

Balrampur Chini Mills | BUY

PLA to boost earnings from FY27

Balrampur Chini's 2QFY26 EBITDA was slightly above our estimates on account of robust sugar volumes and realisation. Sugar export of 1.5MMT allowed by the government is likely to be positive for domestic sugar realisation. Going ahead, we expect sugar volume and realisation to remain robust for Balrampur. On the distillery front, ethanol volume is likely to see some improvement with the company guiding for 280mn litres for ESY26. However, distillery profitability is expected to remain muted on account of lack of price revision. The PLA facility is set to be commissioned by 3QFY27 with optimal utilisation expected by Mar'27. Hence, we expect healthy contribution to the top line from PLA from FY27. Factoring in subdued distillery margins, we revise downwards our FY26-28 EBITDA and EPS estimates by ~3-5%. We roll forward to Dec'27E earnings and maintain BUY rating on the name with a revised SoTP-based Dec'26 TP of INR 645/share (from Sep'26 TP of INR 675/share earlier).

- **2QFY26 EBITDA slightly above our expectation:** Balrampur Chini's 2QFY26 gross profit came in 3% above JMFe at ~INR 3.2bn (down 1% QoQ while up 42% YoY) as revenue came in 9% above JMFe at ~INR 16.7bn (up 8%/29% QoQ/YoY) while gross margin came in lower than expected at 18.9% (vs. JMFe of 20% and 17.1% in 2QFY25). Other expenses were higher at ~INR 959mn (vs. JMFe of ~INR 950mn and ~INR 796mn in 2QFY25). As a result, EBITDA came in 3% above JMFe and stood at ~INR 1.2bn (down 10% QoQ while up 145% YoY). EBITDA margin came in lower at 7.2% (vs. JMFe of 7.6% and 3.8% in 2QFY25). Further, PAT came in 37% above JMFe and stood at INR 460mn (up 7% QoQ and from a loss of 35mn in 2QFY25).
- **Sugar/distillery EBIT 8%/16% above/below our estimates:** During the quarter, sugar sales volume came in at 303.4KT (vs. JMFe of ~266.5KT, up 15% YoY). Sugar realisation stood at INR 40.5/kg (vs. JMFe of INR 40/kg and INR 38.5/kg in 2QFY25). Sugar EBIT came in 8% above JMFe and stood at ~INR 528mn (up 10%/3315% QoQ/YoY). Sugar EBIT margin came in higher than expected at 4% (vs. JMFe of 3.5% and 0.1% in 2QFY25). During the quarter, distillery sales volume stood at 58.9KL (vs. JMFe of 75KL, up 29% YoY). Distillery realisation stood at INR 61.3/litre (vs. JMFe of INR 58.6/litre and INR 54.6/litre in 2QFY25). Distillery EBIT came in 16% below JMFe and stood at ~INR 594mn (down 24% QoQ while up 80% YoY). Distillery EBIT margin was lower than expected at 14.7% (vs. JMFe of 16% and 12.5% in 2QFY25).
- **EPS estimates revised downwards by ~4-5%; maintain BUY:** The company has indicated that it is on track to commission the PLA project by 3QFY27 and has spent ~INR 10.93bn (INR 5.7bn through debt and rest from internal accruals) on the PLA project as of 31st Oct'25. Going ahead, we expect sugar prices and volume to remain robust for the company. We are building in some improvement in ethanol volume as the company has guided for 280mn litres for ESY26. However, we expect the distillery margin to remain muted on account of the lack of price revision in ethanol, leading to subdued distillery profitability. Factoring in this, we have revised downwards our FY26-28 EBITDA and EPS estimates by ~3-4% and ~4-5%, respectively. We now expect 10%/34%/46% sales/EBITDA/EPS CAGR over FY26E-28E. We roll forward to Dec'27 earnings and maintain BUY with a revised SoTP-based Dec'26 TP of INR 645/share (from Sep'26 TP of INR 675 earlier).



