

Rallis India

Performance Highlights

| Y/E March (₹ cr) | 1QFY2017 | 4QFY2016 | % chg (qoq) | 1QFY2016 | % chg (yoy) |
|------------------------|------------|------------|-------------|------------|-------------|
| Net sales | 445 | 342 | 30.1 | 415 | 7.2 |
| Other income | 7 | 15 | (53.1) | 5 | 47.8 |
| Gross profit | 202 | 148 | 36.3 | 186 | 8.5 |
| Operating profit | 70 | 36 | 96.8 | 56 | 24.8 |
| Adj. Net profit | 49 | 32 | 52.7 | 42 | 16.1 |

Source: Company, Angel Research

For 1QFY2017, Rallis India (Rallis) reported a yoy growth of 7.2% in sales to ₹445cr (V/s ₹415cr in 1QFY2016). On the operating front, the gross margin came in at 45.4% (V/s 44.8% in 1QFY2016), which along with sales growth aided the OPM to come in at 15.8% (V/s 13.5% in 1QFY2016). Aided by sales growth, a good operating performance and surge in other income (₹7cr V/s ₹5cr in 1QFY2016), the Adj. Net profit grew 16.1% yoy to ₹49cr (V/s ₹42cr in 1QFY2016). **We maintain our Neutral view on the stock.**

Robust numbers: For 1QFY2017, the company reported a yoy growth of 7.2% in sales to ₹445cr (V/s ₹415cr in 1QFY2016). On the operating front, the gross margin came in at 45.4% (V/s 44.8% in 1QFY2016), which along with sales growth aided the OPM to come in at 15.8% (V/s 13.5% in 1QFY2016). Aided by sales growth, a good operating performance and surge in other income (₹7cr V/s ₹5cr in 1QFY2016), the Adj. Net profit grew 16.1% yoy to ₹49cr (V/s ₹42cr in 1QFY2016). The reported net profit came in at ₹174cr (V/s ₹42cr in 1QFY2016), benefitting from an exceptional income of ₹158cr related to profit on assignment of leasehold rights of a plot of land in MIDC area, Turbhe, Novi Mumbai.

Outlook and valuation: For FY2016-18E, we expect a CAGR of 15.0% and 22.3% in net sales and profit, respectively, with recovery expected in FY2017. At the current levels, the stock is trading at a fair valuation of 19.8x its FY2018E EPS.

Hence, we maintain our Neutral recommendation on the stock.

Key financials (Consolidated)

| Y/E March (₹ cr) | FY2015 | FY2016 | FY2017E | FY2018E |
|------------------------|--------------|--------------|--------------|--------------|
| Net Sales | 1,822 | 1,637 | 1,937 | 2,164 |
| % chg | 4.3 | (10.1) | 18.3 | 11.7 |
| Adj. Net Profit | 157 | 143 | 176 | 214 |
| % chg | 3.5 | (9.0) | 22.8 | 21.9 |
| EBITDA % | 14.2 | 13.3 | 13.3 | 14.3 |
| FDEPS (₹) | 8.1 | 7.4 | 9.0 | 11.0 |
| P/E (x) | 27.0 | 29.7 | 24.2 | 19.8 |
| P/BV (x) | 5.2 | 4.7 | 4.2 | 3.7 |
| RoE (%) | 20.5 | 16.7 | 18.4 | 19.8 |
| RoACE (%) | 24.7 | 19.2 | 20.2 | 22.1 |
| EV/Sales (x) | 2.3 | 2.6 | 2.2 | 1.9 |
| EV/EBITDA (x) | 16.4 | 19.5 | 16.4 | 13.3 |

