

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range
NIFTY	22957	22710	23251	22342	20985	22791-22221
BANK NIFTY	48972	47551	50451	47828	46019	47999-50075

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
PI INDUSTRIES	3630	3201	3801	3710	3595	Positive	PI Industries Limited (earlier Pesticides India) is a fast growing agri-sciences company with strong presence in both domestic and export market, specializing and manufacturing plant protection & specialty plant nutrient products and solutions under its agri-inputs business. We believe PI Industries is nicely placed due to lower labour and manufacturing costs, strong R&D backup and good relations with global manufacturers/innovators, which would eventually support growth of domestic Contract Research and Manufacturing Services (CRAMS) players. Establishing long positions at CMP and on any corrective declines between 3350-3400 zone should be the preferred trading strategy, targeting 3801/4000 zone and then aggressive targets seen at 4500-4550 zone. Stop below 3201. Holding Period: 9-12 Months.

BUY PI INDUSTRIES at CMP 3630. Target 3801

CMP	3630
Target Price	3801
52 Week H/L	4040/3220
P/E	31.83
EPS (TTM)	114.07
Promoter Holding/DIIs/FIIs	46.09/44.6/20.3
Book Value	572.19
Market Cap (INR)	55,087.33 crores

Incorporated in 1947, **PI Industries Limited (earlier Pesticides India)** is a fast growing agri-sciences company with strong presence in both domestic and export market, specializing and manufacturing plant protection & specialty plant nutrient products and solutions under its agri-inputs business. The company has a strong product portfolio because of exclusive tie-ups with leading agro-chemical, pharmaceutical and fine chemical companies around the World. It is also one of India's leading custom synthesis (CSM) companies engaged in providing contract research and contract manufacturing services to global innovators. The CSM exports business contributes about 80% of the company's revenues which contributes about 80% of the company's revenues.

During Q4 FY24, PI Industries has registered 9% growth in agchem exports mainly driven by volumes and new products. Pharma contributed exports revenue of Rs. 71.5 crore i.e. ~5% of total exports revenue growth.

Meanwhile, domestic revenues were subdued with reduction of ~5% Y-o-Y mainly due to volume drop of

6% driven by delayed and erratic spread of monsoon although favourable product mix and improved working capital management helped in containing the financial impact. Biologicals products' revenue increased by ~35% Y-o-Y.

We believe PI Industries is nicely placed due to lower labour and manufacturing costs, strong R&D backup and good relations with global manufacturers/innovators, which would eventually support growth of domestic Contract Research and Manufacturing Services (CRAMS) players.

The management expects the outlook to remain positive as it targets achieving 18-20% revenue growth with continued improvement in margins and returns going ahead.

The company currently operates three formulation and two manufacturing facilities as well as five multi-product plants across Gujarat and Jammu, and one R&D unit in Rajasthan at Udaipur. PI Industries now commands a market cap of Rs 56,538 Crores.

PI Industries Q4 FY24 Highlights (Consolidated, YoY):

- # Revenue up 11.2% to Rs 1,741 crore versus Rs 1,566 crore.
- # Margin at 25.4% versus 22%.
- # Ebitda up 29% to Rs 442 crore versus Rs 343 crore.
- # Net profit up 31.7% to Rs 370 crore versus Rs 281 crore.

PI Industries Highlights Fy24:

- # Net fixed asset increase by Rs. 790.2 crore -o-Y.
- # Total capex for FY24 is Rs. 1082.3 crore including Pharma acquired assets of Rs 497.2 crore. The capex excluding this addition is Rs. 585.1 crore (FY23 Rs. 338.5 crore).
- # Trade working capital in terms of Days of Sales improved to 59 days as on 31-March-24 vs. 79 days as on 31-March-23.
- # Inventory levels of Rs. 1301.2 crore, reduced in terms of Days of Sales from 79 days as on 31-March-23 to 62 days.
- # Free Cash flow increased 20% to Rs. 1415.2 crore (FY23 Rs. 1175 crore).
- # Surplus cash net of debt is Rs. 3882.5 crore.

The biggest positive catalyst surrounding PI Industries is that the technical landscape has is signaling a massive breakout on the upside in the medium-term charts.

Firstly, the recent sequence of higher high/is intact in daily time frames with bullish a long 13-month consolidation. The momentum oscillators are clearly seen on the buy side signaling further sharp up move — confirmation of the same on any successive close above (4040) April 2024 high. Immediate upside targets above 4024 is at psychological 4500 mark.

The 200-DMA of the stock is around 3594 levels and will act as major support.

Establishing long positions at CMP and on any corrective declines between 3350-3400 zone should be the preferred trading strategy, targeting 3801/4000 zone and then aggressive targets seen at 4500-4550 zone. Stop below 3201. Holding Period: 9-12 Months.

Daily Chart of PI INDUSTRIES :

