

Gladiator Stocks

New recommendations

Date	Scrip	I-Direct Code	Buying Range	Target	Stoploss	Upside (%)	Duration
2-Sep-21	Grindwell Norton	GRINOR	1285-1315	1,495.00	1,190.00	15.00	3 Months

Open recommendations

Date	Scrip	Avg Rec Price	Target	Stoploss	CMP	Return till date (%)	Duration
2-Sep-21	Godrej Properties	1,590.00	1,795.00	1,470.00	1,590.00	0%	3 Months
1-Sep-21	PNC Infratech	331.00	385.00	302.00	345.00	4%	3 Months
1-Sep-21	State Bank of India	428.00	483.00	398.00	432.00	1%	3 Months
31-Aug-21	Interglobe Aviation	1,870.00	2,040.00	1,705.00	1,944.00	4%	3 Months
31-Aug-21	Safari Industries	837.00	970.00	745.00	864.00	3%	3 Months

All the recommendations are in Cash segment

Open Recommendations

Momentum Picks

Scrip	Time Frame
Aditya Birla Fashion	7 Days
SBI Card	7 Days
GE Shipping	14 Days

[Click here to know more...](#)

Our Products

September 2, 2021

Research Analysts

Dharmesh Shah
dharmesh.shah@icicisecurities.com

Pabitra Mukherjee
pabitra.mukherjee@icicisecurities.com

Nitin Kunte, CMT
nitin.kunte@icicisecurities.com

Vinayak Parmar
vinayak.parmar@icicisecurities.com

Ninad Tamhanekar, CMT
ninad.tamhanekar@icicisecurities.com

Grindwell Norton (GRINOR): Shallow retracement, higher base at 20 week's EMA augur well for next up move...

