

PI INDUSTRIES

CSM hits a bump; outlook remains robust

India Equity Research | Midcap Agri

PI Industries (PI) reported a below estimate quarter (Revenue/PAT 14%/24% below estimate) driven by sharp miss in the CSM segment due to deferment of an order. However, domestic segment's growth at 10% surpassed estimate on new product launches. Outlook for this segment has improved even further with more new product launches and management guiding for 18% growth in FY19—among the highest in the industry. However, factoring the lower margin expectation, we prune FY19/20E EPS 5%/8%. While delivery of the positive outlook remains crucial, strong growth outlook on both the segments puts PI in a sweet spot. We value PI at 25.0x FY20E P/E with revised TP of INR954 (INR1,000 earlier). Maintain 'BUY'.

CSM impacted by order deferment; 18-20% FY19 growth guidance

While management had guided for 10% revenue growth in FY18, we had estimated 8% post the Q3FY18 performance, implying 27% YoY growth in Q4FY18. However, the decline in the CSM segment came sharply below estimate due to delay in shipments of ~INR700mn. However, management's outlook for the business still remains positive anchored by enquiries and scale-up in pipeline. Overall, management is guiding for 18-20% growth in this segment, including the order (INR700mn) from Q4FY18.

Domestic business clocks strong performance

Coming off 3% YoY growth in Q3FY18, domestic revenue grew 10%, akin to peers, in Q4FY18. The improvement was also driven by traction in newly launched products—five this year. It is looking at four-five product launches in FY19 as well. While growth has been flat for FY18, management remains confident of 18-20% revenue growth in this segment—among the highest in the domestic agrochemical segment.

Outlook and valuations: Dual segment growth; maintain 'BUY'

Given the deferment in revenue from Q4FY18 to FY19, the growth expectation for CSM has still been kept the same. On the lower FY18 revenue, we have also maintained our 18% revenue expectation. However, management is confident of strong growth in the domestic agrochemical segment riding new product launches and is guiding for industry-leading 18% growth in FY19. Given the traction, we have also adjusted our revenue growth expectation for FY19 higher from 8% to 12%. However, factoring in the lower margin guidance, we cut FY19/20E EPS 8%/5%. We value PI at FY20E target P/E of 25.0x, leading to TP of INR954. We maintain 'BUY'.

| Financials (Standalone) (INR mn) | | | | | | | | |
|---|--------|--------|----------|--------|----------|--------|--------|--------|
| Year to March | Q4FY18 | Q4FY17 | % change | Q3FY18 | % change | FY18* | FY19E* | FY20E* |
| Net rev. | 6,251 | 6,056 | 3.2 | 5,377 | 16.2 | 22,771 | 26,308 | 30,597 |
| EBITDA | 1,347 | 1,537 | (12.3) | 1,048 | 28.6 | 4,934 | 5,857 | 6,917 |
| Adj. PAT | 1,054 | 1,352 | (22.0) | 806 | 30.7 | 3,675 | 4,420 | 5,255 |
| Adj. Dil. EPS (INR) | 7.7 | 9.8 | (22.0) | 5.9 | 30.7 | 26.7 | 32.1 | 38.1 |
| Diluted P/E (x) | | | | | | 30.4 | 25.3 | 21.3 |
| ROAE (%) | | | | | | 20.7 | 20.6 | 20.0 |

* Annual numbers are on consolidated basis

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| EDELWEISS RATINGS | |
|----------------------------|--------|
| Absolute Rating | BUY |
| Investment Characteristics | Growth |

| MARKET DATA (R: PIIL.BO, B: PI IN) | |
|------------------------------------|---------------|
| CMP | : INR 812 |
| Target Price | : INR 954 |
| 52-week range (INR) | : 1,035 / 674 |
| Share in issue (mn) | : 137.9 |
| M cap (INR bn/USD mn) | : 112 / 1,732 |
| Avg. Daily Vol. BSE/NSE ('000) | : 217.6 |

| SHARE HOLDING PATTERN (%) | | | |
|--|---------|--------|--------|
| | Current | Q3FY18 | Q2FY18 |
| Promoters * | 51.4 | 51.4 | 51.5 |
| MF's, FI's & BKs | 19.0 | 19.0 | 16.5 |
| FII's | 14.6 | 14.6 | 16.5 |
| Others | 15.0 | 15.0 | 15.4 |
| * Promoters pledged shares (% of share in issue) | : | NIL | |

| PRICE PERFORMANCE (%) | | | |
|-----------------------|------------------|-------|------------------|
| | BSE Midcap Index | Stock | Stock over Index |
| 1 month | (4.2) | (6.1) | (1.8) |
| 3 months | (3.5) | (6.7) | (3.3) |
| 12 months | 6.3 | (2.4) | (8.7) |