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	645
Upside/(Downside)	43.6%
Previous Price Target	675
Change	-4.4%

Key Data – BRCM IN

Current Market Price	INR449
Market cap (bn)	INR91.7/US\$1.0
Free Float	57%
Shares in issue (mn)	201.7
Diluted share (mn)	201.7
3-mon avg daily val (mn)	INR255.7/US\$2.9
52-week range	628/419
Sensex/Nifty	83,871/25,695
INR/US\$	88.6

Price Performance

%	1M	6M	12M
Absolute	-5.0	-13.6	-20.9
Relative*	-6.6	-18.1	-25.0

* To the BSE Sensex

Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	55,937	54,154	59,378	66,371	72,383
Sales Growth (%)	19.9	-3.2	9.6	11.8	9.1
EBITDA	7,862	7,042	7,883	10,437	14,156
EBITDA Margin (%)	14.1	13.0	13.3	15.7	19.6
Adjusted Net Profit	4,332	3,439	4,321	6,328	9,200
Diluted EPS (INR)	21.5	17.0	21.4	31.4	45.6
Diluted EPS Growth (%)	57.4	-20.6	25.6	46.5	45.4
ROIC (%)	9.1	7.0	7.1	9.4	12.9
ROE (%)	14.1	10.0	11.4	14.7	18.2
P/E (x)	21.1	26.6	21.2	14.5	10.0
P/B (x)	2.8	2.6	2.3	2.0	1.7
EV/EBITDA (x)	14.2	16.7	15.4	11.4	7.8
Dividend Yield (%)	0.7	0.2	0.2	0.2	0.2

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

2QFY26 Result Review

Key takeaways from post-results conference call

- **Sugar gross/net production expected at 34.5MMT/31MMT for SS26:** For SS26 (Oct'25 to Sep'26), gross sugar production (before diversion for ethanol) is expected at 34.5MMT. 3.5MMT of sugar is expected to be diverted for ethanol production. Post diversion, the net sugar production is expected at 31MMT. Government has allowed 1.5MMT of sugar exports for SS26. As per the company, this could provide some relief to the industry and provide stability to domestic prices. The company also said that the sugar export is set to be largely from Maharashtra and Karnataka as these states are likely to have higher sugar stocks. The company is not expecting to export its sugar volume.
- **Sugar closing stock for SS26 expected at 6MMT:** Opening sugar stock for SS26 stood at 5MMT. Considering 31MMT net sugar production and 1.5MMT of exports along with an expected domestic consumption of 28.5MMT, the closing sugar stock for SS26 is expected to be 6MMT.
- **7-8% improvement in cane crushing expected, recovery likely to improve in SS26:** Management expects 7-8% increase in the company's cane crushing volume in SS26. This is set to improve its fixed cost absorption. Also, it is expecting an improvement in sugar recovery based on weather conditions.
- **280mn liters of ethanol volume expected for ESY26:** The company expects 280mn litres of ethanol production in ESY26. Out of the total volume, 90mn litres is likely to be for the juice route, 120mn litres for the B-heavy route, 30mn litres for the maize route, 10mn litres for the C-heavy route and 35mn litres for country liquor.
- **Company continues to hopeful about ethanol price revision:** The company continued to stress the importance of price revision in juice and B-heavy routes in order to offset the increase in cane costs with a significant rise in sugarcane FRP and SAP so that the distillery operation remain viable for the industry players. The UP government had announced an INR 30 increase in SAP per quintal for the SS26 season (against the expected INR 20 per quintal), which will increase the SAP to INR 400 per quintal while the FRP has been increased by 16% in the last 3 years. Further, owing to the increase in input costs, it is hopeful for an improvement in sugar prices as well.
- **Industry ethanol capacity likely to be underutilised:** For ESY26, ethanol supplied from sugar sector stood at 2.89bn liters, accounting for just 28% of the total ethanol requirement in the country, while the rest was made up of ethanol from grain-based feedstock. The reduced diversion from sugarcane feedstock is expected to add to the sugar surplus and could leave some of the ethanol capacity in the industry underutilised. The company is of the view that at least 45-50% of the ethanol requirement in the country should be allotted for sugar-based feedstock.
- **PLA facility on track to be commissioned by 3QFY27:** The company remains on track to commission its PLA capacity by 3QFY27. It has started market development activities using traded volume and has implemented a capex of INR 10.93bn as of 31st Oct'25 (out of which INR 5.7bn was funded through debt). The current consumption of PLA compounds stood in the range of 30-40KTPA based on import data. Also, the company is in the trial stage with multiple customers for PLA. The PLA facility is likely to take at least 3 months to stabilise once it's commissioned and the company is not expecting a loss in the business in the first year of operation.

