27. With ~12% YoY volume growth achieved in 1HFY26, company maintained its guidance at 9-10 % growth for FY26 given uncertainties related to CBAM and QCO which might impact volumes in 2HFY26 – more clarity on CBAM expected by mid-Dec'25. JSL's Net debt stood at INR36bn as on 30th Sep'25 vs. INR39bn as on 30th Jun'25. Net Debt to EBITDA stood below 1x at 0.7x in 2Q, down from 0.9x in 1Q. Capex guidance for FY26 maintained at INR27bn including INR17bn for growth capex, INR5bn for maintenance capex and INR5bn for spillover from FY25. Strong growth pipeline and increased focus on capacity expansion augurs well for the earnings trajectory. Maintain BUY.

- **Margins expand given higher realization / lower RM costs:** The company registered consolidated revenue from operations of INR109bn, up ~7% QoQ driven by higher realizations and higher scale of ops. Operating EBITDA came in at INR13.9bn, up 6% QoQ given higher realisation partially offset by higher RM costs. The company witnessed sequential increase in sales volume to 648kt in 2QFY26 compared to 626kt in 1QFY26 given higher scale of ops. Consequently, EBITDA/t increased in 2QFY26 (up ~INR501/t to INR21.4k/t) – also aided by due to higher CR to HR ratio in the quarter post ramp-up of Chromeni (current utilisation at ~70%). Exports volume share came in flat QoQ at 9% in 2Q. Adjusted PAT stood at ~INR7.9bn (+11% QoQ) driven by lower interest costs and marginally lower eff. tax rate. In 2QFY26, series mix for 200/300/400 stood at 34%/49%/17%.
- **Healthy leverage ratios maintained amidst capacity expansion:** JSL's Net debt stood at INR36bn as on 30th Sep'25 vs. INR39bn as on 30th Jun'25. Net Debt to EBITDA stood below 1x at 0.7x in 2Q, down from 0.9x in 1Q. The company has guided to maintain its Net Debt to EBITDA ratio below 1.5x in the long run. Capex guidance for FY26 maintained at INR27bn including INR17bn for growth capex, INR5bn for maintenance capex and INR5bn for spillover from FY25. Total capex in 1HFY26 stood at ~INR12.61bn.
- **Capacity expansion on track; FY26 guidance maintained:** With ~12% YoY volume growth achieved in 1HFY26, company maintained its growth guidance at 9-10 % for FY26 given uncertainties related to CBAM and QCO which might impact volumes in 2HFY26. Rathi steel is currently operating at 70-75% utilization levels with major production of wire rods – company plans to focus more on rebar's going forward, it plans to produce 6-7k tonnes of rebar and 3-4k tonnes of wire rods. In 2HFY26, Chromeni utilisation levels are expected to be ~80-85%. Indonesia SMS facility is expected to be commissioned in FY27, whereas cold-rolling and HRAP facilities to be commissioned in 2HFY27. FY26 guidance for consol EBITDA/t maintained at INR19-21k/t range.

Recommendation and Price Target	
Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	860
Upside/(Downside)	19.0%
Previous Price Target	850
Change	1.2%

Key Data – JDSL IN	
Current Market Price	INR723
Market cap (bn)	INR595.8/US$6.7
Free Float	39%
Shares in issue (mn)	823.5
Diluted share (mn)	823.5
3-mon avg daily val (mn)	INR692.7/US$7.8
52-week range	826/497
Sensex/Nifty	83,535/25,574
INR/US$	88.7

Price Performance			
%	1M	6M	12M
Absolute	-6.5	24.7	1.8
Relative*	-7.6	18.6	-3.2

** To the BSE Sensex*

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	385,625	393,122	444,447	525,524	615,982
Sales Growth (%)	8.0	1.9	13.1	18.2	17.2
EBITDA	47,043	46,666	54,375	64,529	75,401
EBITDA Margin (%)	12.2	11.9	12.2	12.3	12.2
Adjusted Net Profit	25,746	25,013	29,124	36,960	44,375
Diluted EPS (INR)	31.3	30.4	35.4	44.9	53.9
Diluted EPS Growth (%)	25.4	-2.9	16.4	26.9	20.1
ROIC (%)	16.9	14.2	14.7	16.2	16.9
ROE (%)	17.2	17.9	15.0	14.7	15.5
P/E (x)	23.1	23.8	20.4	16.1	13.4
P/B (x)	4.1	3.6	3.0	2.5	2.1
EV/EBITDA (x)	13.5	13.6	11.6	9.7	8.2
Dividend Yield (%)	0.5	0.4	0.4	0.4	0.4