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Q4FY18 conference call: Key highlights

Q4FY18/FY18:

- FY18/Q4FY18 revenue split
 - CSM: INR15.6bn/INR4.4bn
 - Domestic: INR8.2bn/INR1.9bn
- Continued investment in new launches like people and R&D, led to negative operating leverage
- R&D expense has doubled to INR650mn from INR350mn in FY17

Raw material (RM):

- RM supply issues from China remain
- Company had certain RM issues and is planning to backward integrate on certain RM. In the current year, company has developed 6-7 alternative vendors in India for certain RM which were being imported from China.
- Company is creating alternative geographical suppliers for majority of its product line
- 16-17% of total RM is approximately being sourced from China and this proportion used to be more than 30% earlier.
- Currently there is an uptrend in RM prices. This situation ends up coming every alternate year.
- The company does believe that for certain RM's, the higher prices could be the new normal

Domestic:

- Domestic business model is of partnership, which mainly includes import of technical's and may be formulated here
-
- Company's plan to manufacture Bispyribac sodium is on track and it is expecting the necessary approvals to come soon
- Looking at launching 4-5 products in FY19
- Company is looking at 18% growth in FY19E in the domestic segment driven by new products and also on normal monsoon expectations

CSM:

- PI mentioned that the business has been delayed and not lost. The quantum of the business delayed was ~INR700mn.
- Delay in shipment was because of logistic issue at the company's end
- ~70% of revenues come from 30% of molecules
- Company commissioned 4 molecules in FY18 and is looking at 4 more in FY19E
- Looking at CSM opportunities in new segments to pick up in the coming years

- Company is doing 24 products at commercial stage. Order book is important for early stage products and not mature stage molecules which become annuities Products are done
- Fall in Order book to revenue conversion trend:
 - For some products there is much longer visibility/execution timelines
 - Conversion to revenue is also linked to capacity and new build up
- The lifetime of a Molecule is on average 20-30 years
- When incremental investment is huge, company insists for long term contracts for new molecules
- Company is looking at 18-20% growth in FY19E.

Capex/Expansion:

- Looking at commissioning 2 multipurpose plants in Jambusar by December. There are already 3 plants in Jambusar
- Company has done a capex of INR1.7bn in FY18
- Looking at capex of INR2.3-2.5bn in FY19E and FY20E
- For its surplus cash balance, company is looking at M&A opportunities.

Guidance:

- Looking at 18-20% growth in revenues in FY19 and EBITDA margin of ~21%.
- Looking at 20-21% tax rate for FY19 and FY20
- Expect current margin level to sustain due to expansion the company is undertaking

Financial snapshot

(INR mn)

