

Healthy performance driven by broad based volume growth

**CMP: INR 261**

**Target Price: INR 370**

**Rating: BUY**

**Stock Info**

BSE	500355
NSE	RALLIS
Bloomberg	RALLIS:IN
Reuters	RALLIS.BO
Sector	Agrochemicals
Face Value (INR)	1
Equity Capital (INR Mn)	190
Mkt Cap (INR Mn)	50,902
52w H/L (INR)	386 / 216
Avg. Yearly Volume (in 000')	970.215

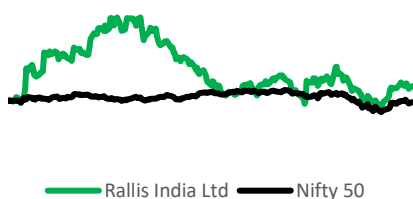
**Shareholding Pattern %**

(As on March, 2026)

Promoters	55.08
DIIs	11.32
FIIIs	11.55
Others	22.05

Stock Performance (%)	1M	6M	1Y
Rallis India	19.71	-0.30	11.09
Nifty 50	7.89	-7.11	-0.97

**Rallis India Vs Nifty**



28-Apr-25  
28-May-25  
28-Jun-25  
28-Jul-25  
28-Aug-25  
28-Sep-25  
28-Oct-25  
28-Nov-25  
28-Dec-25  
28-Jan-26  
28-Feb-26  
31-Mar-26

Abhishek Jain  
[abhishek.jain@arihantcapital.com](mailto:abhishek.jain@arihantcapital.com)

Ayush Chaturvedi  
[ayush.chaturvedi@arihantcapital.com](mailto:ayush.chaturvedi@arihantcapital.com)

Rallis India posted resilient FY26 results with revenue up 9% YoY to INR 2,897 mn and record EBITDA of INR 362 mn (+26% YoY), fueled by broad volume growth, 11 Crop Care launches (7 herbicides/2 fungicides/2 insecticides), and digital B2C traction despite adverse weather/low pest pressure. FY27 outlook remains resilient through Kharif volumes/pricing pass-through amid war-induced inflation, stable acreages despite 90% LPA monsoon/El Niño risks. We remain positive about the volume driven growth despite tepid industry scenario and maintain “BUY” rating with a revised target price of INR 370 as we roll forward to FY28 EPS with an unchanged target multiple of 25x.

**Volume-Led Revenue Resilience:** Rallis India achieved FY26 revenue growth of 9% YoY to INR 2,897 mn, with Q4 up 6% to INR 456 mn, driven by 5% overall volume expansion and modest 1% pricing amid headwinds from adverse weather, subdued pest pressure, and rabi crop damage. Crop Care rose 8% to INR 2,416 mn (Domestic B2C +5% to INR 1,657 mn on Q4 14% volume surge led by insecticides, digital campaigns, and 11 new launches, SPH remained robust on biofertilizers; B2B +14% to INR 759 mn), while Seeds grew 15% to INR 481 mn (Q4 +23% via 8% volumes/15% pricing in cotton/millet). Management outlook remains upbeat for resilient Kharif FY27 topline via RM cost pass-through amid war-driven inflation, stable acreages despite ~90% LPA monsoon forecasts and El Niño risks.

**EBITDA Expansion Amid :** FY26 EBITDA reached a record INR 362 mn (+26% YoY), with Q4 loss narrowing to -INR 1 mn (+96% YoY) from -INR 19 mn, driven by volume leverage and cost optimisation despite inventory liquidation of low-margin SKUs (e.g., chlorpyrifos/benzila). PAT surged 47% YoY to INR 184 mn (Q4 -INR 15 mn, +52% YoY), aided by INR 3 mn land sale gain. Segmentally, Crop Care EBITDA expanded 17% to INR 292 mn (Q4 +231%), Seeds +87% to INR 69 mn, and B2B margins firmed on export/CSM pricing. Outlook signals stable-to-soft FY27 margins, offset by pricing discipline akin to FY24 post-inventory normalisation.

