



Ponni Sugars (Erode) Limited



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**RESEARCH REPORT ON**

**PONI SUGARS (ERODE) LTD**

**KEYPEOPLE** : V. S. Suresh

**FOUNDED** : 1984

**HEADQUATER** : Chennai, Tamil Nadu, India

**REVENUE** : 98.1CR(approx.)

**DATE OF REPORT** : 21/10/2024



Ponni Sugars (Erode) Limited

## About Ponni Sugars (Erode) Limited

Ponni Sugars (Erode) Limited is an Indian company involved in the production of sugar. It operates in the agro-industrial sector, primarily in the sugar manufacturing business. The company has established itself as a key player in the South Indian sugar industry, benefiting from strategic positioning in Tamil Nadu's fertile Cauvery delta, which is known for its sugarcane farming.

### **CASH CALL – BUY Ponni Sugars (Erode) Limited**

**BUY : 434**  
**TGT : 477**  
**SL : 391**

Mr. Kundan Mishra

Research Analyst

**CASH CALL BUY AT 434**  
**1<sup>ST</sup> TARGET 477**  
**SL 391**

#### COMPANY OVERVIEW

Market cap	₹ 374 Cr..
Face value(Rs)	₹ 10.0
P/E ratio	9.96
Book value	₹ 691
52 week high	₹ 599
52 week low	₹ 344
Return on Equity(RO E)	9.33 %



Ponni Sugars (Erode) Limited

## Key Points of Ponni Sugars (Erode) Limited

### Key Business Areas:

**Sugar Manufacturing:** Ponni Sugars focuses on the production of white crystal sugar. The company processes sugarcane sourced from local farmers and converts it into refined sugar for human consumption. The company's Erode facility is known for its efficient operations and high-quality sugar output.

### By-products:

**Molasses:** A key by-product in sugar production, molasses is widely used in the production of ethanol, alcoholic beverages, and animal feed.

**Bagasse:** The fibrous matter that remains after the extraction of juice from sugarcane. It is used as biofuel and in the generation of electricity in sugar mills. It also serves as a raw material in the paper industry.

**Power Cogeneration:** Like many other sugar mills, Ponni Sugars also engages in cogeneration, producing electricity from bagasse to meet its energy needs and sometimes selling surplus power to the state grid.

### Financial Performance (as of FY 2023):

**Revenue:** Ponni Sugars has shown steady revenue growth over the past few years, although its performance remains heavily influenced by the cyclical nature of the sugar industry and government policies related to sugarcane pricing and subsidies.

**Profit:** Despite the volatile nature of the sugar business, the company has managed to maintain profitability by optimizing operations and controlling costs. The sale of by-products like molasses and electricity from bagasse cogeneration contributes to its financial health.

**Stock Performance:** Ponni Sugars is listed on the Bombay Stock Exchange (BSE). Its stock performance reflects the cyclical trends of the sugar industry, influenced by sugar production, monsoon patterns, and governmental policy on sugarcane pricing.



## Ponni Sugars (Erode) Limited owned by Mutual Funds 6Last Quarter

	April 24 No. of shares	Sep 24 No. of shares
TOTAL	155375879	154996665

### **NOTE:-**

For schemes that have not disclosed the number of shares, the same has been calculated on the basis of the closing price of the stock on the BSE/NSE as on the portfolio date. The increase/decrease in the share quantity besides the fund buying or selling the shares from the market, could also be due to any bonus, split, rights, or restructuring in the company.

## Financial Highlights of Ponni Sugars (Erode) Limited

Financial highlights refers to a section appearing in an annual report that includes a multi-year comparison of operating and business metrics. Financial highlights are often times the first section appearing in an annual report, providing investors with an at-a-glance view of the company's recent performance.

The information contained in an annual report is normally audited by the company's accounting firm and includes financial highlights, a Chairperson's Letter as well as the Form 10-K. The financial highlights section of the report usually contains performance over the last several years in addition to the percentage change in each metric overtime.