| Year to March | Q4FY18 | Q4FY17 | % change | Q3FY18 | % change | FY18 | FY19E | FY20E |
|-----------------------------|--------|--------|----------|--------|----------|--------|--------|--------|
| Net revenues | 6,251 | 6,056 | 3.2 | 5,377 | 16.2 | 22,771 | 26,308 | 30,597 |
| Raw material | 3,227 | 3,044 | 6.0 | 2,821 | 14.4 | 11,690 | 13,887 | 16,044 |
| Staff costs | 683 | 589 | 15.9 | 513 | 33.3 | 2,432 | 2,531 | 2,939 |
| Other expenses | 994 | 886 | 12.2 | 996 | (0.2) | 3,715 | 4,033 | 4,698 |
| Total expenditure | 4,904 | 4,519 | 8.5 | 4,330 | 13.3 | 17,837 | 20,451 | 23,680 |
| EBITDA | 1,347 | 1,537 | (12.3) | 1,048 | 28.6 | 4,934 | 5,857 | 6,917 |
| Depreciation | 212 | 185 | 14.6 | 211 | 0.4 | 830 | 883 | 1,003 |
| EBIT | 1,135 | 1,351 | (16.0) | 836 | 35.7 | 4,104 | 4,974 | 5,914 |
| Other income | 191 | (21) | NM | 161 | 18.5 | 603 | 722 | 830 |
| Interest | 18 | 31 | (40.8) | 14 | 30.5 | 53 | 23 | - |
| Add: Prior period items | | | | | | | | |
| Add: Exceptional items | | | | | | | | |
| Profit before tax | 1,307 | 1,299 | 0.6 | 983 | 32.9 | 4,653 | 5,674 | 6,745 |
| Provision for taxes | 253 | (53) | NM | 177 | 43.1 | 979 | 1,254 | 1,489 |
| Minority interest | | | | | | | | |
| Associate profit share | | | | | | | | |
| Profit- Discontinued Ops | | | | | | | | |
| Reported net profit | 1,054 | 1,352 | (22.0) | 806 | 30.7 | 3,675 | 4,420 | 5,255 |
| Adjusted Profit | 1,054 | 1,352 | (22.0) | 806 | 30.7 | 3,675 | 4,420 | 5,255 |
| Equity capital(FV INR 5) | 138 | 138 | | 138 | | 138 | 138 | 138 |
| Diluted shares (mn) | 138 | 138 | | 138 | | 138 | 138 | 138 |
| Adjusted Diluted EPS | 7.7 | 9.8 | (22.0) | 5.9 | 30.7 | 26.7 | 32.1 | 38.1 |
| Diluted P/E (x) | - | - | | - | | 30.4 | 25.3 | 21.3 |
| EV/EBITDA (x) | - | - | | - | | 22.2 | 17.8 | 14.6 |
| ROAE (%) | - | - | | - | | 20.7 | 20.6 | 20.0 |
| As % of net revenues | | | | | | | | |
| Raw material | 51.6 | 50.3 | | 52.5 | | 51.3 | 52.8 | 52.4 |
| Employee cost | 10.9 | 9.7 | | 9.5 | | 10.7 | 9.6 | 9.6 |
| Other expenses | 15.9 | 14.6 | | 18.5 | | 16.3 | 15.3 | 15.4 |
| EBITDA | 21.5 | 25.4 | | 19.5 | | 21.7 | 22.3 | 22.6 |
| Reported net profit | 16.9 | 22.3 | | 15.0 | | 16.1 | 16.8 | 17.2 |

Change in Estimates

| | FY19E | | | FY20E | | | Comments |
|-------------------|--------|--------|----------|--------|--------|----------|--|
| | New | Old | % change | New | Old | % change | |
| Net Revenue | 26,308 | 27,188 | (3.2) | 30,597 | 31,169 | (1.8) | |
| EBITDA | 5,857 | 6,539 | (10.4) | 6,917 | 7,507 | (7.9) | Lower margin guidance due to higher investments in CSM |
| EBITDA Margin | 22.3 | 24.0 | | 22.6 | 24.1 | | |
| Adjusted PAT | 4,420 | 4,786 | (7.7) | 5,255 | 5,508 | (4.6) | |
| Net Profit Margin | 16.8 | 17.6 | | 17.2 | 17.7 | | |
| Capex | 2,000 | 2,000 | 0.0 | 2,000 | 2,000 | 0.0 | |

Company Description

Incorporated in 1947, PI Industries (erstwhile Pesticides India) focuses on agri-Input, custom synthesis and polymer compounding with strength of over 1,100 employees. PI 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 is one of India's leading players in the agri-input industry, primarily dealing in agro-chemicals, specialty fertilisers, plant nutrients and seeds. The company has exclusive rights with several global corporations for distribution in India, and is constantly evaluating prospects to further expand its product portfolio.

The fine chemicals business unit of PI focuses on custom synthesis which entails dealing in custom synthesis and contract manufacturing of chemicals including commercial evaluation of chemical processes, process development, lab and pilot scale up as well as commercial production. The company has a strong product portfolio as a result of exclusive tie-ups with leading agro-chemical, pharmaceutical and fine chemical companies around the world.

Investment Theme

PI is expected to deliver strong revenue and profit CAGR of 11.5% and 20.3%, respectively along-with robust ROEs of 22.4% over FY16-19E. It is a preferred partner for global MNCs for custom synthesis on account of its competencies in process research and manufacturing, coupled with its non-compete and IP driven business model. PI has built up a strong order book of USD1bn to be executed within the next 3-4 years and incurred capex of ~INR1.8bn in Jambusar plant. EBITDA margin of the company is likely to expand owing to improving product mix, higher operating leverage and sale of the low margin polymer business.

