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STOCKWATCH LOW RISK / HIGH RETURN

RALLIS

Present Price – Rs.1420

Projected Price – Rs.1485(First Target), Rs.1550 (Second Target)

Holding Period – One Month

Rallis India, a Tata Group company, is a leading manufacturer of generic agrochemicals, otherwise known as pesticides, in India. It also sells other farm inputs such as agricultural seeds and plant growth nutrients. Although definitive recent data on the Indian pesticides industry is unavailable, it is generally believed that in the domestic market for branded agrochemicals, Rallis occupies the second position in terms of sales, next only to Bayer CropScience. United Phosphorus (UPL) reports higher sales from the Indian market, but its sales include a substantial amount from pesticide technicals. Hence, in the branded formulations market, Rallis is believed to have higher sales.

Rallis redefined its DNA as a focused agrochemical player with complementary strengths in both manufacturing and distribution. Its business model rests on a strong USP of its 'Farmer Connect' and multiple relationships with global innovators. It has carefully turned around its manufacturing investments into a complementary global outsourcing model to provide predictable business growth.

Rallis' forte is its century old association with the Indian farming community. Focused group discussions and regular interactions with farmers provides indepth market knowledge which it incorporates in its marketing and product avenues. Rallis has adopted a two pronged strategy to grow its domestic business – Product launches through Own (in-house research) and via Strategic

alliances. Performance of new product launches are evaluated through its “Innovation turnover Index” tool - benchmarked at 25% of sales.

Rallis is today one of India’s leading agrochemical companies having a comprehensive portfolio of pesticides and plant nutrients for Indian farmers. With more than 60 brands under its belt - Pesticides accounts for 95% of the total turnover, while seeds and plant nutrients represent the balance. It has not only the largest agrochemicals capacity in the country (10,000Mt of technical grade pesticides and 30,000tpa of formulations) but also a widespread distribution network covering ~80% of India’s districts with more than ~1500 distributors that reach over 30,000 retail counters.

On the technical front, the stock is in a strong uptrend and the current decline gives a fresh buying opportunity.

Note: In case of any problem in receiving NEWSLETTER, kindly contact Mr Devesh Chauhan at 9350171231

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