Source: Company, Angel Research; Note: CMP as of July 25, 2016

NEUTRAL

| | |
|--------------|------|
| CMP | ₹218 |
| Target Price | - |

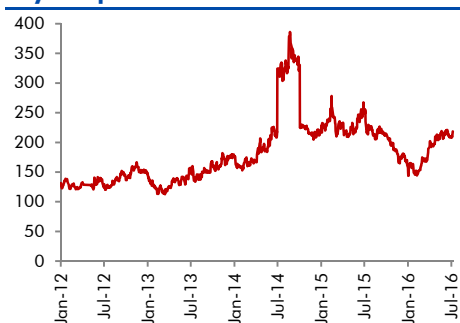
| | |
|-------------------|---|
| Investment Period | - |
|-------------------|---|

| Stock Info | |
|--------------------|--------------|
| Sector | Agrichemical |
| Market Cap (₹ cr) | 4,246 |
| Net debt (₹ cr) | 126 |
| Beta | 0.8 |
| 52 Week High / Low | 240/142 |
| Avg. Daily Volume | 83,801 |
| Face Value (₹) | 1 |
| BSE Sensex | 28,095 |
| Nifty | 8,636 |
| Reuters Code | RALL.BO |
| Bloomberg Code | RALI@IN |

| Shareholding Pattern (%) | |
|--------------------------|------|
| Promoters | 50.1 |
| MF / Banks / Indian Fls | 19.1 |
| FII / NRIs / OCBs | 7.7 |
| Indian Public / Others | 23.1 |

| Abs. (%) | 3m | 1yr | 3yr |
|--------------|------|-------|------|
| Sensex | 9.4 | (0.1) | 39.8 |
| Rallis India | 13.5 | (7.0) | 40.1 |

3-year price chart



Source: Company, Angel Research

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Exhibit 1: 1QFY2017 performance (Consolidated)

| Y/E March (₹ cr) | 1QFY2017 | 4QFY2016 | % chg (QoQ) | 1QFY2016 | % chg (YoY) | FY2016 | FY2015 | % chg |
|-------------------------------|-------------|-------------|---------------|-------------|---------------|--------------|--------------|---------------|
| Net sales | 445 | 342 | 30.1 | 415 | 7.2 | 1,612 | 1,801 | (10.5) |
| Other income | 7 | 15 | (53.1) | 5 | 47.8 | 30 | 25 | 19.9 |
| Total income | 452 | 357 | 26.6 | 420 | 7.6 | 1,642 | 1,826 | (10.1) |
| Gross profit | 202 | 148 | 36.3 | 186 | 8.5 | 773 | 806 | (4.1) |
| Gross margin (%) | 45.4 | 43.3 | | 44.8 | | 48.0 | 44.8 | |
| EBDITA | 70 | 36 | 96.8 | 56 | 24.8 | 214 | 256 | (16.5) |
| EBDITA margin (%) | 15.8 | 10.4 | | 13.5 | | 13.3 | 14.2 | |
| Financial cost | 2 | 3 | (22.5) | 4 | (43.5) | 14 | 10 | 35.5 |
| Depreciation | 12 | 6 | 110.9 | 11 | 8.3 | 45 | 50 | (10.8) |
| PBT | 62 | 42 | 49.4 | 45 | 37.6 | 186 | 221 | (16.0) |
| Provision for taxation | 47 | 10 | 380.2 | 3 | 1473.6 | 39 | 62 | (37.2) |
| PAT Before Exc. And MI | 16 | 32 | (50.7) | 42 | (62.7) | 147 | 160 | (8.3) |
| Minority | 0 | (0) | | 0 | | 4 | 3 | - |
| Exceptional | 158 | 0 | | 0 | | 0 | 0 | |
| Reported PAT | 174 | 32 | 440.2 | 42 | 310.9 | 143 | 157 | (9.0) |
| Adjusted PAT | 49 | 32 | 52.7 | 42 | 16.1 | 143 | 157 | (9.0) |
| EPS (₹) | 2.5 | 1.7 | | 2.2 | | 7.4 | 8.1 | |