Rec. Price

1285-1315

Target

1495

Stop loss

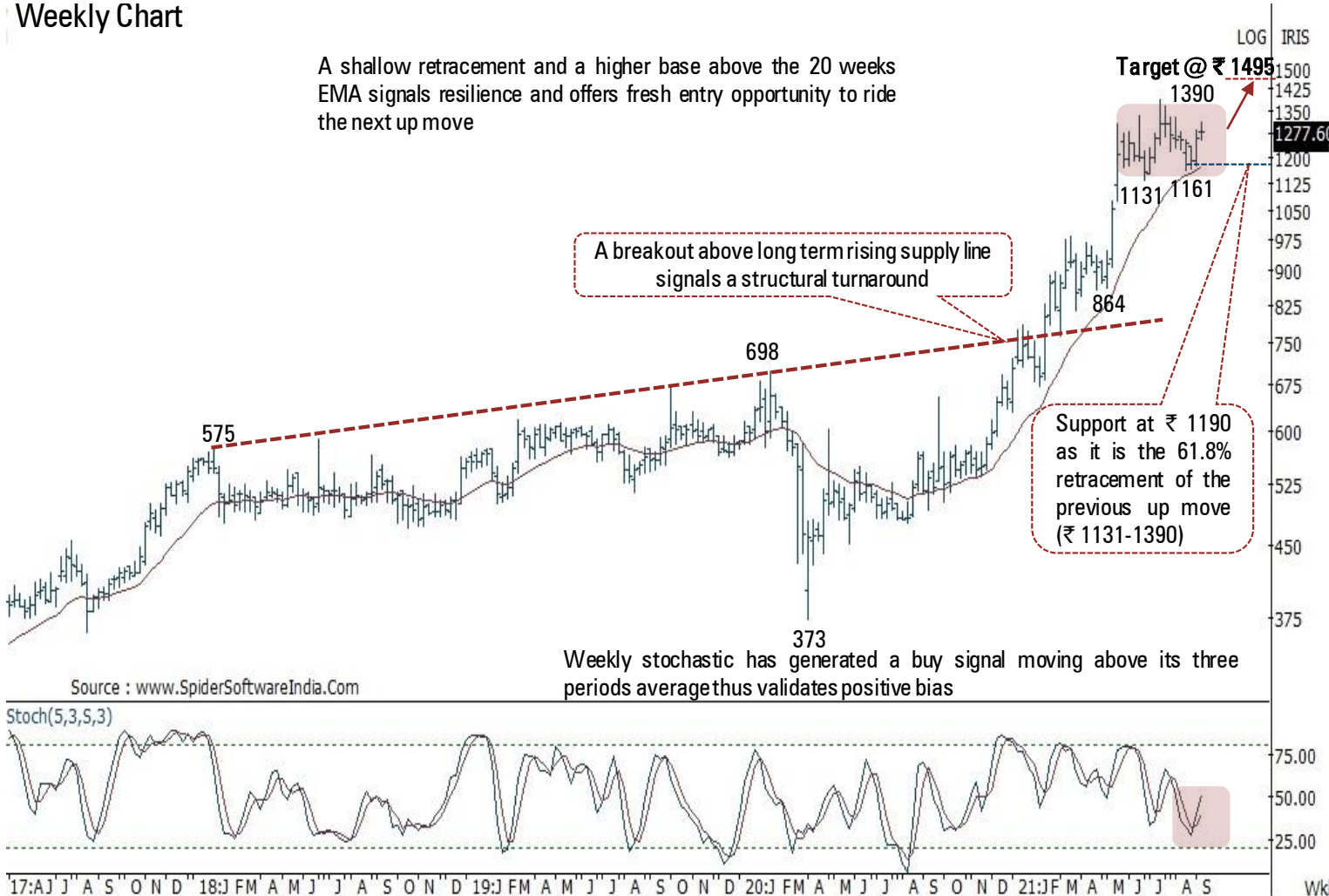
1190

Upside

15%

Weekly Chart

A shallow retracement and a higher base above the 20 weeks EMA signals resilience and offers fresh entry opportunity to ride the next up move



Source: Spider Software,, ICICI Direct Research
September 2, 2021

Recommended on I-click to gain on 02nd September 2021 at 15:19

ICICI Securities Ltd. | Retail Equity Research

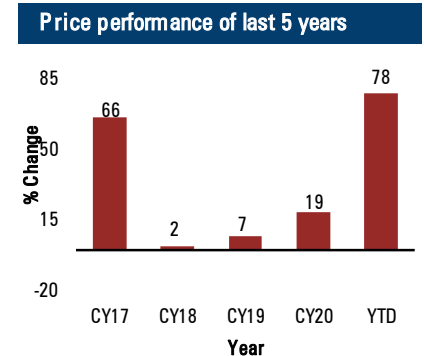
- The capital goods space remained in a strong up trend with the capital goods index at an all-time high and forming higher peak and higher trough in all time frames
- The share price of Grindwell Norton is in secular up trend and is seen resuming its primary up trend after last three months shallow retracement. It is currently rebounding forming a higher base at the 20 weeks EMA (currently at ₹ 1175), which has acted as strong support in the entire up move since September 2020. Thus offers fresh entry opportunity
- We expect the stock to maintain positive bias and head towards ₹ 1495 levels in the coming month as it is the 138.2% external retracement of its recent breather (₹1390-1161)
- The stock earlier during February 2021 has registered a resolute breakout above the long term rising supply line joining the yearly high of CY18 (₹ 575) and CY20 (₹ 698) highlighting a structural turnaround
- The weekly stochastic has recently generated a buy signal thus validates positive bias

- Grindwell Norton (GNL) is the market leader in the India abrasive market with ~26% market share. The segments include abrasives (contributing ~57%), ceramics & plastics (33%) and IT Services & others (10%). Improvement in overall utilisation of the domestic industry along with demand from healthcare and chemicals is likely to support growth
- GNL has been reporting strong numbers from last two quarters. Recently, it reported strong Q1FY22 number across all parameters owing to better demand and favourable product mix with significant improvement on margin front. The management has guided for strong growth prospects in Ceramics & plastics and exports markets leading to overall revenues to double in ~4.0 years indicating better growth momentum. GNL enjoys a strong moat in abrasives segment, commanding ~26% market. It aims to focus on exports of niche high value products in Ceramics & Plastic segment (which contributes ~33% of revenue)
- Margins have significantly improved owing to solutions oriented approach and niche value added product launches in Engineered Ceramics & performance plastics & refractories (eg.in life sciences) segment. Superior margins expected to sustain in the long term led by operational efficiencies and further addition of high margin value added products and solutions oriented approach providing better pricing power and strong incremental growth
- Overall, GNL has registered a strong set of numbers with better product mix and demand led by plastics & Ceramics segment despite pandemic challenges. Going forward, accelerated growth in plastics segment expected to continue owing to niche value added products in life sciences and focus on export of niche high value products. Also, a revival in industrial/automotive, engineering activities would gradually provide further growth opportunities for abrasive, ceramics segments driving the overall performance in long term. We expect revenue, EBITDA to grow at CAGR of 16.7%, 19.2%, respectively, in FY21-23E. High margin value added products and solutions oriented approach to drive margin expansion (from ~16.7% in FY20 to 20.6% in FY23E)