Source: Company data, JM Financial. Note: Valuations as of 10/Nov/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.

Key Conference Call takeaways:

- FY26 guidance:
  - Consol. EBITDA/t guidance maintained to be in INR19k-21k/t range.
  - Volume growth guidance maintained to be in the range of 9-10%.
  - Capex for FY26 to be ~INR27bn (INR17bn – growth capex, INR5bn – maintenance and INR5bn – spillover from FY25). Company has incurred INR12.61bn of capex in 1HFY26.
- With ~12% YoY volume growth achieved in 1HFY26, company maintained its guidance at 9-10 % growth for FY26 given uncertainties related to CBAM and QCO which might impact volumes in 2HFY26 – more clarity on CBAM expected by mid-Dec'25.
- Company expects Chromeni to ramp-up to 80-85% utilisation levels by 2HFY26 with current utilization at ~70% - to aid to margins with a higher CR to HR ratio.
- Series mix for 1Q: 200 / 300 / 400 – 34% / 49% / 17%
- Rathi currently running at 70-75% utilisation – producing more of wire rods with plans to shift towards rebar going ahead. Company plans to achieve 6k-7k tons of rebar and 3k-4k tons of wire rods in steady state – rebar might go up even further as per requirements.
- Higher sub-quality cheap imports of stainless steel in India is leading to challenges for Indian players – company expects govt to take some action on SS import duty soon.
- Indonesia SMS capacity remains on track – expected to be commissioned in FY27.
- Cold-rolling and HRAP remains on track – to be commissioned by 2HFY27.

Exhibit 1. Consolidated – quarterly financial performance (INR mn)

(INR mn)	2QFY26	2QFY26E	%Var	2QFY25	YoY %	1QFY26	QoQ %	1HFY26	1HFY25	YoY %
Net Sales	**108,928**	**104,874**	**3.9**	**97,768**	**11.4**	**102,071**	**6.7**	210,999	192,066	10
Volumes (mt)	0.65	0.64	**2.0**	0.56	**14.8**	0.63	**3.5**	1.27	1.14	12
Realization (INR/ton)	168,085	164,988	**1.9**	173,156	**-2.9**	162,988	**3.1**	165,580	168,070	(1)
Raw materials	72,666	69,759		68,170	6.6	67,381		140,047	131,075	
RM cost/ton	112,131	109,746		120,735		107,594		109,901	114,700	
Gross profit	**36,262**	**35,114**	**3.3**	**29,598**	**22.5**	**34,691**	**4.5**	**70,952**	**60,991**	**16**
Gross profit/t	55,955	55,242		52,421		55,394		55,679	53,371	
Staff cost	2,452	2,475		2,057	19.2	2,439		4,891	4,098	19
Staff cost/ton	*3,784*	*3,894*		*3,643*		*3,894*		3,838	3,586	
Power & Fuel	6,860	6,826		5,371	27.7	6,725		13,586	11,496	
P&F cost/ton	*10,586*	*10,739*		*9,512*		*10,739*		10,661	10,060	
Other Costs	13,071	*12,615*		10,305		12,429		25,499	21,415	
Other cost/t	*20,169*	*19,846*		*18,252*		*19,846*		20,010	18,740	
Expenditure	**95,049**	**91,676**		**85,903**	**10.6**	**88,973**	**6.8**	**184,023**	**168,084**	**9**
EBITDA	**13,879**	**13,198**	**5.2**	**11,865**	**17.0**	**13,098**	**6.0**	**26,977**	**23,982**	**12**
EBITDA (%)	*12.7*	*12.6*		*12.1*		*12.8*		13	12	
EBITDA/ton (INR)	*21,416*	*20,763*	**3.1**	*21,014*	**1.9**	*20,915*	**2.4**	21,170	20,986	**1**
Other income	897	700		471		689		1,586	978	
Depreciation	2,619	2,500	4.8	2,409	8.7	2,518	4.0	5,137	4,733	**9**
EBIT	12,156	11,398	6.7	9,926	22.5	11,268	7.9	23,425	20,227	**16**
Interest	1,408	1,500		1,586		1,441		2,850	3,013	
PBT	**10,748**	**9,898**		**8,341**		**9,827**		**20,575**	**17,214**	
XO items	174	0		0		0		174	-	
Tax	2,705	2,474		2,249		2,544		5,249	4,647	
Eff. Tax rate (%)	*25.2*	*25.0*		*27.0*		*25.9*		26	27	
PAT before MI/Assoc.	**8,043**	**7,423**		**6,092**		**7,283**		**15,500**	**12,567**	
Minority Interest	10	0		-19		5		15	(39)	
Share of Associates	-138	0		2		-137		(275)	(12)	
PAT- Reported	**8,069**	**7,423**		**6,113**		**7,142**		**15,211**	**12,594**	
PAT- Adjusted	**7,895**	**7,423**	**6.4**	**6,113**	**29.2**	**7,142**	**10.6**	**15,037**	**12,594**	**19**
Diluted EPS (INR)	**9.6**	**9.0**		**7.4**		**8.7**		**18**	**15**	
Key monitorables (INR bn)										
Net Debt (INR bn)	**36**	**0**		**44**		**39**		75	94	