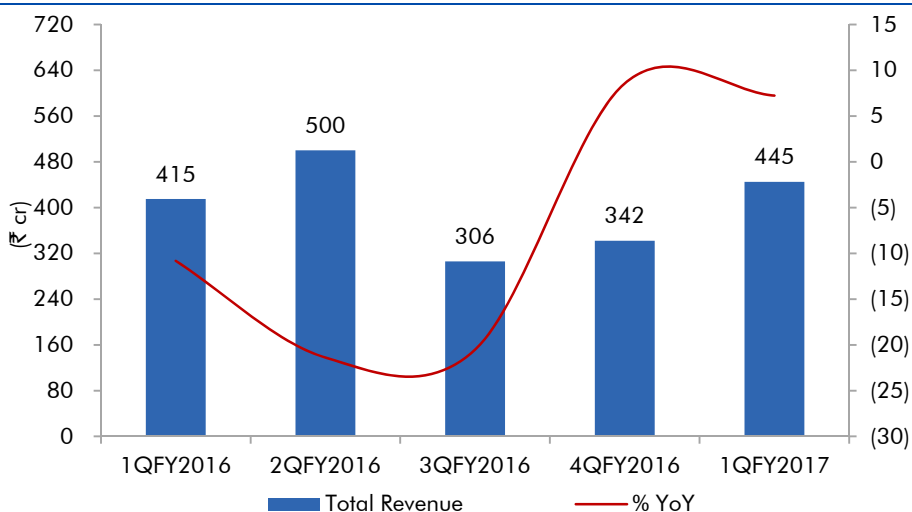
Source: Company, Angel Research

Sales rose by 7.2% yoy

For 1QFY2017, the company's sales rose 7.2% yoy to ₹445cr (V/s ₹415cr in 1QFY2016). The onset of monsoon this year was delayed and the progress in June was sluggish, leaving a monsoon deficit of 11% by the end of the month. A sharp drop in cotton planting further accentuated the concerns for the company. Consequently demand and placement were muted during 1QFY2017 which however have picked up in July. With purchase of agrochemicals shifting to the current quarter, the Management remains confident of robust growth in 2QFY2017.

Metahelix revenues registered a 16% yoy growth to ₹189.7cr, which is soft due to unavailability of seeds. Poor Rabi yields due to lack of ground water resulted in shortage of seeds.

Exhibit 2: Revenue performance

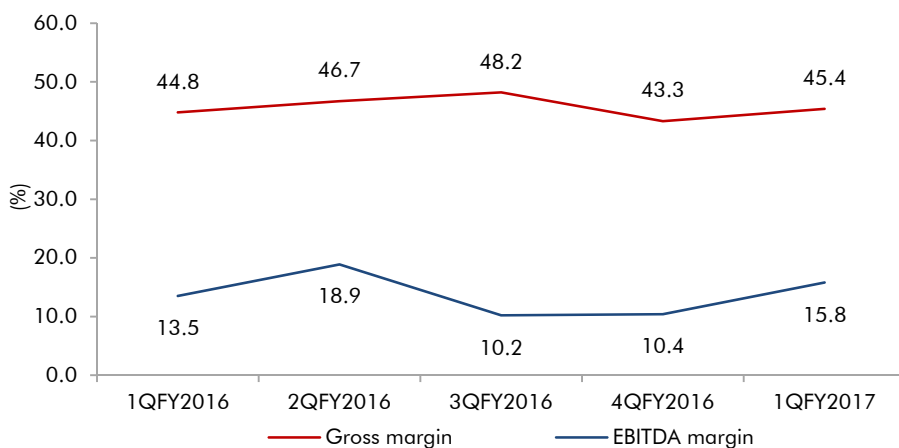


Source: Company, Angel Research

OPM expands yoy

On the operating front, the gross margin came in at 45.4% V/s 44.8% in 1QFY2016, which along with sales growth aided the OPM to come in at 15.8% (V/s 13.5% in 1QFY2016). The gross margin for the quarter expanded by 55bp yoy, while the OPM expanded by 220bp.

