

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.



Mehta Equities Ltd

903, 9th Floor, Lodha Supremus, Dr. E. Moses Road,
Adjacent to Konark Empress Building,
Worli Naka, Worli, Mumbai - 400018

info@mehtagroup.in

For Grievances

grievance@mehtagroup.in

T : +91 22 61507101

F : +91 22 61507102

The Forever Young Portfolio is a report containing everything you need to have...a clear, precise and detailed view on a rising stock. This detailed multi-analyzed Macro-technical analysis report is a smart way to get into a winning stock or exit a losing stock.

We comb through a list of prominent stocks and look for return of 10% plus return.

DISCLAIMER: This is solely for information of clients of Mehta Equities Ltd and does not construe to be an investment advice. It is also not intended as an offer or solicitation for the purchase and sale of any financial instruments. Any action taken by you on the basis of the information contained herein is your responsibility alone and Mehta Equities Ltd its subsidiaries or its employees or associates will not be liable in any manner for the consequences of such action taken by you. We have exercised due diligence in checking the correctness and authenticity of the information contained in this recommendation, but Mehta Equities Ltd or any of its subsidiaries or associates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this recommendation or any action taken on basis of this information.

Technical analysis studies market psychology, price patterns and volume levels. It is used to forecast future price and market movements. Technical analysis is complementary to fundamental analysis and news sources. The recommendations issued herewith might be contrary to recommendations issued by Mehta Equities Ltd in the company research undertaken as the recommendations stated in this report is derived purely from technical analysis. Mehta Equities Ltd has based this document on information obtained from sources it believes to be reliable but which it has not independently verified; Mehta Equities Ltd makes no guarantee, representation or warranty and accepts no responsibility or liability as to its accuracy or completeness. The opinions contained within the report are based upon publicly available purposes. The recommendations and suggested price levels are intended purely for trading purposes. The recommendations are valid for the day of the report however trading to information at the time of publication and are subject to change without notice. The information and any disclosures provided herein are in summary form and have been prepared for informational ends and volumes might vary substantially on an intraday basis and the recommendations may be subject to change. The information and any disclosures provided herein may be considered confidential. Any use, distribution, modification, copying, forwarding or disclosure by any person is strictly prohibited. The information and any disclosures provided herein do not constitute a solicitation or offer to purchase or sell any security or other financial product or instrument. The current performance may be unaudited. Past performance does not guarantee future returns. There can be no assurance that investments will achieve any targeted rates of return, and there is no guarantee against the loss of your entire investment.

POTENTIAL CONFLICT OF INTEREST DISCLOSURE (as on date of report)

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

© Copyright 2020. Mehta Group All rights reserved

MEL - SEBI REG. NO. INZ000175334, INH000000552, INP000005971, IN-DP-CDSL-35-99 CIN NO. MEL-U65990MH1994PLC078478
DOWELL - RBI REG. NO. U6599MH1995PTC289390 NBFC REG. NO. B 05.05.05176
MCMPL - CIN NO. U67110MH2007PTC170377