Source: Company, JM Financial

Exhibit 2. Jindal Stainless: Target Price

FY28E EBITDA (INR bn)	**75**
Multiple (x)	9
Target EV (INR bn)	**679**
Net debt (INR bn)	18
Implied Mcap (INR bn)	**661**
CWIP (INR bn)	44
Total Mcap (INR bn)	705
TP (INR/share)	**860**

Source: JM Financial

Exhibit 3. JSL- Standalone quarterly performance (INR mn)

(INR mn)	2QFY26	2QFY25	YoY %	1QFY26	QoQ %	1HFY26	1HFY25	YoY %
Net Sales	**108,809**	**97,457**	**11.6**	**103,405**	**5.2**	212,214	193,306	10%
Volumes (mt)	*0.65*	*0.56*	*14.8*	*0.63*	*3.5*	1.27	1.14	12%
Realization (INR/ton)	*167,902*	*172,603*	*-2.7*	*165,117*	*1.7*	*166,534*	*169,155*	
Raw material cost (incl. change in stock)	73,344	66,478	10.3	68,617	6.9	141,961	129,565	10%
RM cost/ton	*113,177*	*117,738*		*109,568*		*111,403*	*113,378*	
Change in stock (Increase)/decrease	857	839		882		1,739	1,882	
Change in stock/ton	*1,322*	*1,485*		*1,408*		*1,364*	*1,647*	
Gross profit	**35,465**	**30,978**	**14.5**	**34,788**	**1.9**	**70,253**	**63,740**	10%
Gross margin (%)	*32.6*	*31.8*		*33.6*		*33.1*	*33.0*	
Gross margin/t	*54,725*	*54,865*		*55,550*		*55,130*	*55,777*	
Power and fuel cost	6,174	5,083	21.5	5,954	3.7	12,128	10,925	11%
P&F cost/ton	*9,527*	*9,002*		*9,508*		*9,517*	*9,560*	
Staff cost	2,051	1,748	17.3	2,038	0.6	4,089	3,480	18%
Staff cost/ton	*3,165*	*3,096*		*3,254*		*3,209*	*3,045*	
Other cost	15,785	13,240	19.2	15,436	2.3	31,221	27,340	14%
Other cost/ton	*24,358*	*23,448*		*24,648*		*24,501*	*23,924*	
Expenditure	**98,211**	**87,387**	**12.4**	**92,927**	**5.7**	191,138	173,192	10%
EBITDA	**10,598**	**10,069**	**5.3**	**10,478**	**1.1**	**21,076**	**20,113**	5%
EBITDA (%)	9.7	10.3		10.1		9.9	10.4	
EBITDA/ton (INR)	*16,354*	*17,833*	*-8.3*	*16,731*	*-2.3*	*16,539*	*17,600*	
Other income	987	824		1,034		2,021	1,426	
Depreciation	1,959	1,804	8.6	1,887	3.8	3,846	3,599	7%
EBIT	**9,627**	**9,090**	**5.9**	**9,625**	**0.0**	**19,251**	**17,941**	**7%**
Interest	958	1,161		997		1,955	2,130	
PBT	**8,669**	**7,928**	**9.3**	**8,628**	**0.5**	**17,297**	**15,811**	9%
XO items	*0*	0		0		0	0	
Tax	2,230	2,035		211		2,442	4,135	
Eff. Tax rate (%)	*25.7*	*25.7*		*2.5*		*14.1*	*26.2*	
PAT- Reported	**6,439**	**5,893**		**8,416**		**14,855**	**11,676**	27%
PAT- Adjusted	**6,439**	**5,893**	**9.3**	**8,416**	**-23.5**	**14,855**	**11,676**	27%
Diluted EPS (INR)	**7.8**	**7.2**		**10.2**		**18.0**	**14.2**	