Exhibit 1. Balrampur Chini quarterly financial snapshot

Standalone (INR mn)	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	2QFY26E	% QoQ	% YoY	% difference vs. JMFe
Revenue	15,395	12,304	14,343	14,216	12,979	11,921	15,037	15,423	16,708	15,337	8%	29%	9%
RM Cost (Incl. Change in Stock)	11,701	8,962	8,164	10,656	10,757	8,480	8,686	12,235	13,550	12,269	11%	26%	
Gross Profit	3,694	3,342	6,178	3,560	2,222	3,442	6,351	3,187	3,158	3,067	-1%	42%	3%
Gross Margin	24.0%	27.2%	43.1%	25.0%	17.1%	28.9%	42.2%	20.7%	18.9%	20.0%	-176 bps	178 bps	
Employee Costs	929	1,090	1,077	919	935	1,062	1,133	930	996	950	7%	6%	
Employee cost % of Sales	6.0%	8.9%	7.5%	6.5%	7.2%	8.9%	7.5%	6.0%	6.0%	6.2%	-7 bps	-125 bps	
Other Expenses	1,116	1,118	1,654	979	796	1,142	1,565	915	959	950	5%	20%	
Other expenses as % of Sales	7.2%	9.1%	11.5%	6.9%	6.1%	9.6%	10.4%	5.9%	5.7%	6.2%	-20 bps	-39 bps	
Total Expenditure	13,746	11,170	10,895	12,555	12,489	10,684	11,384	14,080	15,504	14,169	10%	24%	
EBITDA	1,649	1,134	3,447	1,661	491	1,238	3,652	1,342	1,204	1,167	-10%	145%	3%
EBITDA Margin (%)	10.7%	9.2%	24.0%	11.7%	3.8%	10.4%	24.3%	8.7%	7.2%	7.6%	-150 bps	342 bps	-40 bps
Depreciation	412	420	426	426	432	436	431	437	443	440	1%	3%	
EBIT	1,236	714	3,021	1,235	59	802	3,221	905	761	727	-16%	1192%	5%
Other Income	382	193	43	77	83	68	94	63	87	70	39%	5%	
Finance Costs	172	79	250	360	200	69	305	337	142	340	-58%	-29%	
Extra-ordinary exp./-inc.	0	0	0	0	0	0	0	0	0	0	NA	NA	
Profit Before Tax	1,446	828	2,815	952	-58	800	3,011	632	706	457	12%	NA	54%
Tax Expense	384	225	841	305	-23	173	811	201	246	123	23%	NA	
Tax Rate (%)	26.5%	27.2%	29.9%	32.1%	NA	21.6%	26.9%	31.8%	34.9%	27.0%	310 bps	NA	790 bps
Reported Net Profit	1,062	603	1,973	646	-35	627	2,200	431	460	334	7%	NA	38%
PAT margin	6.9%	4.9%	13.8%	4.5%	-0.3%	5.3%	14.6%	2.8%	2.8%	2.2%	-4 bps	302 bps	57 bps
Reported EPS	5.3	3.0	9.8	3.2	-0.2	3.1	10.9	2.1	2.3	1.7	7%	NA	38%