Exhibit 3: Margin trend (%)

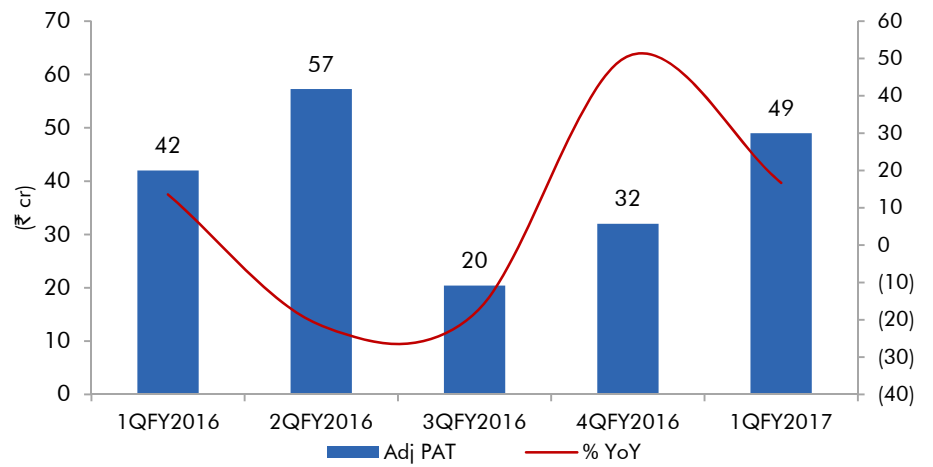


Source: Company, Angel Research

Earnings rise 16.1% yoy on back of exceptional income

Aided by sales growth, a good operating performance and surge in other income (₹7cr V/s ₹5cr in 1QFY2016), the Adj. Net profit grew 16.1% yoy to ₹49cr (V/s ₹42cr in 1QFY2016). The reported net profit came in at ₹174cr (V/s ₹42cr in 1QFY2016), benefitting from an exceptional income of ₹158cr related to profit on assignment of leasehold rights of a plot of land in MIDC area, Turbhe, Novi Mumbai. The profit is net of costs including a premium levied under the repealed Urban Land (Ceiling and Regulation) Act 1976, which has been paid under protest.

Exhibit 4: Adjusted PAT trend



Source: Company, Angel Research

Concall highlights

- The Management has shared a positive outlook for the year on the back of a normal monsoon and pick up in the company's export business.
- The onset of monsoon was delayed and the progress in June was sluggish, leaving an 11% monsoon deficit by the end of the month. Concerns got accentuated by a sharp drop in cotton planting. Consequently, demand and placement were muted during 1QFY2017 which however have picked up in July. With purchase of agrochemicals shifting to the current quarter, the Management remains confident of robust growth in 2QFY2017.

Investment arguments

Company set to seize rising opportunities in the domestic crop protection market: India's overall pesticide consumption is one of the lowest in the world and has a huge potential to grow. We believe Rallis is well placed to seize this opportunity on the back of its wide distribution network, strong brands, and a robust new-product pipeline. According to industry estimates, the unorganized market accounts for 50% of the industry. Nonetheless, we believe Rallis is in a position to wrest market share as well as charge a premium for its products. FY2016 has been challenging on back of poor monsoons but the outlook for FY2017 is favorable and should bode well for domestic sales growth. A lower base would result in 17.3% CAGR in the domestic business during FY2016-18E.

Exports under pressure: Although a late entrant, the company has been enhancing its focus in the exports market, which is now turning out to be its main growth driver. Overall exports formed ~30% of sales in FY2016. In FY2016, the global weakness in the agrochemical industry put pressure on Rallis' exports business where the revenues dropped by 20% yoy to ₹400cr. The company's primary export market is Brazil where a sluggish demand environment, currency volatility and macro headwinds led to deferment/cancellation of many orders. However, export orders saw a revival in 4QFY2016; still the Management remains cautious on recovery in Brazil which could take more than a couple of quarters. This would likely keep the exports business revenues under pressure. Going forward, the segment will continue to post a 7.2% CAGR over FY2016-18E.