Particulars	
Particular	Amount
Market Capitalization	₹ 14283 Crore
Total Debt (FY21)	₹ 0 Crore
Cash and Inv (FY21)	₹ 651 Crore
EV (FY21)	₹ 13632 Crore
52 week H/L (₹)	1389 / 470
Equity capital (FY20)	₹ 55.4 Crore
Face value (₹)	5.0

Financials			
	FY21	FY22E	FY23E
Revenues	1,627.5	1,875.2	2,211.0
EBITDA	324.1	381.7	460.2
Net Profit	239.3	285.2	349.1
EPS (₹)	21.6	25.8	31.5

Valuation			
	FY21	FY22E	FY23E
P/E	59.7	50.1	40.9
P/BV	10.5	9.3	8.1
RoNW (%)	17.5	18.5	19.7
RoCE (%)	23.1	24.3	26.0



Summary Performance - Recommendations till date

Total Recommendations	672	Open	5
Closed Recommendations	667	Yield on Positive recommendations	17.0%
Positive Recommendations	498	Yield on Negative recommendations	-8.0%
Closed at cost	17		
Strike Rate	77%		

Momentum Picks open recommendations

Date	Scrip Name	Strategy	Recommendations Price	Target	Stoploss	Time Frame
2-Sep-21	Aditya Birla Fashion	Buy	212-216	233.00	206.00	7 Days
31-Aug-21	SBI Card	Buy	1125-1140	1240.00	1080.00	7 Days
31-Aug-21	GE Shipping	Buy	357-365	390.00	335.00	14 Days
30-Aug-21	Gabriel	Buy	138-142	155.00	132.00	14 Days

All recommendations are in cash market

[Back to Top](#)

Price history of past three years

Grindwell Norton (GRINOR)

GRINDWELL [N13560] 1277.60, 1.35%
Price



- It is recommended to enter in a staggered manner within the prescribed range provided in the report
- Once the recommendation is executed, it is advisable to keep strict stop loss as provided in the report on closing basis
- The recommendations are valid for three to six months as specified on first page of report and in case we intend to carry forward the position, it will be communicated through separate mail

Trading portfolio allocation

- It is recommended to spread out the trading corpus in a proportionate manner between the various technical research products
- Please avoid allocating the entire trading corpus to a single stock or a single product segment
- Within each product segment it is advisable to allocate equal amount to each recommendation
- For example: The 'Momentum Picks' product carries 2 intraday recommendations. It is advisable to allocate equal amount to each recommendation

Recommended product wise trading portfolio allocation

Product	Allocations		Number of Calls	Return Objective	Duration
	Product wise allocation	Max allocation In 1 Stock			
Momentum Picks- Intraday	10%	30-50%	2 Stocks	1-2%	Intraday
Momentum Picks- Positional	25%	8-10%	8-10 Per Month	5-8%	14 Days
Gladiator Stocks	35%	10-13%	Opportunity Based	15-20%	6 Months
Yearly Technical	25%	12-15%	7-9 Per Year	20-30%	1 Year
Cash	5%				
	100%				



Pankaj Pandey

Head – Research
ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruiti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

pankaj.pandey@icicisecurities.com

We, I, Dharmesh Shah, Nitin Kunte, Ninad Tamhanekar, Pabitra Mukherjee, Vinayak Parmar Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock broking and distribution of financial products. ICICI Securities Limited is a SEBI registered Research Analyst with SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities generally prohibits its analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, target price of the Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities are engaged in various financial service businesses, they might have financial interests or beneficial ownership in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.