Source: Company, JM Financial

Exhibit 2. Balrampur Chini quarterly operational snapshot

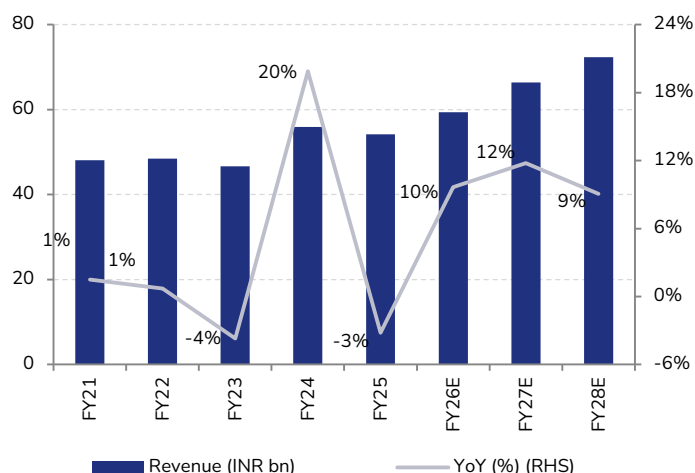
INR mn	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	2QFY26E	%QoQ	%YoY	% difference vs. JMFe
Revenues													
Sugar	11,094	11,610	13,109	11,316	10,486	12,699	14,473	11,676	13,170	13,942	13%	26%	-6%
Distillery	5,997	2,505	4,129	4,241	2,645	2,114	5,301	4,615	4,050	4,395	-12%	53%	-8%
% of overall revenues													
Sugar	65%	82%	76%	73%	80%	85%	73%	72%	76%	76%	447 bps	-357 bps	-1 bps
Distillery	35%	18%	24%	27%	20%	14%	27%	28%	23%	24%	-490 bps	330 bps	-59 bps
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%			
Volume													
Sugar volume (tonnes)	256,100	228,200	224,900	245,500	263,900	233,300	199,500	254,500	303,400	266,539	19%	15%	14%
Distillery (KL)	88,300	41,900	66,600	68,500	45,700	35,000	85,200	71,400	58,900	75,000	-18%	29%	-21%
Co gen (mn units)	69	105	206	70	20	100	182	64	18	70	-73%	-14%	-75%
Realisation													
Sugar (INR / kg)	37.7	39.4	38.2	38.8	38.5	38.6	40.5	40.6	40.5	40.0	0%	5%	1%
Distillery (INR/ ltr)	57.2	56.5	57.7	57.0	54.6	58.0	60.2	58.6	61.3	58.6	5%	12%	5%
Co gen (INR/ units)	4.6	3.9	4.0	5.5	6.8	3.7	4.0	5.2	4.5	4.0	-13%	-34%	13%
EBIT													
Sugar	391	761	2,331	747	15	1,204	2,710	481	528	488	10%	3315%	8%
Distillery	1,093	351	972	811	330	-85	868	777	594	703	-24%	80%	-16%
Total	1,520	1,136	3,342	1,568	358	1,136	3,586	1,222	1,122	1,191	-8%	213%	-6%
EBIT Margin													
Sugar	3.5%	6.6%	17.8%	6.6%	0.1%	9.5%	18.7%	4.1%	4.0%	3.5%	-10 bps	386 bps	51 bps
Distillery	18.2%	14.0%	23.5%	19.1%	12.5%	-4.0%	16.4%	16.8%	14.7%	16.0%	-217 bps	219 bps	-134 bps
Total	8.9%	8.0%	19.3%	10.1%	2.7%	7.6%	18.1%	7.5%	6.5%	6.5%	-101 bps	376 bps	-2 bps

Source: Company, JM Financial

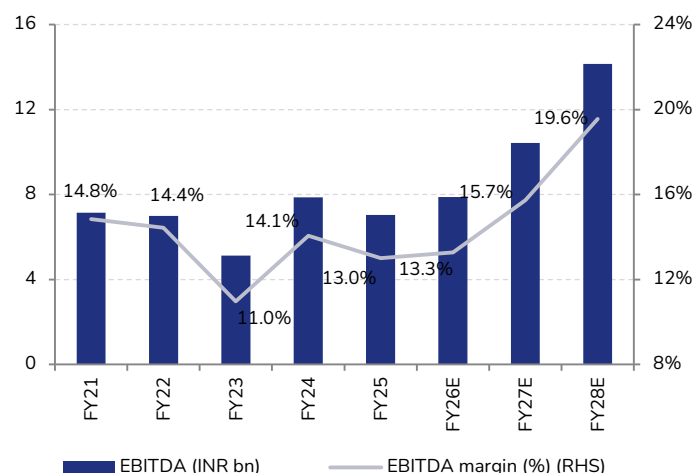
Exhibit 3. Change in estimates

	New	Old	Difference
EBITDA (INR Mn)			
FY26	7,883	8,164	-3.4%
FY27	10,437	10,855	-3.8%
FY28	14,156	14,682	-3.6%
PAT (INR Mn)			
FY26	4,321	4,540	-4.8%
FY27	6,328	6,648	-4.8%
FY28	9,200	9,604	-4.2%
EPS (INR)			
FY26	21.4	22.5	-4.8%
FY27	31.4	33.0	-4.8%
FY28	45.6	47.6	-4.2%