Seed business to augment the domestic portfolio: After the acquisition of Metahelix' seeds business in 2010, the seeds business forms a major part of the domestic business of the company. During FY2016, Rallis' seed business under Metahelix reported a decent growth of 8% yoy to ₹334cr (almost 23% of the domestic business) on back of increased market share and despite significant reduction in acreages for some of the key crops such as paddy and corn. The company is also strengthening its cotton portfolio and will be launching a new product to take on the market leaders in this crop. The Management remains confident of Metahelix achieving 12-14% margins in a good monsoon year. During FY2016, the company increased its stake in Metahelix to 100%.

Contract manufacturing ramping up slowly: Rallis plans to focus on contract manufacturing for exports and selectively target top players. To facilitate the same, the company has set up a plant at Dahej, which in FY2013 was working at full capacity and contributed significantly to the overall growth of the company. The

company has bagged two CRAMS projects on a pilot basis during the year. The Management expects to convert these pilot projects into full commercial contracts in FY2017 and expects them to contribute to earnings growth from FY2018-2019. Currently, Rallis has two molecules under CRAMS which are being manufactured at its Dahej facility.

Outlook and valuation

Over FY2016-18E, we expect the company to post a CAGR of 15.0% and 22.3% in net sales and profit, respectively, with recovery expected in FY2017, driven by above normal monsoons. At the current levels, the stock is trading at a fair valuation of 19.8x its FY2018E EPS. **Hence, we maintain our Neutral recommendation on the stock.**

Exhibit 5: Key assumptions

| Particulars (%) | FY2017E | FY2018E |
|-----------------------------|-------------|-------------|
| Domestic growth | 24.0 | 11.0 |
| Export growth | 5.0 | 15.0 |
| Total revenue growth | 18.3 | 11.7 |
| EBITDA margin | 13.3 | 14.3 |
| Capex (₹ cr) | 70 | 70 |

Source: Company, Angel Research

Exhibit 6: Peer valuation

| Company | Reco | Mcap (₹ cr) | CMP (₹) | TP (₹) | Upside (%) | P/E (x) | | EV/Sales (x) | | EV/EBITDA (x) | | RoE (%) | | CAGR (%) | |
|---------|---------|----------------|------------|-----------|---------------|---------|-------|--------------|-------|---------------|-------|---------|-------|----------|------|
| | | | | | | FY17E | FY18E | FY17E | FY18E | FY17E | FY18E | FY17E | FY18E | Sales | PAT |
| Rallis | Neutral | 4,215 | 218 | - | - | 24.2 | 19.8 | 2.2 | 1.9 | 16.4 | 13.3 | 18.4 | 19.8 | 15.0 | 22.3 |
| UPL | Buy | 25,888 | 579 | 684 | 18.1 | 15.9 | 13.3 | 1.7 | 1.4 | 9.1 | 7.6 | 21.4 | 21.2 | 16.0 | 18.9 |

Source: Company, Angel Research, Bloomberg

Company background

Rallis is one of the oldest and second largest pesticide agrichemical companies in the country with a market share of around 13% and belongs to the Tata Group. The company also has a credible presence in the international market. Contribution from the domestic business stands at ~70%, while exports account for the balance.

Profit & loss (Consolidated)