**Outlook & Valuations:** Rallis India's FY27 outlook remains resilient, with Kharif volumes and pricing pass-through expected to offset war-driven RM inflation and ~90% LPA monsoon risks (El Niño deficits in north/central India), supported by stable acreages, MSP hikes for cotton/soy/pulses/millet, and 54% reservoir levels. Management anticipates stable 3-4% CAGR growth in agriculture sector, favouring integrated players via digital demand creation and 5-crop focus in seeds segment. seeds structural 5-10% CAGR outlook intact despite potential down-trading amid near term agronomical challenges. Near-term B2B exports/CSM expected to benefit from broadened registrations amid China disruptions **We roll forward our EPS to FY28 and maintain a “BUY” rating with a target price of INR 370.**

**Financial Snapshot:**

Particulars (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenues	2,648	2,663	2,897	3,245	3,731
EBITDA	311	286	361	407	498
PAT	148	125	184	231	287
EPS	7.60	6.43	9.46	11.86	14.78
EBIDTA Margin	11.75%	10.74%	12.46%	12.54%	13.34%
ROCE	10.77%	8.72%	11.90%	12.80%	14.62%

Source: Company, Arihant Research

## Quarterly Result

Particulars (INR Mn)	Q4FY26	Q3FY26	Q4FY25	YoY	QoQ
<b>Revenue from operations</b>	<b>4,560</b>	<b>6,230</b>	<b>4,300</b>	<b>6.0%</b>	<b>-26.8%</b>
Cost of material consumed	3,420	3,230	2,640	29.5%	5.9%
Purchase of stock-in-trade	600	270	530	13.2%	122.2%
Changes in inventories	-1,440	120	-580	148.3%	-1300.0%
<b>Gross Profit</b>	<b>1,980</b>	<b>2,610</b>	<b>1,710</b>	<b>15.8%</b>	<b>-24.1%</b>
<i>Gross Profit Margin</i>	43.4%	41.9%	39.8%	365bps	153bps
Employee Cost	720	700	680	5.9%	2.9%
Other Expenses	1,270	1,330	1,230	3.3%	-4.5%
<b>EBITDA</b>	<b>-10</b>	<b>580</b>	<b>-200</b>	<b>-95.0%</b>	<b>-101.7%</b>
<i>EBITDA Margin</i>	-0.2%	9.3%	-4.7%	443bps	-953bps
Depreciation	290	290	300	-3.3%	0.0%
<b>EBIT</b>	<b>-300</b>	<b>290</b>	<b>-500</b>	<b>-40.0%</b>	<b>-203.4%</b>
Finance Cost	10	20	20	-50.0%	-50.0%
EBT before Other Income	-310	270	-520	-40.4%	-214.8%
Other Income	110	90	110	0.0%	22.2%
Exceptional items	30	-350	10	200.0%	-108.6%
<b>Profit Before Tax</b>	<b>-170</b>	<b>10</b>	<b>-400</b>	<b>-57.5%</b>	<b>-1800.0%</b>
Tax Expenses	-20	-10	-80	-75.0%	100.0%
<i>Effective Tax Rate</i>	11.8%	-100.0%	20.0%	-824bps	11176bps
<b>Profit After Tax</b>	<b>-150</b>	<b>20</b>	<b>-320</b>	<b>-53.1%</b>	<b>-850.0%</b>
<i>Net Profit Margin</i>	-3.3%	0.3%	-7.4%	415bps	-361bps

Source: Company, Arianth Research

**Rabi Weakness Offset by B2B/Seeds; EBITDA Turns Positive**

Rallis India achieved Q4 FY26 revenue growth of 6% to INR 456 mn despite a truncated rabi season and adverse weather, swinging EBITDA to negative INR 1 mn from negative INR 19 mn YoY, with PAT loss narrowing 52% to INR 15 mn. FY26 topline expanded 9% to INR 2.9 bn on volume gains across crop care and seeds, reinforcing the investment case amid a sector transition to sellers' market dynamics. Stable-to-soft margins expected with cost pass-through opportunities, favoring low-cost producers like Rallis.

**Financial Performance**

- Q4 revenue INR 456 mn (+6% YoY; +5% volume, +1% price); FY26 revenue INR 2,897 mn (+9% YoY) driven by crop care volume expansion.
- Q4 EBITDA negative INR 1 mn (vs negative INR 19 mn YoY); PAT negative INR 15 mn (vs negative INR 32 mn); exceptional gain INR 3 mn from Aurangabad land sale.
- Crop care revenue INR 425 mn Q4 (+5% YoY); domestic B2C INR 255 mn (+15%, insecticide-led volume +14%); seeds INR 31 mn (+23%, cotton/millet); CSM INR 66 mn (+59%).
- Inventory slightly elevated QoQ but collections smooth; cash/liquids INR 541 mn; annual capacity utilisation improved vs FY25.