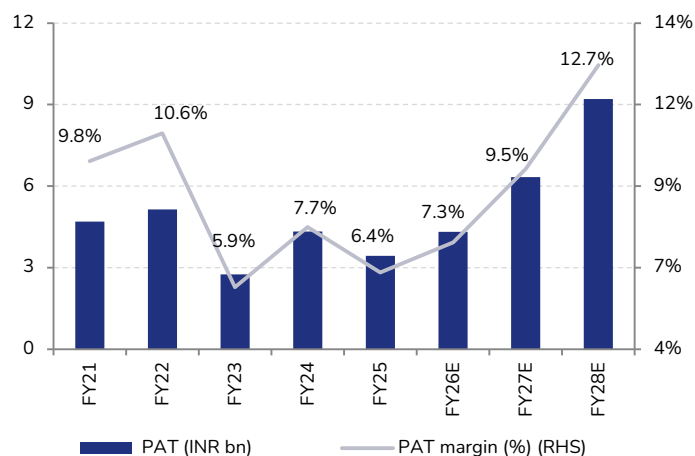
Source: JM Financial

Exhibit 4. Sales likely to see ~10% CAGR over FY26E-28E

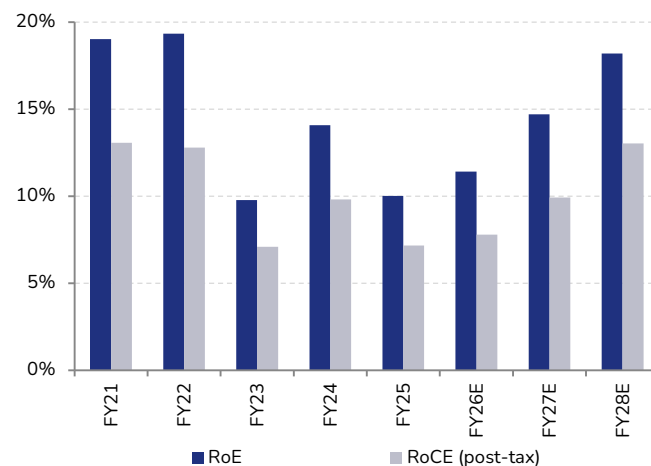
Source: Company, JM Financial

Exhibit 5. EBITDA likely to see ~34% CAGR over FY26E-28E

Source: Company, JM Financial

Exhibit 6. PAT expected to see ~46% CAGR over FY26E-28E

Source: Company, JM Financial

Exhibit 7. RoE/RoCE to likely to reach ~18%/13% by FY28E

Source: Company, JM Financial

Valuations

Exhibit 8. Our SOTP-based Dec'26 TP stands at INR 645/share

		EBITDA (INR mn)	Multiple (x)	Valuation (INR mn)	Value per share (INR)
Segments	Valuation methodology				
Sugar and distillery business (A)	8x Dec'27E EBITDA	10,725	8	85,798	425
PLA business (B)	15x FY30E EBITDA discounted to Dec'27	5,250	15	61,025	302
Enterprise value (A) + (B)				146,823	728
Less: Net Debt/(cash)	Mar'30E net debt discounted to Dec'26			17,499	87
Equity value				129,324	645
Dec'27E consolidated EPS		-	-		42
Implied P/E multiple (x)		-	-		15

