

Ratings Monitor

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

Grasim Industries (GRASIM)

Current Market Price	Fair Value (FV)
Rs.2971	Rs.3355

Date: 21 May 2026

Previous Rating: - **REDUCE**

Current Rating: **ADD**

Change: **Upgrade**

Ratings Rationale

- Q4FY26 standalone EBITDA topped our estimates on performance in core divisions and narrowing paint segment losses.
- CSF (Q4): Revenues were up 13.9% yoy, (+7.4% qoq), supported by higher volumes and improving price trends; EBITDA increased to Rs24/kg (+80% yoy, +13.4% qoq).
- Caustic volumes reached an all-time high, led by stable domestic demand.
- Paints: Management reiterated its guidance of Rs10,000 cr profitable revenue in FY28E.
- We estimate paint segment growth of 50%+ yoy in Q4, with company guidance of double-digit growth and a substantial reduction in losses for FY27.
- We increase standalone FY27/28E EBITDA by 8-10%, led by the CSF division
- We upgrade the stock to ADD (from REDUCE).

(EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization; CSF: Cellulosic Staple Fiber; VFY: Viscose Filament Yarn; SoTP: Sum-of-the-Parts)

Valuation

Our Fair Value is based on SoTP methodology

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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