Key Risks

Any execution delay in setting up new capacities would impact the Any execution delay in setting up new capacities would impact the growth in the custom synthesis business.

Indian agriculture is largely dependent on monsoon hence poor monsoon could be a demand dampener for the agri-input division.

On account of very low liquidity in the stock, it might act very volatile.

USD/INR volatility may impact export revenues as well as margins.

Financial Statements

Key Assumptions

| Year to March | FY17 | FY18 | FY19E | FY20E |
|--------------------------|-------|---------|---------|----------|
| Macro | | | | |
| GDP(Y-o-Y %) | 6.6 | 6.5 | 7.1 | 7.6 |
| Inflation (Avg) | 4.5 | 3.6 | 4.5 | 5.0 |
| Repo rate (exit rate) | 6.3 | 6.0 | 6.0 | 6.5 |
| USD/INR (Avg) | 67.1 | 64.5 | 66.0 | 66.0 |
| Company | | | | |
| Raw Material (% net rev) | 51.1 | 51.3 | 52.8 | 52.4 |
| Other exp (% net rev) | 14.8 | 16.3 | 15.3 | 15.4 |
| Capex (INR mn) | 1,418 | 1,483 | 2,000 | 2,000 |
| Net borrowings (INR mn) | (952) | (2,439) | (7,847) | (10,962) |
| Employee cost (% of rev) | 9.8 | 10.7 | 9.6 | 9.6 |
| Cash conversion cycle | 93 | 112 | 90 | 79 |
| Agri prod rev gwth (%) | 9.0 | (5.0) | 12.0 | 12.0 |
| Custom synth rev gwth(%) | 13.0 | 3.0 | 18.0 | 16.0 |
| Tax rate as % of PBT | 9.8 | 21.0 | 22.1 | 22.1 |
| Debtor days | 66 | 76 | 69 | 60 |
| Inventory days | 130 | 138 | 122 | 117 |
| Payable days | 103 | 102 | 101 | 98 |
| Interest Exp (% of Debt) | - | 1.0 | 1.0 | 1.0 |
| Dep. (% gross block) | 6.3 | 6.4 | 6.0 | 6.0 |

Income statement

(INR mn)

| Year to March | FY17 | FY18 | FY19E | FY20E |
|--------------------------|--------|--------|--------|--------|
| Net revenue | 22,768 | 22,771 | 26,308 | 30,597 |
| Materials costs | 11,632 | 11,690 | 13,887 | 16,044 |
| Gross profit | 11,137 | 11,081 | 12,422 | 14,553 |
| Employee costs | 2,226 | 2,432 | 2,531 | 2,939 |
| Other Expenses | 3,378 | 3,715 | 4,033 | 4,698 |
| EBITDA | 5,533 | 4,934 | 5,857 | 6,917 |
| Depreciation | 730 | 830 | 883 | 1,003 |
| EBIT | 4,802 | 4,104 | 4,974 | 5,914 |
| Add: Other income | 366.15 | 602.5 | 722.46 | 830.42 |
| Less: Interest Expense | 72 | 53 | 23 | - |
| Profit Before Tax | 5,096 | 4,653 | 5,674 | 6,745 |
| Less: Provision for Tax | 501 | 979 | 1,254 | 1,489 |
| Reported Profit | 4,595 | 3,675 | 4,420 | 5,255 |
| Adjusted Profit | 4,595 | 3,675 | 4,420 | 5,255 |
| Shares o /s (mn) | 138 | 138 | 138 | 138 |
| Adjusted Basic EPS | 33.4 | 26.7 | 32.1 | 38.1 |
| Diluted shares o/s (mn) | 138 | 138 | 138 | 138 |
| Adjusted Diluted EPS | 33.4 | 26.7 | 32.1 | 38.1 |
| Adjusted Cash EPS | 34.8 | 32.5 | 38.5 | 45.4 |
| Dividend per share (DPS) | 4.0 | 4.0 | 4.5 | 5.0 |
| Dividend Payout Ratio(%) | 12.0 | 15.0 | 14.0 | 14.0 |

