

EDUCATIONAL EQUITY RESEARCH REPORT :

GRASIM INDUSTRIES LTD.

(NSE : GRASIM , BSE : 500300)

DATE : 20/4/24

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. Incorporated in 1947, it started as a textiles manufacturer in India.

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 fiber (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 Fiber 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, (Davangere, Karnataka).

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

RESEARCH ANALYST

P.SUNANDINI @ AS RESEARCH TECHNIC



FINANCIAL SNAP SHOT :

MARKET CAP	₹ 1,51,317 Cr.
STOCK P/E	26.9
ROE	8.85 %
CURRENT PRICE	2273.15
BOOK VALUE	₹ 1,222
ROCE	9.97 %
HIGH	₹ 2,324
LOW	1,649
DIVIDEND YIELD	0.45 %
FACE VALUE	₹ 2.00

SHARE HOLDING PATTERN:

PROMOTERS	43.05%
FIIS	12.43%
DIIS	16.76%
PUBLIC	27.39%
GOVERNMENT	0.00%
OTHERS :	0.32%
NO.OF SHAREHOLDERS	2,41,375

PEER COMPARISON :**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	2264.25	26.93	151316.85	0.45	31965.48	9.97
2	Bombay Dyeing	166.3		3434.69	0	369.22	1.04
3	Filatex India	58.99	27.73	2618.33	0.25	1082.95	12.73
4	Indo Rama Synth.	44.37		1158.54	0	940.1	3.08
5	Century Enka	436.2	25.79	953.09	2.29	450.57	
6	Vardhman Acrylic	56.85	28.27	456.86	4.4	61.89	18.89
7	Pasupati Acrylon	38.19	31.48	340.4	0	156.06	17.48

KEY POINTS :

- WITH TWO-THIRDS OF THE COMPANY'S WORKFORCE BEING UNDER 35 , HEIR ATTENTION IS CONCENTRATED ON EQUIPING EARLY CAREER EMPLOYEES TO FULFILL THEIR EVOLVING ASPIRANTS ANF 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 FY23 WITNESSED A ROBUST GROWTH OF 29% y-o-y.
- 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 COMITTED TO ACHIEVING SET OBJECTIVES.
- THE UPCOMING YEARS ARE EXPECTED TO SIGNIFY A TRANSFORMATIVE GROETH PHASE FOR THE COMPANY.
- THEY ARE INDEPENDENT INDIA'S FIRST FEW ORGANISATIONS CONTINUING TO CONTRIBUTE TOWARD'S INDIA'S INDUSTRIAL DEVELOPMENT WITH A SENSE OF RESPONSIBILITY FOR 'ATMANIRBHAR BHARAT'.
- THE TRULY DIVERSIFIED NATURE OF GRASIM QUALIFIES IT AS A 'STRONGLOMERATE'.
- GRASIM, THE FLAGSHIP COMPANY OF THE ADITYA BIRLA GROUD (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 EBIDTA.
- 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 2370.35 IF IT BREAKS 2335.81 ON THE UPPER SIDE.
- THE SHARE PRICE CAN GO UPTO 2126.6 IF IT BREAKS 2173 ON THE UPPER SIDE.

PIVOT TABLE :

		SUPPORT				RESISTANCE			
DATE	WEEK CLOSE	S3	S2	S1	PIVOT	R1	R2	R3	PRV CLOSE
18-04-2024	2273.15	2126.58	2173	2207.9833	2254.42	2289.38	2335.82	2370.8	2242.95
16-04-2024	2273.15	2194.43	2208	2222.5833	2235.92	2250.73	2264.07	2278.9	2237.4
15-04-2024	2273.15	2206.17	2215	2234.7667	2244.08	2263.37	2272.68	2292	2254.05
12-04-2024	2254.05	2210.4	2230	2268.1	2287.55	2325.8	2345.25	2383.5	2306.35
10-04-2024	2254.05	2266.92	2279	2290.2667	2302.58	2313.62	2325.93	2337	2301.3
09-04-2024	2254.05	2240.65	2261	2271.05	2291.7	2301.45	2322.1	2331.9	2280.8

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