Price / EPS	9.91
EPS (TTM)	₹ 43.67
No. of Shares	0.86 Cr.
Profit Growth	22.22 %
Dividend / Yield	1.61 %
Price / Book	0.63
Enterprise Value	₹ 331.28 Cr.
Sales Growth	-3.24%



## Key Ratio of Ponni Sugars (Erode) Limited

Key ratio of Ponni Sugars (Erode) Limited specifically designed to help traders gauge the overall sentiment (mood) of the market. The ratio is calculated either on the basis of options trading volumes or on the basis of the open interest for a particular period. If the ratio is more than 1, it means that more puts have been traded during the day and if it is less than 1, it means more calls have been traded. The PCR can be calculated for the options segment as a whole, which includes individual stocks as well as indices.

Financial ratios are important tools for quantitative analysis. Certain ratios are available to evaluate both short and long-term financial and operational performance, making them useful at identifying trends in the business and providing warning signs when it may be time to make a change. There are also specific ratios that can measure important variables essential to one industry or another. By evaluating particular ratios, a business can benchmark itself against similar companies and understand its strengths, weaknesses, threats and areas of opportunity.

Price to Earning	10.55
Price to Book	0.688
Price to Sales	1.15
Shareholders Equity	91.27
Return On Equity	6.60
Return On Asset	7.36
Net Profit Margin	10.88
Operating Profit Margin	32.98
EBITDA Margin	14.60
Debt to Equity Ratio	0.0022
Cash Ratio	1.16
Quick Ratio	2.27



## Key Technical Indicators of Ponni Sugars (Erode) Limited

Technical indicators are heuristic or pattern-based signals produced by the price, volume, and/or open interest of a security or contract used by traders who follow technical analysis.

In general, technical indicators fit into five categories: trend, mean reversion, relative strength, volume, and momentum.

Leading indicators attempt to predict where the price is headed while lagging indicators offer a historical report of background conditions that resulted in the current price being where it is.

Indicator	Value
<b>ADX</b>	Adx : 13.29, +DI : 14.65, -DI : 22.31
<b>Aroon</b>	Aroon Up : 0, Aroon Down : 100.00
<b>Awesome Osc</b>	-9.09
<b>MACD</b>	Macd : -6.27, Signal Line : -5.15
<b>Parabolic SAR</b>	504.21
<b>Rate Of Change</b>	-6.63



## Key Moving Average of Ponni Sugars (Erode) Limited

A moving average (MA) is a stock indicator that is commonly used in technical analysis. The reason for calculating the moving average of a stock is to help smooth out the price data over a specified period of time by creating a constantly updated average price.

A simple moving average (SMA) is a calculation that takes the arithmetic mean of a given set of prices over the specific number of days in the past; for example, over the previous 15, 30, 100, or 200 days.

Exponential moving averages (EMA) is a weighted average that gives greater importance to the price of a stock on more recent days, making it an indicator that is more responsive to new information.

EMA	Value
EMA 5	466.56
EMA 10	470.61
EMA 15	473.31
EMA 20	475.54
EMA 50	484.66
EMA 100	482.12
EMA 200	465.24

SMA	Value
SMA 5	467.24
SMA 10	469.28
SMA 15	478.17
SMA 20	478.42
SMA 50	489.34
SMA 100	493.31
SMA 200	458.93



## Daily Candle Stick Chart Pattern



## Weekly Candle Stick Chart Pattern





## Monthly Candle Stick Chart Pattern





## Ponni Sugars (Erode) Limited Mutual Fund Holdings

Pivot	S2	S 1	Pivot point	R 1	R 2
Fibonacci	449.80	454.73	462.72	470.70	475.63

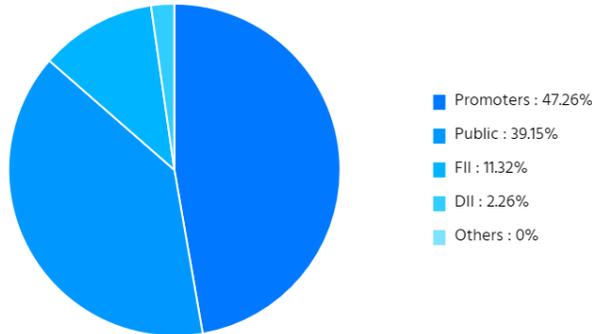
S1 – First Support Level, R1 - First Resistance Level, S2 – Second Support Level, R2 – SecondResistance Level