Common size metrics

| Year to March | FY17 | FY18 | FY19E | FY20E |
|--------------------|------|------|-------|-------|
| Cost of goods sold | 48.9 | 48.7 | 47.2 | 47.6 |
| EBITDA margins | 24.3 | 21.7 | 22.3 | 22.6 |
| EBIT margins | 21.1 | 18.0 | 18.9 | 19.3 |
| Net Profit margins | 20.2 | 16.1 | 16.8 | 17.2 |

Growth ratios (%)

| Year to March | FY17 | FY18 | FY19E | FY20E |
|-----------------|------|--------|-------|-------|
| Revenues | 8.6 | - | 15.5 | 16.3 |
| EBITDA | 28.3 | (10.8) | 18.7 | 18.1 |
| PBT | 26.5 | (8.7) | 21.9 | 18.9 |
| Adjusted Profit | 52.0 | (20.0) | 20.3 | 18.9 |
| EPS | 51.5 | (20.0) | 20.3 | 18.9 |

| Balance sheet | | (INR mn) | | | |
|--------------------------|---------------|---------------|---------------|---------------|--|
| As on 31st March | FY17 | FY18 | FY19E | FY20E | |
| Share capital | 138 | 138 | 138 | 138 | |
| Reserves & Surplus | 16,134 | 19,111 | 23,536 | 28,797 | |
| Shareholders' funds | 16,272 | 19,248 | 23,674 | 28,935 | |
| Short term borrowings | 369 | - | - | - | |
| Long term borrowings | 830 | 463 | - | - | |
| Total Borrowings | 1,198 | 463 | - | - | |
| Long Term Liabilities | 399 | 233 | 233 | 233 | |
| Def. Tax Liability (net) | (198) | (267) | (535) | (802) | |
| Sources of funds | 17,671 | 19,677 | 23,372 | 28,366 | |
| Gross Block | 12,340 | 13,700 | 15,700 | 17,700 | |
| Net Block | 9,375 | 9,906 | 11,023 | 12,020 | |
| Intangible Assets | 264 | 279 | 279 | 279 | |
| CWIP (incl. intangible) | 584 | 691 | 691 | 691 | |
| Total net fixed assets | 10,222 | 10,876 | 11,993 | 12,990 | |
| Non current investments | 9 | 12 | 12 | 12 | |
| Cash and Equivalents | 2,151 | 2,902 | 7,847 | 10,962 | |
| Inventories | 4,319 | 4,520 | 4,756 | 5,494 | |
| Sundry Debtors | 4,237 | 5,268 | 4,685 | 5,449 | |
| Loans & Advances | 171 | 75 | 75 | 75 | |
| Other Current Assets | 1,706 | 2,345 | 2,935 | 3,414 | |
| Current Assets (ex cash) | 10,433 | 12,207 | 12,451 | 14,432 | |
| Trade payable | 2,878 | 3,687 | 3,995 | 4,615 | |
| Other Current Liab | 2,267 | 2,633 | 2,849 | 2,849 | |
| Total Current Liab | 5,145 | 6,320 | 6,844 | 7,464 | |
| Net Curr Assets-ex cash | 5,289 | 5,887 | 5,607 | 6,967 | |
| Uses of funds | 17,671 | 19,677 | 23,372 | 28,366 | |
| BVPS (INR) | 118.1 | 139.7 | 171.8 | 210.0 | |

| Free cash flow | | (INR mn) | | | |
|-----------------------|--------------|--------------|--------------|--------------|--|
| Year to March | FY17 | FY18 | FY19E | FY20E | |
| Reported Profit | 4,594 | 3,676 | 4,420 | 5,255 | |
| Add: Depreciation | 730 | 830 | 883 | 1,003 | |
| Interest (Net of Tax) | 48 | 36 | 16 | - | |
| Others | (750) | (1,948) | (715) | (830) | |
| Less: Changes in WC | 1,234 | (40) | (871) | 882 | |
| Operating cash flow | 3,388 | 2,634 | 5,475 | 4,546 | |
| Less: Capex | 1,418 | 1,483 | 2,000 | 2,000 | |
| Free Cash Flow | 1,970 | 1,151 | 3,475 | 2,546 | |

