

Research Recommendation on - Pennar Industries Ltd

Date: 24th May 2024

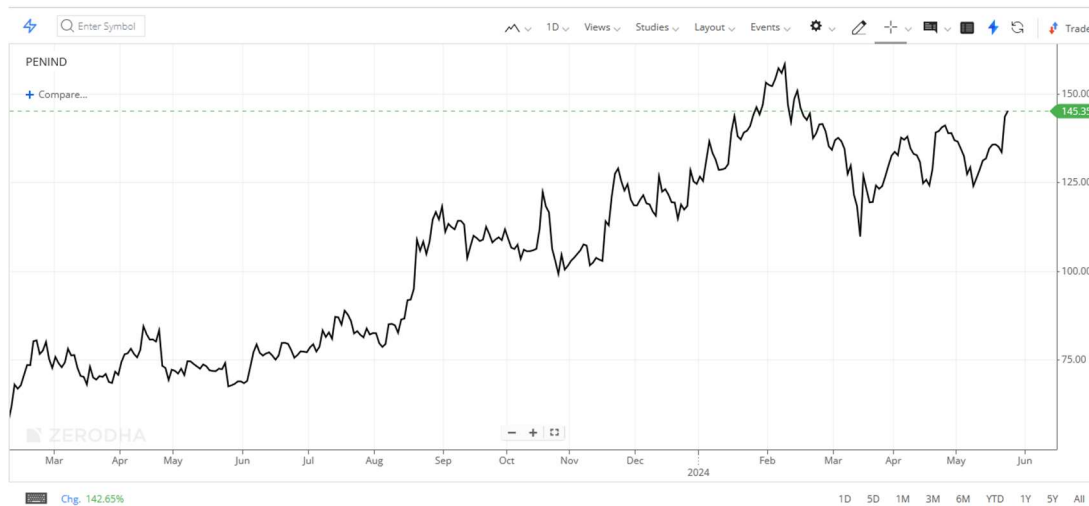
NSE Scrip Code: PENIND

BSE Scrip Code: 513228

Company Brief:

Pennar Industries Limited is a diverse company producing precision engineering products, pre-engineered building systems, and hydraulic and warehousing solutions. They manufacture over 1,000 products, including cold-rolled steel strips, precision tubes, railway wagons and coaches, solar mounting structures, photovoltaic panels, road safety systems, and water treatment solutions like desalination projects.

Rationale behind the Research Recommendation:



The current price of the stock is Rs. 146, and the stock is approaching towards resistant level. The company's fundamentals and Q4 results are robust. The stock is creating a pattern of higher highs and higher lows. The CMP of the stock is above 7, 21 & 50 EMA and the RSI level of the stock is above 65 indicating bullish sentiments.

Fundamental Analysis:

Stock P/E: 20	PEG Ratio: 2.55
Book Value: ₹65	Current Ratio: 1.04
Dividend Yield: 0.0%	Debt to Equity: 0.90
ROCE: 15.8%	Sales Growth in 3 Yrs: 27.1%
ROE: 11.9%	Profit Var 3 Yrs: 119%
Price to Book value: 2.25	Industry PE: 23.7

Taking this into consideration, our view is bullish for this stock.

Recommendation	Buy
Entry Point	140-156
Accumulation Level	127
Price Targets	200-280
Stop Loss	118 (Closing basis)
Time Frame	1 Year
52 Week High Price	163
52 Week Low Price	67.5
Max Allocation	6% of the Total Capital (Only for Risk Management) 4% at the current level; 2% at 127

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