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Grasim: Investors bet on paints, ignore weakness in core business

Investors and analysts are betting on a fast ramp-up in paints division and its e-commerce venture of selling construction goods

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The company's consolidated net profits (adjusted for exceptional gains & losses) were down 12.4 per cent Year-on-Year to Rs 1546 crore during January-March 2025 quarter (Q4FY25)

The AV Birla group flagship Grasim Industries has been an outperformer on the bourses. The company's stock price is up 56.5 per cent in the last two years, compared to 30.8 per cent rally in the benchmark Nifty 50 during the period. The stock has also outperformed in the recent rally and is up 10.7 per cent since the start of 2025 calendar year, compared to 6.2 per cent rise in the benchmark index in the period. The numbers, however, suggest that the rally has been driven by a valuation rerating of Grasim rather than underlying rise in its earnings. The company's market capitalisation reached a record high of ₹1.84 trillion on Tuesday, while earnings have

declined in recent quarters due to weakness in core business and losses in new ventures.

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