**### Segment Trends**

- **\*\*Chemicals (Agrichem)\*\*: Domestic B2C +5% FY26 (herbicide volumes +15%, fungicide +5%, insecticide -3%); pendimethalin/hexaconazole up, metribuzin/acephate down Q4; launches include Alster (granular insecticide), FipPlan (sucking/chewing pests), Spyro (3-way rice herbicide).**
- Exports -33% Q4 (metribuzin/pendimethalin volume declines); CSM growth on volume/price.
- Seeds +15% FY26 (cotton +35%, maize +20%, millet +8%); strategic focus on cotton/maize/millet/mustard/rice.
- Soil/plant health +27% Q4 to INR 47 mn (+29% volume in micronutrients/biofertilizers).

**Management Commentary and Guidance**

- Kharif demand cautious amid El Nino (monsoon ~90% LPA), fertilizer availability, soft commodities; agriculture growth 3-4% FY27, seeds 5-10% CAGR.
- RM/logistics inflation from China/war disruptions; pass-through via price hikes planned; kharif supply secured.
- Portfolio optimization, digital tools (Saksham GIS, Sampark Plus farmer insights); B2B customer expansion.
- Exports optimistic on metribuzin/pendimethalin/hexaconazole; pencycuron ramping, 3 new molecules in 2-3 years; acephate domestic shift.

**Risks and Key Negatives**

- Monsoon pockets risk (Marathwada/Vidarbha/Saurashtra; 5-10% demand cut possible); rabi damage from unseasonal rain/hail.
- Margin pressure from RM hikes (petrochemicals/solvents), B2C inventory liquidation (chlorpyrifos/benzila).
- Export competition (acephate RM suppliers); farmer down-trading to generics/low-cost options; sowing slowdown (-4.7% early).

## Financials

Income Statement						
P&L (INR Cr)	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Revenues</b>	<b>2,967</b>	<b>2,648</b>	<b>2,663</b>	<b>2,897</b>	<b>3,245</b>	<b>3,731</b>
Change (%)	13.9%	-10.7%	0.6%	8.8%	12.0%	15.0%
Cost of Goods Sold	1,943	1,578	1,581	1,727	1,947	2,220
Employee costs	256	262	275	283	308	351
Other expenses	<b>550</b>	<b>498</b>	<b>521</b>	<b>526</b>	<b>583</b>	<b>663</b>
<b>Total operating Expense</b>	<b>2,749</b>	<b>2,337</b>	<b>2,377</b>	<b>2,536</b>	<b>2,838</b>	<b>3,233</b>
<b>EBITDA</b>	<b>218</b>	<b>311</b>	<b>286</b>	<b>361</b>	<b>407</b>	<b>498</b>
Other Income	13	<b>43%</b>	<b>-8%</b>	<b>26%</b>	<b>13%</b>	<b>22%</b>
Depreciation	91	<b>12%</b>	<b>11%</b>	<b>12%</b>	<b>13%</b>	<b>13%</b>
Interest	12	16	32	42	47	54
<b>PBT</b>	<b>127</b>	114	120	117	131	151
Extra-ordinary	1	18	12	10	11	13
<b>PBT after ext-ord.</b>	<b>128</b>	<b>195</b>	<b>186</b>	<b>276</b>	<b>312</b>	<b>388</b>
Tax	36	1	1	-26	0	0
Rate (%)	28.2%	<b>196</b>	<b>187</b>	<b>250</b>	<b>312</b>	<b>388</b>
<b>PAT</b>	<b>92</b>	48	62	66	81	101
Change (%)	-44.0%	24.4%	33.2%	26.4%	26.0%	26.0%

Balance Sheet						
Balance Sheet (INR Cr)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	19	19	19	19	19	19
Reserves & Surplus	1,711	1,810	1,885	2,024	2,136	2,355
<b>Net Worth</b>	<b>1,730</b>	<b>1,829</b>	<b>1,904</b>	<b>2,043</b>	<b>2,155</b>	<b>2,374</b>
Long term debt	24	1	1	0	0	0
Short term debt	113	112	101	33	33	33
<b>Total Debt</b>	<b>137</b>	<b>113</b>	<b>102</b>	<b>33</b>	<b>33</b>	<b>33</b>
Deferred Tax & other liabilities	55	2	16	30	31	41
Current liabilities	865	1,006	941	1,141	1,330	1,470
Provisions	11	52	12	53	64	76
<b>Total Liabilities</b>	<b>2,798</b>	<b>3,003</b>	<b>2,974</b>	<b>3,300</b>	<b>3,613</b>	<b>3,995</b>
Net Block	520	661	623	580	609	639
Capital Work-in-Progress	179	19	25	11	50	51
Other Non-Current Assets	454	543	461	445	414	371
<b>Net fixed assets</b>	<b>1,153</b>	<b>1,223</b>	<b>1,109</b>	<b>1,036</b>	<b>1,073</b>	<b>1,061</b>
Investments	219	247	408	502	589	839
Debtors	499	579	541	616	560	644
Inventories	793	808	751	959	711	818
Cash & bank balance	46	32	31	46	494	447
Loans & advances & other CA	87	114	134	186	186	186
<b>Total current assets</b>	<b>1,644</b>	<b>1,780</b>	<b>1,866</b>	<b>2,309</b>	<b>2,540</b>	<b>2,933</b>
<b>Total Assets</b>	<b>2,798</b>	<b>3,003</b>	<b>2,975</b>	<b>3,345</b>	<b>3,613</b>	<b>3,995</b>

