

GRASIM INDUSTRIES LTD.

(NSE : GRASIM , BSE : 500300)

DATE : 1/6/24

WE AT AS RESEARCH TECHNIC, INITIATE OUR COVERAGE ON GRASIM INDUSTRIES LTD.

Grasim Industries Limited, a flagship company of the Aditya Birla Group, ranks amongst the top publicly listed companies in India. Grasim has completed 76 glorious years of its existence.

ABOUT THE BUSINESS :

Grasim Industries Limited is an Indian manufacturing company based in Mumbai. Since its inception in 1947 as a textile manufacturer, Grasim has diversified into textile raw materials like viscose staple fibre (VSF) and viscose filament yarn, chemicals and insulators, along with cement and financial services through its subsidiaries UltraTech Cement and Aditya Birla Capital respectively. The company is a part of the Aditya Birla Group. Grasim is the largest exporter of Viscose Rayon Fibre in the country, with exports to over 50 countries. Grasim is headquartered in Mumbai and also has plants at Nagda (Madhya Pradesh), Kharach (Kosamba, Gujarat), Veraval (Gujarat), Bharuch (Vilayat GIDC, Gujarat) and Harihar.

PREVIOUS MONTH FOLLOWUP

AS MENTIONED IN THE PREVIOUS REPORT, THE SHARE PRICE BROKE 2489.75 ON THE UPPER SIDE. THE STOCK PRICE WENT UPTO 2420 AFTER BREAKING THE RESISTANCE 2316 ON THE UPPER SIDE.

CONS :

- Company has a low return on equity of 8.97% over last 3 years.
- Dividend payout has been low at 10.7% of profits over last 3 years
- Working capital days have increased from 51.8 days to 108 days

RESEARCH ANALYST

P.SUNANDINI @ AS RESEARCH TECHNIC



FINANCIAL SNAP SHOT :

MARKET CAP	₹ 1,55,028 Cr.
STOCK P/E	26.5
ROE	7.00 %
CURRENT PRICE	₹ 2,320
BOOK VALUE	₹ 1,346
ROCE	9.38 %
HIGH	₹ 2,535
LOW	1,689
DIVIDEND YIELD	0.43 %
FACE VALUE	₹ 2.00

SHARE HOLDING PATTERN:

PROMOTERS	43.05%
FIIS	12.70%
DIIS	16.69%
PUBLIC	27.24%
GOVERNMENT	0.00%
OTHERS :	0.31%
NO.OF SHAREHOLDERS	2,52,317

SECTOR: TEXTILES**INDUSTRY: TEXTILES - MANMADE**

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	Sales Qtr Rs.Cr.	ROCE %
1	Grasim Inds	2319.6	26.5	155028.21	0.43	37727.13	9.38
2	Bombay Dyeing	164.45		3396.5	0	380.65	1.44
3	Filatex India	53.25	21.33	2363.48	0.28	1025.84	12.65
4	Century Enka	600.2	28.56	1311.43	1.71	468.68	4.7
5	Indo Rama Synth.	40.1		1047.08	0	904.14	-4.56
6	Vardhman Acrylic	54.9	25.17	441.2	4.56	68.38	8.84
7	Pasupati Acrylon	36.4	24.59	324.44	0	176.77	6.09

KEY POINTS :

- With two-thirds of the company's workforce being under 35, their attention is concentrated on equipping early career employees to fulfil their evolving aspirants and needs.
- FY'23 was a milestone for the company as consolidated revenues surpassed the ₹ 1 trillion mark. Over the past three years, the company has achieved exceptional growth, with nearly ₹ 40,000 crore added to consolidated revenues, reflecting an impressive compounded annual growth rate (CAGR) of approximately 16%.
- Grasim has well- established and time-tested track record of incubating diverse businesses, guiding them towards leadership positions in their respective sectors and instilling the ethos and values of the Aditya Birla group.
- This approach has been demonstrated in sectors such as cement, viscose, financial services, textiles and chemicals.
- Standalone revenues in FY'23 witnessed a robust growth of 29% YOY.
- The company's chemical business posted its best-ever annual performance, largely attributed to the chlor-alkali segment.
- Grasim is focused on its growth vision and remains committed to achieving set objectives.
- The upcoming years are expected to signify a transformative growth phase for the company.
- They are independent India's first few organisations continuing to contribute towards India's industrial development with a sense of responsibility for 'AATMANIRBHAR BHARATH'.
- The truly diversified nature of Grasim qualifies it as a 'stronglomerate'.
- Grasim, the flagship company of the Aditya Birla Group(ABG) has evolved into a leading diversified player.

- The company's viscose staple fibre (VSF) segment witnessed significant growth, driven by increased demand for sustainable and eco-friendly fibres.
- Chemicals business has also made commendable progress, capitalising on emerging opportunities and addressing customer needs with innovative solutions.
- Sustainability is an integral part of the company's strategy across their business. The company remains aligned to ABG's commitment of becoming net zero by 2050.
- Their textile segment also delivers its best ever annual financial results in FY 23 with the highest ever revenue and EBITDA.
- Grasim's pulp and fibre business has secured highest category of 'Dark green shirt' in canopy's hot button report for the third consecutive year.

- THE SHARE PRICE CAN GO UPTO 2538.9 IF IT BREAKS 2497.3 ON THE UPPER SIDE.
- THE SHARE PRICE CAN GO UPTO 2240.72 IF IT BREAKS 2268 ON THE UPPER SIDE.

PIVOT TABLE :

		SUPPORT				RESISTANCE			
DATE	WEEK CLOSE	S3	S2	S1	PIVOT	R1	R2	R3	PRV CLOSE
31-05-2024	2316.25	2240.717	2268.3	2306.8	2334.38	2372.8	2400.4	2438.9	2345.2
30-05-2024	2316.25	2271.6	2299.8	2350.2	2378.4	2428.8	2457	2507.4	2400.6
29-05-2024	2316.25	2335.65	2364.5	2402.4	2431.2	2469.2	2498	2535.9	2440.35
28-05-2024	2316.25	2288.333	2340.5	2365.6	2417.77	2442.8	2495	2520.1	2390.65
27-05-2024	2316.25	2329.65	2357.8	2399.4	2427.55	2469.2	2497.3	2538.9	2441
24-05-2024	2441	2388.8	2410.2	2432	2453.4	2475.2	2496.6	2518.4	2453.8

DISCLAIMER: INVESTMENT/TRADING IN SECURITIES MARKET IS SUBJECT TO MARKET RISK, PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE PERFORMANCE.THE RISK OF LOSS IN TRADING AND INVESTMENT IN SECURITIES MARKETS INCLUDING EQUITIES AND DERIVATIVES CAN BE SUBSTANTIAL.