| Y/E March (₹ cr) | FY2013 | FY2014 | FY2015 | FY2016 | FY2017E | FY2018E |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Gross sales | 1,535 | 1,840 | 1,922 | 1,730 | 2,059 | 2,302 |
| Less: Excise duty | 95 | 114 | 121 | 119 | 147 | 164 |
| Net Sales | 1,440 | 1,726 | 1,801 | 1,612 | 1,911 | 2,138 |
| Other operating income | 18 | 21 | 21 | 26 | 26 | 26 |
| Total operating income | 1,458 | 1,747 | 1,822 | 1,637 | 1,937 | 2,164 |
| % chg | 14.4 | 19.8 | 4.3 | (10.1) | 18.3 | 11.7 |
| Total Expenditure | 1,241 | 1,485 | 1,545 | 1,398 | 1,656 | 1,832 |
| Net Raw Materials | 823 | 1,008 | 995 | 839 | 1,110 | 1,242 |
| Other Mfg costs | 304 | 342 | 341 | 404 | 382 | 406 |
| Personnel | 94 | 111 | 129 | 132 | 137 | 154 |
| Other | 20 | 24 | 25 | 22 | 27 | 30 |
| EBITDA | 199 | 240 | 256 | 214 | 255 | 306 |
| % chg | 3.9 | 20.8 | 6.5 | (16.5) | 19.1 | 20.3 |
| (% of Net Sales) | 13.8 | 13.9 | 14.2 | 13.3 | 13.3 | 14.3 |
| Depreciation & Amort. | 32 | 41 | 50 | 45 | 56 | 61 |
| EBIT | 186 | 221 | 228 | 195 | 225 | 271 |
| % chg | (1.5) | 18.9 | 3.1 | (14.3) | 15.1 | 20.8 |
| (% of Net Sales) | 12.9 | 12.8 | 12.6 | 12.1 | 11.8 | 12.7 |
| Interest & other Charges | 21 | 13 | 10 | 14 | 9 | 8 |
| Other Income | 5 | 6 | 4 | 4 | 4 | 4 |
| (% of PBT) | 3 | 3 | 2 | 2 | 2 | 2 |
| Share in profit of Asso. | - | - | - | - | - | - |
| Recurring PBT | 170 | 214 | 222 | 186 | 220 | 268 |
| % chg | (3.5) | 26.3 | 3.4 | (16.2) | 18.2 | 21.9 |
| Extraordinary Exp./ (Inc.) | 3 | - | - | - | - | - |
| PBT (reported) | 172 | 214 | 222 | 186 | 220 | 268 |
| Tax | 53 | 62 | 62 | 39 | 44 | 54 |
| (% of PBT) | 31.0 | 28.8 | 27.9 | 21.0 | 20.0 | 20.0 |
| Minority Interest | (0) | 0.8 | 2.6 | 3.7 | 3.7 | 3.7 |
| PAT (reported) | 119 | 152 | 157 | 143 | 176 | 214 |
| ADJ. PAT | 114 | 152 | 157 | 143 | 176 | 214 |
| % chg | 4.6 | 32.9 | 3.5 | (9.0) | 22.8 | 21.9 |
| (% of Net Sales) | 7.9 | 8.8 | 8.7 | 8.9 | 9.2 | 10.0 |
| Basic EPS (₹) | 5.9 | 7.8 | 8.1 | 7.4 | 9.0 | 11.0 |
| Fully Diluted EPS (₹) | 5.9 | 7.8 | 8.1 | 7.4 | 9.0 | 11.0 |
| % chg | 4.6 | 32.9 | 3.5 | (9.0) | 22.8 | 21.9 |

Balance sheet (Consolidated)