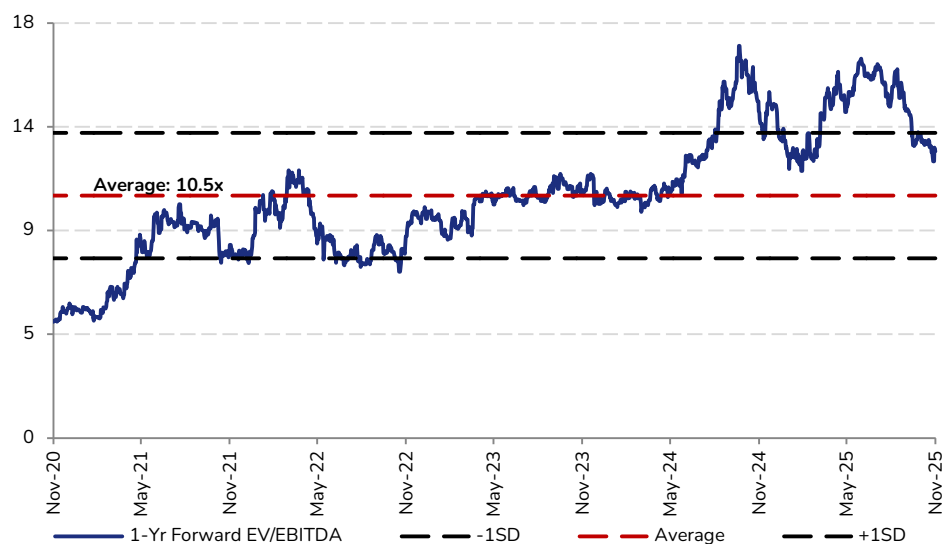
Source: JM Financial

Exhibit 9. Balrampur is currently trading at ~16x 1-year forward consensus PE multiple



Source: Bloomberg, JM Financial

Exhibit 10. Balrampur is currently trading at ~12x 1-year forward consensus EV/EBITDA multiple



Source: Bloomberg, JM Financial

Financial Tables (Standalone)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	55,937	54,154	59,378	66,371	72,383
Sales Growth	19.9%	-3.2%	9.6%	11.8%	9.1%
Other Operating Income	0	0	0	0	0
Total Revenue	55,937	54,154	59,378	66,371	72,383
Cost of Goods Sold/Op. Exp	39,169	38,580	42,455	45,531	47,121
Personnel Cost	3,986	4,049	4,171	4,629	4,953
Other Expenses	4,921	4,482	4,869	5,774	6,153
EBITDA	7,862	7,042	7,883	10,437	14,156
EBITDA Margin	14.1%	13.0%	13.3%	15.7%	19.6%
EBITDA Growth	53.5%	-10.4%	11.9%	32.4%	35.6%
Depn. & Amort.	1,664	1,725	1,807	2,024	2,311
EBIT	6,198	5,317	6,077	8,413	11,845
Other Income	740	322	821	910	1,001
Finance Cost	836	935	1,140	1,210	1,050
PBT before Excep. & Forex	6,102	4,704	5,757	8,113	11,795
Excep. & Forex Inc/Loss(-)	0	0	0	0	0
PBT	6,102	4,704	5,757	8,113	11,795
Taxes	1,770	1,265	1,437	1,785	2,595
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	4,332	3,439	4,321	6,328	9,200
Adjusted Net Profit	4,332	3,439	4,321	6,328	9,200
Net Margin	7.7%	6.4%	7.3%	9.5%	12.7%
Diluted Share Cap. (mn)	201.7	201.7	201.7	201.7	201.7
Diluted EPS (INR)	21.5	17.0	21.4	31.4	45.6
Diluted EPS Growth	57.4%	-20.6%	25.6%	46.5%	45.4%
Total Dividend + Tax	605	202	202	202	202
Dividend Per Share (INR)	3.0	1.0	1.0	1.0	1.0

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	6,102	4,704	5,757	8,113	11,795
Depn. & Amort.	1,664	1,725	1,807	2,024	2,311
Net Interest Exp. / Inc. (-)	815	933	319	300	50
Inc (-) / Dec in WCap.	-5,831	-2,567	-1,043	-1,833	-1,982
Others	25	215	0	0	0
Taxes Paid	-995	-759	-1,437	-1,785	-2,595
Operating Cash Flow	1,778	4,252	5,403	6,819	9,579
Capex	-2,688	-8,924	-8,100	-4,100	-100
Free Cash Flow	-909	-4,673	-2,697	2,719	9,479
Inc (-) / Dec in Investments	-60	0	0	0	0
Others	500	120	821	910	1,001
Investing Cash Flow	-2,248	-8,804	-7,279	-3,190	901
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	-605	-202	-202	-202	-202
Inc / Dec (-) in Loans	973	6,206	4,500	-1,000	-7,000
Others	102	-1,451	-1,140	-1,210	-1,050
Financing Cash Flow	470	4,553	3,158	-2,412	-8,252
Inc / Dec (-) in Cash	0	0	1,282	1,217	2,227
Opening Cash Balance	3	3	4	1,285	2,503
Closing Cash Balance	3	4	1,285	2,503	4,730