Source: Company, Arianth Research

<b>Cash Flow Statement</b>						
<b>Cash Flow Statement (INR Cr)</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
<b>Profit before tax (PBT)</b>	<b>92</b>	<b>148</b>	<b>125</b>	<b>184</b>	<b>231</b>	<b>287</b>
Depreciation	91	114	120	117	131	151
Chg in working cap	55	(116)	31	(128)	486	(51)
Tax Paid	20	(39)	7	5	8	11
Other Operating cash flow	<b>12</b>	<b>18</b>	<b>12</b>	<b>10</b>	<b>11</b>	<b>13</b>
Others	(0)	2	(20)	(32)	(36)	(41)
<b>Net Operating Cash Flow</b>	<b>200</b>	<b>41</b>	<b>195</b>	<b>87</b>	<b>753</b>	<b>289</b>
Capital Expenditure	<b>(80)</b>	<b>(255)</b>	<b>(82)</b>	<b>(74)</b>	<b>(160)</b>	<b>(181)</b>
<b>Free Cash Flow</b>	<b>280</b>	<b>297</b>	<b>277</b>	<b>162</b>	<b>913</b>	<b>470</b>
Investments	(11)	(28)	(161)	(94)	(87)	(250)
Other Investing cash flows	<b>(88)</b>	<b>87</b>	<b>108</b>	<b>72</b>	<b>39</b>	<b>96</b>
<b>Cash Flow from Investing</b>	<b>(179)</b>	<b>(196)</b>	<b>(135)</b>	<b>(96)</b>	<b>(207)</b>	<b>(335)</b>
Equity Capital Raised / (Repaid)	0	0	0	(0)	0	0
Debt raised / (Repaid)	20	110	(71)	(9)	(46)	(1)
Dividend paid (incl tax)	58	68	68	58	68	68
Other Financing Cash Flow	(58)	12	(9)	19	(1)	(0)
<b>Cash Flow from Financing</b>	<b>(39)</b>	<b>141</b>	<b>(61)</b>	<b>24</b>	<b>(97)</b>	<b>(1)</b>
Net change in cash	<b>(17)</b>	<b>(14)</b>	<b>(1)</b>	<b>15</b>	<b>448</b>	<b>(48)</b>
Opening cash	63	46	32	31	46	494
<b>Closing Cash</b>	<b>46</b>	<b>32</b>	<b>31</b>	<b>46</b>	<b>494</b>	<b>447</b>

<b>Key Ratios</b>						
<b>Key Ratios</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
<b>Per share (Rs)</b>						
EPS	4.7	7.6	6.4	9.5	11.9	14.8
CEPS	9.4	13.5	12.6	15.5	18.6	22.5
BVPS	89.0	94.1	97.9	105.1	110.8	122.1
<b>Valuation (x)</b>						
P/E	61.5	38.3	43.6	27.7	23.6	18.9
P/CEPS	30.9	21.6	22.2	16.9	15.1	12.4
P/BV	3.3	3.1	2.9	2.5	2.5	2.3
EV/EBITDA	26.3	18.1	18.9	14.0	12.2	10.0
<b>Return Ratios (%)</b>						
Gross Margin	34.5%	40.4%	40.6%	40.4%	40.0%	40.5%
EBIDTA Margin	7.4%	11.7%	10.7%	12.5%	12.5%	13.3%
PAT Margin	3.1%	5.6%	4.7%	6.4%	7.1%	7.7%
ROE	5.3%	8.1%	6.6%	9.0%	10.7%	12.1%
ROCE	6.8%	10.8%	8.7%	11.9%	12.8%	14.6%
<b>Leverage Ratio (%)</b>						
Total D/E	0.1	0.0	0.0	0.0	0.0	0.0
<b>Turnover Ratios</b>						
Asset Turnover (x)	1.1	0.9	0.9	0.9	0.9	0.9
Inventory Days	125	120	100	90	80	80
Receivable Days	63	63	63	63	63	63
Payable days	103	83	74	103	103	103