| Y/E March (₹ cr) | FY2013 | FY2014 | FY2015 | FY2016 | FY2017E | FY2018E |
|-----------------------------|------------|------------|------------|--------------|--------------|--------------|
| SOURCES OF FUNDS | | | | | | |
| Equity Share Capital | 19 | 19 | 19 | 19 | 19 | 19 |
| Preference Capital | - | - | - | - | - | - |
| Reserves & Surplus | 601 | 699 | 795 | 880 | 987 | 1,132 |
| Shareholders Funds | 621 | 718 | 815 | 899 | 1,006 | 1,152 |
| Minority Interest | 5 | 10 | 10 | 4 | 4 | 4 |
| Total Loans | 131 | 75 | 111 | 75 | 110 | 50 |
| Other Long Term Liabilities | 6 | 4 | 4 | 4 | 4 | 4 |
| Long Term provisions | 30 | 15 | 19 | 18 | 18 | 18 |
| Deferred Tax Liability | 28 | 32 | 36 | 39 | 39 | 39 |
| Total Liabilities | 821 | 853 | 993 | 1,038 | 1,184 | 1,270 |
| APPLICATION OF FUNDS | | | | | | |
| Gross Block | 581 | 651 | 687 | 764 | 834 | 904 |
| Less: Acc. Depreciation | 195 | 233 | 282 | 327 | 383 | 444 |
| Net Block | 386 | 418 | 405 | 437 | 451 | 460 |
| Capital Work-in-Progress | 35 | 21 | 21 | 21 | 21 | 21 |
| Goodwill | 169 | 186 | 196 | 259 | 259 | 259 |
| Investments | 20 | 25 | 24 | 28 | 28 | 28 |
| Long Term Loans and Adv. | 92 | 98 | 110 | 110 | 109 | 122 |
| Current Assets | 488 | 549 | 680 | 650 | 778 | 895 |
| Cash | 26 | 9 | 7 | 8 | 25 | 53 |
| Loans & Advances | 28 | 40 | 28 | 35 | 69 | 77 |
| Other | 435 | 500 | 645 | 607 | 684 | 765 |
| Current liabilities | 368 | 445 | 443 | 467 | 462 | 517 |
| Net Current Assets | 120 | 104 | 237 | 183 | 316 | 379 |
| Mis. Exp. not written off | - | - | - | - | - | - |
| Total Assets | 821 | 853 | 993 | 1,038 | 1,184 | 1,270 |

Cash flow statement (Consolidated)

| Y/E March (₹ cr) | FY2013 | FY2014 | FY2015 | FY2016 | FY2017E | FY2018E |
|----------------------------------|--------------|--------------|-------------|--------------|-------------|--------------|
| Profit before tax | 172 | 214 | 222 | 186 | 220 | 268 |
| Depreciation | 32 | 41 | 50 | 45 | 56 | 61 |
| (Inc)/Dec in Working Capital | (61) | (7) | (147) | 55 | (115) | (47) |
| Direct taxes paid | (53) | (62) | (62) | (39) | (44) | (54) |
| Cash Flow from Operations | 150 | 186 | 63 | 246 | 117 | 227 |
| (Inc.)/ Dec. in Fixed Assets | (5) | (56) | (36) | (76) | (70) | (70) |
| (Inc.)/ Dec. in Investments | 3 | (5) | 1 | (4) | - | - |
| Inc./ (Dec.) in loans and adv. | | | | | | |
| Cash Flow from Investing | (2) | (61) | (35) | (80) | (70) | (70) |
| Issue of Equity | - | - | - | - | - | - |
| Inc./ (Dec.) in loans | (6) | (73) | 40 | (36) | 35 | (60) |
| Dividend Paid (Incl. Tax) | (50) | (55) | (68) | (68) | (68) | (68) |
| Others | (78) | (14) | (1) | - | - | (1) |
| Cash Flow from Financing | (134) | (142) | (29) | (165) | (29) | (129) |
| Inc./ (Dec.) in Cash | 15 | (17) | (2) | 1 | 17 | 28 |
| Opening Cash balances | 11 | 26 | 9 | 7 | 8 | 25 |
| Closing Cash balances | 26 | 9 | 7 | 8 | 25 | 53 |