Peer comparison valuation

| Name | Market cap (USD mn) | Diluted P/E (X) | | EV / EBITDA (X) | | ROAE (%) | |
|-------------------|------------------------|-----------------|-------|-----------------|-------|----------|-------|
| | | FY18E | FY19E | FY18E | FY19E | FY18E | FY19E |
| PI Industries | 1,761 | 28.2 | 23.6 | 20.0 | 16.3 | 22.4 | 22.1 |
| Bayer Cropscience | 2,524 | 30.6 | 25.0 | 20.1 | 16.0 | 21.2 | 21.8 |
| Dhanuka Agritech | 501 | 25.2 | 21.7 | 16.8 | 13.6 | 22.9 | 23.0 |
| Rallis India | 685 | 24.1 | 19.5 | 14.9 | 12.2 | 15.7 | 17.5 |
| UPL | 5,539 | 18.4 | 15.2 | 11.5 | 9.3 | 23.7 | 23.8 |
| Median | - | 25.2 | 21.7 | 16.8 | 13.6 | 22.4 | 22.1 |
| AVERAGE | - | 25.3 | 21.0 | 16.7 | 13.5 | 21.2 | 21.6 |

Source: Edelweiss research

| Cash flow metrics | | FY17 | FY18 | FY19E | FY20E |
|---------------------|--|---------|---------|---------|---------|
| Year to March | | | | | |
| Operating cash flow | | 3,388 | 2,634 | 5,475 | 4,546 |
| Investing cash flow | | (2,351) | 813 | (1,277) | (1,170) |
| Financing cash flow | | (534) | (1,488) | (748) | (262) |
| Net cash Flow | | 503 | 1,958 | 3,449 | 3,114 |
| Capex | | (1,418) | (1,483) | (2,000) | (2,000) |
| Dividend paid | | (593) | (551) | (620) | (689) |

Profitability and efficiency ratios

| Year to March | FY17 | FY18 | FY19E | FY20E |
|-------------------------|-------|-------|-------|-------|
| ROAE (%) | 32.8 | 20.7 | 20.6 | 20.0 |
| ROACE (%) | 33.7 | 25.3 | 26.3 | 25.6 |
| Debtors Days | 66 | 76 | 69 | 60 |
| Payable Days | 103 | 102 | 101 | 98 |
| Cash Conversion Cycle | 93 | 112 | 90 | 79 |
| Current Ratio | 2.4 | 2.4 | 3.0 | 3.4 |
| Debt/EBITDA (x) | 0.2 | 0.1 | - | - |
| Debt/Equity (x) | 0.1 | - | - | - |
| Adjusted Debt/Equity | 0.1 | - | - | - |
| Net Debt/Equity | (0.1) | (0.1) | (0.3) | (0.4) |
| Interest Coverage Ratio | 66.6 | 77.1 | 214.7 | - |

Operating ratios

| Year to March | FY17 | FY18 | FY19E | FY20E |
|----------------------|------|------|-------|-------|
| Total Asset Turnover | 1.4 | 1.2 | 1.2 | 1.2 |
| Fixed Asset Turnover | 2.5 | 2.3 | 2.4 | 2.6 |
| Equity Turnover | 1.6 | 1.3 | 1.2 | 1.2 |

Valuation parameters

| Year to March | FY17 | FY18 | FY19E | FY20E |
|-------------------------|------|--------|-------|-------|
| Adj. Diluted EPS (INR) | 33.4 | 26.7 | 32.1 | 38.1 |
| Y-o-Y growth (%) | 51.5 | (20.0) | 20.3 | 18.9 |
| Adjusted Cash EPS (INR) | 34.8 | 32.5 | 38.5 | 45.4 |
| Diluted P/E (x) | 24.4 | 30.5 | 25.3 | 21.3 |
| P/B (x) | 6.9 | 5.8 | 4.7 | 3.9 |
| EV / Sales (x) | 4.9 | 4.8 | 4.0 | 3.3 |
| EV / EBITDA (x) | 20.1 | 22.2 | 17.8 | 14.6 |
| Dividend Yield (%) | 0.5 | 0.5 | 0.6 | 0.6 |

Additional Data

Directors Data

| | | | |
|-------------------------|---|----------------------|---|
| Mr. Narayan K. Seshadri | Independent Non-Executive Chairman | Mr. Mayank Singhal | Managing Director and CEO |
| Mr. Rajnish Sarna | Executive Director | Mr. Arvind Singhal | Additional Director, Non Independent - Non Executiv |
| Mr. Ravi Narain | Independent Non-Executive Director | Mrs. Ramni Nirula | Independent Non-Executive Director |
| Dr T.S. Balganes | Additional Director, Independent Non-Executive Director | Mr. Pravin K. Laheri | Independent Non-Executive Director |

Auditors - B.D. Gargeiya & Co, S.S. Kothari Mehta & Co.