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	32,796	35,812	39,930	46,056	55,055
Share Capital	202	202	202	202	202
Reserves & Surplus	32,594	35,610	39,729	45,855	54,853
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	20,083	26,262	30,762	29,762	22,762
Def. Tax Liab. / Assets (-)	1,899	2,396	2,566	2,566	2,566
Total - Equity & Liab.	54,777	64,469	73,258	78,384	80,382
Net Fixed Assets	26,849	27,506	33,799	35,875	33,664
Gross Fixed Assets	36,080	37,859	39,017	47,117	51,217
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	9,686	11,411	13,218	15,242	17,553
Capital WIP	455	1,058	8,000	4,000	0
Investments	1,838	1,842	1,842	1,842	1,842
Current Assets	30,582	39,436	42,204	45,620	50,143
Inventories	28,688	31,187	32,536	34,549	36,687
Sundry Debtors	1,256	1,430	1,568	1,752	1,911
Cash & Bank Balances	3	4	1,285	2,503	4,730
Loans & Advances	635	6,815	6,815	6,815	6,815
Other Current Assets	0	0	0	0	0
Current Liab. & Prov.	4,491	4,314	4,587	4,953	5,267
Current Liabilities	2,951	2,830	3,103	3,468	3,782
Provisions & Others	1,541	1,485	1,485	1,485	1,485
Net Current Assets	26,090	35,121	37,617	40,667	44,876
Total - Assets	54,777	64,469	73,258	78,384	80,382

Source: Company, JM Financial

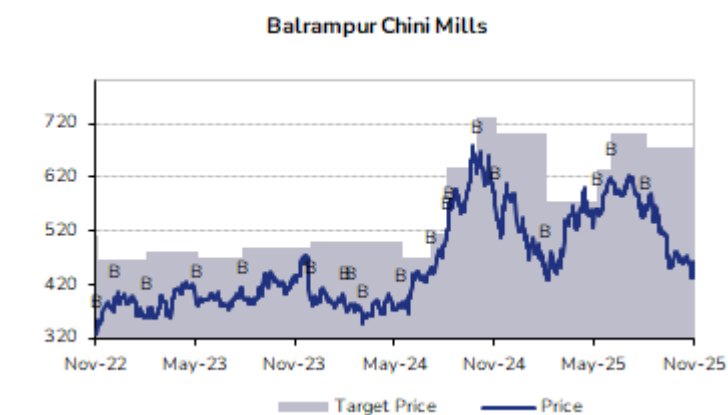
Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	7.7%	6.4%	7.3%	9.5%	12.7%
Asset Turnover (x)	1.1	0.9	0.9	0.9	0.9
Leverage Factor (x)	1.7	1.7	1.8	1.8	1.6
RoE	14.1%	10.0%	11.4%	14.7%	18.2%
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	162.6	177.5	197.9	228.3	272.9
ROIC	9.1%	7.0%	7.1%	9.4%	12.9%
ROE	14.1%	10.0%	11.4%	14.7%	18.2%
Net Debt/Equity (x)	0.6	0.7	0.7	0.6	0.3
P/E (x)	21.1	26.6	21.2	14.5	10.0
P/B (x)	2.8	2.6	2.3	2.0	1.7
EV/EBITDA (x)	14.2	16.7	15.4	11.4	7.8
EV/Sales (x)	2.0	2.2	2.0	1.8	1.5
Debtor days	8	10	10	10	10
Inventory days	187	210	200	190	185
Creditor days	22	22	22	23	24

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
25-May-22	Buy	510	
12-Nov-22	Buy	465	-8.8
15-Dec-22	Buy	465	0.0
13-Feb-23	Buy	480	3.2
15-May-23	Buy	470	-2.1
8-Aug-23	Buy	490	4.3
8-Dec-23	Buy	500	2.0
9-Feb-24	Buy	500	0.0
22-Feb-24	Buy	500	0.0
13-Mar-24	Buy	500	0.0
23-May-24	Buy	470	-6.0
18-Jul-24	Buy	515	9.6
13-Aug-24	Buy	640	24.2
19-Aug-24	Buy	640	0.0
9-Oct-24	Buy	730	14.1
12-Nov-24	Buy	700	-4.1
10-Feb-25	Buy	575	-17.9
18-May-25	Buy	635	10.4
12-Jun-25	Buy	700	10.2
13-Aug-25	Buy	675	-3.6

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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