Source: Company, Arianth Research

### Arihant Research Desk

Email: [instresearch@arihantcapital.com](mailto:instresearch@arihantcapital.com)

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park Building No. 10, 1 <sup>st</sup> Floor Andheri Ghatkopar Link Road Chakala, Andheri (E) Mumbai – 400093 Tel: (91-22) 42254800	6 Lad Colony, Y.N. Road, Indore - 452003, (M.P.) Tel: (91-731) 4217100/101 CIN: L66120MP1992PLC007182

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	SMS: 'Arihant' to 56677	<a href="http://www.arihantcapital.com">www.arihantcapital.com</a>	<a href="mailto:instresearch@arihantcapital.com">instresearch@arihantcapital.com</a>

### Arihant Capital Markets Ltd.

1011, Solitaire Corporate park, Building No. 10, 1st Floor,  
Andheri Ghatkopar Link Road, Chakala, Andheri (E)  
Tel. 022-42254800

**Disclaimer:** This disclosure statement is provided in compliance with the SEBI Research Analyst Regulations, 2014. Arihant Capital Markets Limited (ACML) is a registered stockbroker, merchant banker, and research analyst under SEBI, and is also a Point of Presence with the Pension Fund Regulatory and Development Authority (PFRDA). ACML is registered with SEBI with Research Analyst Registration Number INH000002764, Stock Broker Registration Number INZ000180939, and is a Trading Member with NSE, BSE, MCX, NCDEX, and a Depository Participant with CDSL and NSDL.

ACML and its associates may have business relationships, including investment banking, with companies covered by its Investment Research Department. The analysts of ACML, and their associates, are prohibited from holding a financial interest in securities or derivatives of companies they cover, though they may hold stock in the companies they analyze. The recommendations provided by ACML's research team are based on technical and derivative analysis and may differ from fundamental research reports.

ACML confirms that neither it nor its associates have a financial interest or material conflict concerning the companies covered in the research report at the time of publication. Furthermore, ACML, its analysts, and their relatives have no ownership greater than 1% in the subject companies as of the month prior to publication. ACML guarantees that the compensation for its research analysts is not influenced by specific securities or transactions.

ACML affirms that neither the analyst nor the company has served as an officer, director, employee, or engaged in market-making activities for any of the subject companies. Additionally, the research report does not reflect any conflict of interest and is not influenced by specific recommendations made. Neither ACML nor its analysts have received compensation for investment banking or brokerage services from the subject companies in the last 12 months.

The views expressed in this report are those of the analysts and are independent of the proprietary trading desk of ACML, which operates separately to maintain an unbiased stance. Analysts comply with SEBI Regulations when offering recommendations or opinions through public media. The report is intended for informational purposes only and is not an offer or solicitation for the purchase or sale of securities.

This report, which is confidential, may not be reproduced or shared without written consent from ACML. It is based on publicly available data believed to be reliable but has not been independently verified, and no guarantees are made about its accuracy. All opinions and information contained in the report are subject to change without notice. ACML disclaims liability for any losses resulting from reliance on this report. The report does not constitute an offer to buy or sell securities, and ACML is not responsible for the risks involved in investments. ACML and its affiliates may have positions in the securities discussed or hold other financial interests in them.

The distribution of this report in certain jurisdictions may be restricted by law, and the report is not intended for distribution where it would violate local laws. Investors are advised to consider their financial position, risk tolerance, and investment objectives before engaging in transactions, particularly in high-risk financial products such as derivatives.

ACML reserves the right to modify this disclosure statement without prior notice. The report has been prepared using publicly available information and internally developed data, though ACML does not guarantee its completeness or accuracy. Historical price data for securities can be accessed via official exchanges like NSE or BSE. ACML and its affiliates may conduct proprietary transactions or investment banking services for the companies mentioned in this report. In compliance with SEBI regulations, ACML maintains comprehensive records of research reports, recommendations, and the rationale for those recommendations, which are preserved for at least five years. An annual compliance audit is conducted by a member of the ICAI or ICSI to ensure adherence to applicable regulations. This report is issued in accordance with applicable SEBI regulations and does not guarantee future performance or returns.

**Arihant Capital Markets Ltd.**

1011, Solitaire Corporate park, Building No. 10, 1st Floor,  
Andheri Ghatkopar Link Road, Chakala, Andheri (E)  
Tel. 022-42254800