**as per last available data*

Holding – Top10

| | Perc. Holding | | Perc. Holding |
|----------------------|---------------|----------------------|---------------|
| Singhal mayank | 23.22 | Singhal madhu | 15.63 |
| Singhal pooja | 6.28 | Singhal pooja | 6.28 |
| Singhal salil | 6.2 | Icici prudential ass | 5.6 |
| Jackson national ass | 5.12 | Microsoft corp savin | 3.95 |
| Cartica capital ltd | 3.5 | Sbi funds management | 3.41 |

**as per last available data*

Bulk Deals

| Data | Acquired / Seller | B/S | Qty Traded | Price |
|-------------|---------------------|------|------------|--------|
| 30 Oct 2017 | Cartica Capital Ltd | Sell | 4425137 | 775.02 |

**as per last available data*

Insider Trades

| Reporting Data | Acquired / Seller | B/S | Qty Traded |
|----------------|------------------------|------|------------|
| 01 Sep 2017 | Mr. Narayan K Seshadri | Sell | 215000.00 |
| 05 Jun 2017 | Mr. Narayan K Seshadri | Sell | 25000.00 |

**as per last available data*

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Coverage group(s) of stocks by primary analyst(s): Midcap Agri

Bayer Cropscience, Dhanuka Agritech, Jain Irrigation, PI Industries, Rallis India, Sharda Cropchem, UPL

Recent Research

| Date | Company | Title | Price (INR) | Recos |
|-----------|---------------------|---|-------------|-------|
| 30-Apr-18 | Rallis India | Growth takes a beating; margin in contraction zone; <i>Result Update</i> | 220 | Hold |
| 30-Apr-18 | UPL | Stable quarter but guidance lowered; <i>Result Update</i> | 730 | Buy |
| 04-Apr-18 | Agri Inputs | New NBS subsidy rates favourable for the sector; | | |

Distribution of Ratings / Market Cap

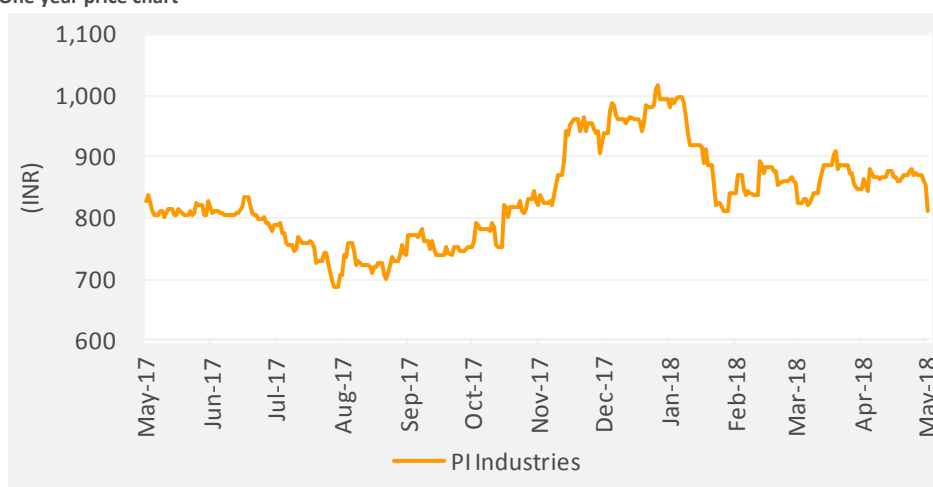
Edelweiss Research Coverage Universe

| | Buy | Hold | Reduce | Total |
|------------------------|--------|------------------------|--------|-------|
| Rating Distribution* | 161 | 67 | 11 | 240 |
| * 1stocks under review | | | | |
| | > 50bn | Between 10bn and 50 bn | < 10bn | |
| Market Cap (INR) | 156 | 62 | 11 | |

Rating Interpretation

| Rating | Expected to |
|---------------|---|
| Buy | appreciate more than 15% over a 12-month period |
| Hold | appreciate up to 15% over a 12-month period |
| Reduce | depreciate more than 5% over a 12-month period |

One year price chart



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