Source: Company, JM Financial

Exhibit 4. Key assumptions table

Key Assumptions	FY23	FY24	FY25	FY26E	FY27E	FY28E
Nickel (INR/t)	21,037	15,838	13,770	12,710	13,940	15,170
Ferrochrome (INR/t)	107,871	111,170	105,843	100,000	100,000	100,000
Steel and others(INR/t)	47,983	45,505	48,000	48,000	48,500	48,500
USDINR	80.4	82.8	84.0	87.5	89.0	89.0
Blended Realisation (INR/t)	198,539	176,381	169,329	170,613	178,750	184,980
External Sales (mt)						
Sales Volume	1,764,405	2,174,610	2,373,000	2,605,000	2,940,000	3,330,000
Series 300	758,694	956,828	1,044,120	1,146,200	1,293,600	1,465,200
Series 200	599,898	782,860	854,280	937,800	1,058,400	1,198,800
Series 400	405,813	434,922	474,600	521,000	588,000	666,000
Financials (INR mn)						
EBITDA	35,861	47,043	46,666	54,375	64,529	75,401
EBITDA/t	20,325	21,633	19,666	20,873	21,949	22,643
Net Debt	26,144	36,824	36,949	30,979	26,863	17,542

Source: Company, JM Financial

Exhibit 5. Change in estimates

		OLD			NEW			% Change		
	Unit	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Sales	INR mn	451,323	522,387	600,012	4,44,447	5,25,524	6,15,982	-1.5%	0.6%	2.7%
EBITDA	INR mn	54,127	64,508	74,681	54,375	64,529	75,401	0.5%	0.0%	1.0%
PAT	INR mn	29,016	36,445	43,044	29,124	36,960	44,375	0.4%	1.4%	3.1%
EPS		35.2	44.2	52	35.4	44.9	54	0.5%	1.5%	3.0%
Target Price	**INR**			**850**			**860**			**1.2%**
Rating				**BUY**			**BUY**			

