

RALLIS INDIA	
BUY	
CMP	Rs. 313
Target Price	Rs. 367
Time Frame	5-8 months
Risk	Medium
Sector	Agri and agri inputs



Price & Volume Analysis	
% Change from previous Day	-0.65%
% Change from previous Month	11.58%
52 Week High	340
52 Week Low	195
Weekly H/L	325-303
Deliverable	37.58%
Book Value / Share	81.83
EPS	11.76
Market Cap (Rs. CR)	6,092

Incorporated in 1948, Rallis India is a subsidiary of Tata Chemicals and is now having a market cap of Rs 6,136.47 Crore and operates in Pesticides/Agro Chemicals sector. The company has five business segments i.e., Domestic crop protection, Contract manufacturing, Seeds, Plant growth nutrients and Agri services. It is one of leading crop care companies having more than 3500 dealers and 40000 retail counters across the nation covering more than 80% of India's districts. The company's manufacturing units are located in Akola, Ankleshwar, Lote, Dahej. Rallis is closely connected with around 1 million farmers through Rallis Kissan Kutumb programme.

Momentum Analysis	
RSI (14, E9) Monthly	63.61
Smoothed RSI	65.51
Stochastic oscillator monthly (1,3,3)	52.67

The momentum oscillators are in an excellent bullish cycle mode as the Relative Strength Indicator (RSI) is trending north and Stochastic indicators especially on monthly time frames are indicating reverse divergences. Buy signals are generated in weekly charts too. Long remains the play.

Support & Resistance Analysis	
Support 1	287
Support 2	257
Resistance 1	351
Resistance 2	401

Technically, brace yourselves for a higher consolidation breakout on the weekly and monthly time frames on backdrop of recent sequence of higher high/low on the daily charts. The impulse uptrend should easily lift the stock above its all-time-high at 340 mark. Above 340-350 mark, the stock will aim its psychological 400 mark. Positive SAR series too seen on time frames. Establish long positions at CMP and on dips between 287-295 zone, targeting 351 and then aggressive targets placed at 391-401 zone.

Trend Analysis	
Moving Average - 50 Days	278
Moving Average - 200 Days	279
ADX (14d)	40.41
Bollinger Band Weekly	243-313
MACD Weekly	7.7

The uptrend seems quite sustainable as the price is seen comfortably trading above its 50 and 200-day moving average and most importantly has just signaled massive breakout on the daily charts. The general rule is if a stock is trading above its 200-DMA, the trend is largely upward.

CONCLUSION

The biggest positive catalyst in favor of Rallies India is strong demand that's likely to drive volume growth in FY22 on backdrop of normal monsoon prediction. The company is known for its deep understanding of Indian's agriculture, sustained contact with farmers, quality agrochemicals branding and marketing expertise, and its strong product portfolio of comprehensive crop care solutions. The firm expects domestic to export ratio of crop protection segment to be 60:40 in FY25 against 63:37 in FY21. The company reported Rs. 150-160 crore of cash flows in FY21 and expects Rs. 250 crore in FY22. Meanwhile, Rallis had delivered strong Q4FY21 revenues which grew 36% YoY to Rs. 471.3 crore amid 73% growth in international business (52% of revenues in Q4) to Rs. 245 crore led by volume growth. The domestic business grew 11% YoY to Rs. 226 crore. Crop protection business increased 38% to 445 crore and seeds business grew 8% to Rs. 26 crore. EBITDA margins were at 3.8% vs. -2.8% in Q4FY20 mainly due to operational leverage. EBITDA profit was at Rs. 17.7 crore as against EBITDA loss of | 9.8 crore. PAT was at Rs. 8.1 crore against Rs. 0.7 crore.

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Disclosure of interest statement – • Analyst interest of the stock /Instrument(s): - No. • Firm interest of the stock / Instrument (s): - No.