## Ponni Sugars (Erode) Limited Technical Views

50 Day EMA	Close is Above EMA 50 (Short Term)	Bullish
100 Day EMA	Close is Above EMA 100 (Mid Term)	Bullish
200 Day EMA	Close is Above EMA 200 (Long Term)	Bullish
MACD (12 26 9)	MACD Line is Less Then SIGNAL Line	Bearish
RSI (14)	RSI is 33.76	Sideways
MFI (14)	MFI is 45.80	Sideways
CCI (20)	CCI is Below -100	Over Sold
WILLIAM %R (14)	William %R is -73.74	Sideways
ADX (14)	ADX is Above 20 & +DI is Below -DI	Down Trend
PSAR	Stoploss For Long Buy	128.77
10 Day Avg Volume	Traded -7.01 % Less then 10 Day Average Volume	



## Shareholding Pattern of Ponni Sugars (Erode) Limited



## Peer Comparison of Ponni Sugars (Erode) Limited

COMPANY	PRICE Rs.	MCAP Cr.	P/B	P/E	EPS Rs.	ROE %	ROCE %	P/S	EV/EBITDA
Davangere Sugar Co	6.58	619.08	3.33	51.29	0.13	7.15	9.35	2.86	17.38
KCP Sugar&Inds. Corp	50	566.93	1.37	7.57	6.60	16.42	14.99	1.94	7.15
Sakthi Sugars	37.41	444.61	2.53	4.64	8.07	227.46	31.79	0.42	10.81
Mawana Sugars	110.78	433.34	0.97	8.13	13.63	9.84	9.65	0.32	6.96
Kothari Sugars & Chem	51.70	428.53	1.54	38.75	1.33	11.00	14.13	0.85	15.47
<b>Ponni Sugars (Erode)</b>	<b>432.85</b>	<b>372.18</b>	<b>0.63</b>	<b>9.91</b>	<b>43.67</b>	<b>9.33</b>	<b>10.35</b>	<b>0.88</b>	<b>7.10</b>
Vishwaraj Sugar Ind.	17.02	370.74	1.23	75.38	0.23	5.53	8.48	0.67	11.20
KM Sugar Mills	35.75	328.90	1.32	14.36	2.49	12.29	10.96	0.50	8.60
Rana Sugars	20.69	317.73	0.62	21.91	0.94	5.61	7.14	0.20	7.93
SBEC Sugar	60.45	288.07	0	66.57	0.91	0	3.28	0.45	9.70



## Share Price History of Ponni Sugars (Erode) Limited

Date	Price	Open	High	Low	Vol.	Change %
21-10-2024	432.2	468.45	468.45	430.6	50.38K	-6.18%
18-10-2024	460.65	468.5	474.2	453.3	21.38K	-1.00%
17-10-2024	465.3	475	480.1	464.1	15.45K	-1.07%
16-10-2024	470.35	470.5	476.9	465	20.89K	0.04%
15-10-2024	470.15	470	479.95	469.2	15.19K	0.09%
14-10-2024	469.75	476	477.9	467.75	14.81K	-0.68%
11/10/2024	472.95	474.65	481.5	470.45	8.70K	-0.40%
10/10/2024	474.85	475.4	477.85	470.25	10.49K	0.50%
9/10/2024	472.5	471.6	481.95	471.15	14.82K	-0.37%
8/10/2024	474.25	458.5	478	458.5	16.14K	2.64%
7/10/2024	462.05	485	492.8	457.9	30.96K	-4.54%
4/10/2024	484	499.9	502	482	18.68K	-1.90%
3/10/2024	493.35	498	509.25	487	28.50K	-2.44%
1/10/2024	505.7	494.25	513.4	494.25	67.02K	1.29%
30-09-2024	499.25	510	510	489.1	44.80K	0.35%
27-09-2024	497.5	499	513.45	492.1	178.07K	3.31%
26-09-2024	481.55	494	495.05	478.45	31.86K	-2.64%
25-09-2024	494.6	475.7	499	471.1	151.17K	3.97%
24-09-2024	475.7	471.2	477.95	467.55	19.52K	1.08%
23-09-2024	470.6	477	479.8	468.5	28.48K	-0.56%



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