Source: JM Financial

Exhibit 6. JDSL :1 yr forward EV/EBITDA valuation

Source: Bloomberg, JM Financial

Exhibit 7. JDSL: 1 yr forward PE valuation

Source: JM Financial, Bloomberg

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	**FY24A**	**FY25A**	**FY26E**	**FY27E**	**FY28E**
Net Sales	385,625	393,122	444,447	525,524	615,982
Sales Growth	*8.0%*	*1.9%*	*13.1%*	*18.2%*	*17.2%*
Other Operating Income	0	0	0	0	0
Total Revenue	**385,625**	**393,122**	**444,447**	**525,524**	**615,982**
Cost of Goods Sold/Op. Exp	267,149	268,657	292,921	350,960	412,689
Personnel Cost	6,430	8,556	10,222	12,087	14,168
Other Expenses	65,003	69,243	86,929	97,948	113,724
EBITDA	**47,043**	**46,666**	**54,375**	**64,529**	**75,401**
EBITDA Margin	*12.2%*	*11.9%*	*12.2%*	*12.3%*	*12.2%*
EBITDA Growth	*31.2%*	*-0.8%*	*16.5%*	*18.7%*	*16.8%*
Depn. & Amort.	8,788	9,561	11,236	10,315	10,653
EBIT	38,255	37,105	43,138	54,214	64,749
Other Income	1,691	2,909	3,199	3,519	3,871
Finance Cost	5,544	6,116	6,850	7,798	8,798
PBT before Excep. & Forex	34,402	33,897	39,488	49,936	59,822
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	34,402	33,897	39,488	49,936	59,822
Taxes	8,990	8,392	9,872	12,484	14,956
Extraordinary Inc./Loss(-)	992	-71	0	0	0
Assoc. Profit/Min. Int.(-)	334	-492	-492	-492	-492
Reported Net Profit	26,738	24,942	29,124	36,960	44,375
Adjusted Net Profit	**25,746**	**25,013**	**29,124**	**36,960**	**44,375**
Net Margin	*6.7%*	*6.4%*	*6.6%*	*7.0%*	*7.2%*
Diluted Share Cap. (mn)	823.5	823.7	823.7	823.7	823.7
Diluted EPS (INR)	**31.3**	**30.4**	**35.4**	**44.9**	**53.9**
Diluted EPS Growth	*25.4%*	*-2.9%*	*16.4%*	*26.9%*	*20.1%*
Total Dividend + Tax	2,857	2,449	2,471	2,471	2,471
Dividend Per Share (INR)	3.5	3.0	3.0	3.0	3.0

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	**FY24A**	**FY25A**	**FY26E**	**FY27E**	**FY28E**
Shareholders' Fund	143,579	166,879	198,475	237,905	284,751
Share Capital	1,647	1,647	1,647	1,647	1,647
Reserves & Surplus	141,932	165,232	196,827	236,258	283,104
Preference Share Capital	0	0	0	0	0
Minority Interest	166	203	258	312	367
Total Loans	60,523	64,019	72,977	82,977	92,977
Def. Tax Liab. / Assets (-)	11,891	10,593	13,003	13,003	13,003
Total - Equity & Liab.	**216,159**	**241,694**	**284,713**	**334,198**	**391,099**
Net Fixed Assets	143,665	165,833	181,596	193,781	198,128
Gross Fixed Assets	180,084	205,103	218,603	233,603	243,603
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	47,539	57,101	68,337	78,652	89,305
Capital WIP	11,120	17,830	31,330	38,830	43,830
Investments	12,465	25,355	16,462	16,462	16,462
Current Assets	151,519	167,983	216,447	262,994	335,374
Inventories	79,315	97,003	112,025	132,461	155,261
Sundry Debtors	28,369	31,070	29,224	34,555	43,878
Cash & Bank Balances	19,881	22,699	38,668	52,785	72,105
Loans & Advances	23,955	17,212	36,530	43,194	64,130
Other Current Assets	0	0	0	0	0
Current Liab. & Prov.	91,490	117,476	129,792	139,039	158,865
Current Liabilities	86,366	100,122	105,937	115,183	135,010
Provisions & Others	5,124	17,354	23,855	23,855	23,855
Net Current Assets	60,030	50,507	86,655	123,956	176,509
Total – Assets	**216,159**	**241,694**	**284,713**	**334,198**	**391,099**