Key ratios

| Y/E March | FY2013 | FY2014 | FY2015 | FY2016 | FY2017E | FY2018E |
|---------------------------------|--------|--------|--------|--------|---------|---------|
| Valuation Ratio (x) | | | | | | |
| P/E (on FDEPS) | 37.2 | 28.0 | 27.0 | 29.7 | 24.2 | 19.8 |
| P/CEPS | 28.2 | 22.1 | 20.5 | 22.6 | 18.3 | 15.5 |
| P/BV | 6.8 | 5.9 | 5.2 | 4.7 | 4.2 | 3.7 |
| Dividend yield (%) | 0.9 | 0.9 | 0.9 | 1.4 | 1.8 | 2.3 |
| EV/Sales | 2.9 | 2.4 | 2.3 | 2.6 | 2.2 | 1.9 |
| EV/EBITDA | 21.3 | 17.4 | 16.4 | 19.5 | 16.4 | 13.3 |
| EV / Total Assets | 5.2 | 4.9 | 4.2 | 4.0 | 3.5 | 3.2 |
| Per Share Data (₹) | | | | | | |
| EPS (Basic) | 5.9 | 7.8 | 8.1 | 7.4 | 9.0 | 11.0 |
| EPS (fully diluted) | 5.9 | 7.8 | 8.1 | 7.4 | 9.0 | 11.0 |
| Cash EPS | 7.7 | 9.9 | 10.6 | 9.6 | 11.9 | 14.1 |
| DPS | 2.0 | 2.0 | 2.0 | 3.0 | 4.0 | 5.0 |
| Book Value | 31.9 | 36.9 | 41.9 | 46.2 | 51.7 | 59.2 |
| Dupont Analysis | | | | | | |
| EBIT margin | 12.9 | 12.8 | 12.6 | 12.1 | 11.8 | 12.7 |
| Tax retention ratio | 69.0 | 71.2 | 72.1 | 79.0 | 80.0 | 80.0 |
| Asset turnover (x) | 1.9 | 2.1 | 2.0 | 1.6 | 1.7 | 1.8 |
| ROIC (Post-tax) | 16.6 | 19.0 | 18.0 | 15.4 | 16.4 | 17.9 |
| Cost of Debt (Post Tax) | 10.1 | 8.7 | 7.9 | 11.6 | 8.0 | 8.0 |
| Leverage (x) | 0.2 | 0.2 | 0.2 | 0.2 | 0.1 | 0.1 |
| Operating ROE | 18.0 | 20.6 | 19.6 | 16.1 | 17.3 | 18.7 |
| Returns (%) | | | | | | |
| ROCE (Pre-tax) | 23.8 | 26.4 | 24.7 | 19.2 | 20.2 | 22.1 |
| Angel ROIC (Pre-tax) | 33.7 | 35.9 | 32.4 | 25.7 | 27.6 | 29.9 |
| ROE | 19.5 | 22.7 | 20.5 | 16.7 | 18.4 | 19.8 |
| Turnover ratios (x) | | | | | | |
| Asset Turnover (Gross Block) | 2.6 | 2.8 | 2.7 | 2.3 | 2.4 | 2.5 |
| Inventory / Sales (days) | 67 | 62 | 74 | 89 | 81 | 85 |
| Receivables (days) | 34 | 35 | 37 | 44 | 40 | 42 |
| Payables (days) | 111 | 98 | 105 | 119 | 102 | 98 |
| WC cycle (ex-cash) (days) | 16 | 20 | 33 | 46 | 45 | 53 |
| Solvency ratios (x) | | | | | | |
| Net debt to equity | 0.2 | 0.1 | 0.2 | 0.1 | 0.1 | 0.0 |
| Net debt to EBITDA | 0.7 | 0.3 | 0.5 | 0.4 | 0.4 | 0.1 |
| Interest Coverage (EBIT / Int.) | 9.0 | 17.5 | 22.5 | 14.4 | 24.3 | 33.9 |

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Disclosure of Interest Statement

Rallis India

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|---|----|
| 1. Financial interest of research analyst or Angel or his Associate or his relative | No |
| 2. Ownership of 1% or more of the stock by research analyst or Angel or associates or relatives | No |
| 3. Served as an officer, director or employee of the company covered under Research | No |
| 4. Broking relationship with company covered under Research | No |

Ratings (Based on expected returns over 12 months investment period):

Buy (> 15%)

Accumulate (5% to 15%)
Reduce (-5% to -15%)

Neutral (-5 to 5%)
Sell (< -15)