Ratings Monitor

One Report – to monitor stocks and identify triggers to re-evaluate ratings

Metro Brands (METROBRA)

Current Market Price	Fair Value (FV)
Rs.921	Rs.1000

Date: 26th August 2026

Previous Rating: REDUCE **Current Rating:** ADD **Change:** UPGRADE

Ratings Rationale

- Post recent stock correction, we upgrade Metro Brands to an ADD (from REDUCE).
- This is with unchanged earnings and a revised FV of Rs1,000 (Rs1,050 earlier).
- Our positive thesis is premised upon a more favorable formal industry backdrop (following the GST rate cut).
- Also, a potential acceleration in the S&A segment as regulatory hurdles (imports impacted by BIS) ease.
- There is an attractive long-term potential of the value format 'Walkway'.
- We expect Metro to continue on its mid-to-high teen revenue growth trajectory.
- Valuations are more palatable now.

Valuation

Upgrade to ADD from REDUCE and value Metro Brands at 44X September 2028E.

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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