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	**FY24A**	**FY25A**	**FY26E**	**FY27E**	**FY28E**
Profit before Tax	34,402	33,897	39,488	49,936	59,822
Depn. & Amort.	8,788	9,561	11,236	10,315	10,653
Net Interest Exp. / Inc. (-)	0	0	0	0	0
Inc (-) / Dec in WCap.	7,501	2,079	-9,917	-23,184	-33,233
Others	-31,502	15,327	4,450	4,450	4,450
Taxes Paid	-8,990	-8,392	-9,872	-12,484	-14,956
Operating Cash Flow	**10,200**	**52,472**	**35,386**	**29,033**	**26,736**
Capex	-14,749	-45,700	-27,000	-22,500	-15,000
Free Cash Flow	*-4,549*	*6,772*	*8,386*	*6,533*	*11,736*
Inc (-) / Dec in Investments	-2,764	-3,997	0	0	0
Others	-198	36	55	55	55
Investing Cash Flow	**-17,710**	**-49,661**	**-26,945**	**-22,445**	**-14,945**
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	-2,857	-2,449	-2,471	-2,471	-2,471
Inc / Dec (-) in Loans	20,941	2,455	10,000	10,000	10,000
Others	0	0	0	0	0
Financing Cash Flow	**18,084**	**6**	**7,529**	**7,529**	**7,529**
Inc / Dec (-) in Cash	**10,573**	**2,818**	**15,970**	**14,117**	**19,320**
Opening Cash Balance	9,308	19,881	22,699	38,668	52,785
Closing Cash Balance	19,881	22,699	38,668	52,785	72,105

Source: Company, JM Financial

Dupont Analysis					
Y/E March	**FY24A**	**FY25A**	**FY26E**	**FY27E**	**FY28E**
Net Margin	6.7%	6.4%	6.6%	7.0%	7.2%
Asset Turnover (x)	2.0	1.7	1.7	1.7	1.7
Leverage Factor (x)	1.5	1.5	1.4	1.4	1.4
RoE	19.6%	16.1%	15.9%	16.9%	17.0%

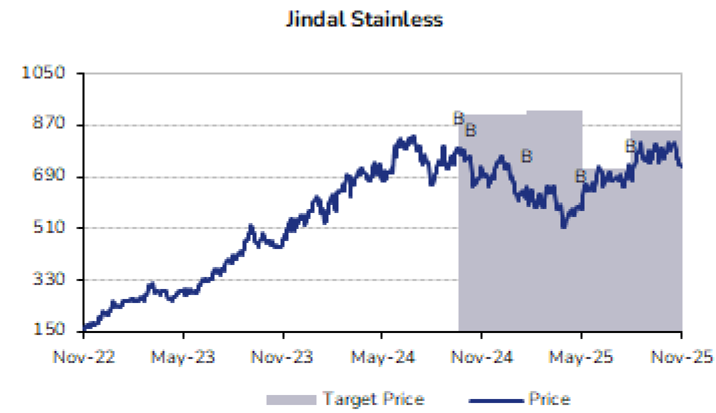
Key Ratios					
Y/E March	**FY24A**	**FY25A**	**FY26E**	**FY27E**	**FY28E**
BV/Share (INR)	174.4	202.6	241.0	288.8	345.7
ROIC	16.9%	14.2%	14.7%	16.2%	16.9%
ROE	17.2%	17.9%	15.0%	14.7%	15.5%
Net Debt/Equity (x)	0.3	0.2	0.2	0.1	0.1
P/E (x)	23.1	23.8	20.4	16.1	13.4
P/B (x)	4.1	3.6	3.0	2.5	2.1
EV/EBITDA (x)	13.5	13.6	11.6	9.7	8.2
EV/Sales (x)	1.6	1.6	1.4	1.2	1.0
Debtor days	27	29	24	24	26
Inventory days	75	90	92	92	92
Creditor days	93	105	99	91	91

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
26-Sep-24	Buy	910	
18-Oct-24	Buy	910	0.0
30-Jan-25	Buy	920	1.1
9-May-25	Buy	720	-21.7
8-Aug-25	Buy	850	18.1

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

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New Rating System: Definition of ratings	
Rating	**Meaning**
BUY	Expected return >= 15% over the next twelve months.
ADD	Expected return >= 5% and < 15% over the next twelve months.
REDUCE	Expected return >= -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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