

**Buy Around 437 - 443**

**Target Around 560-690**



Equity Data	Bharat Forge Limited.	
CMP		442.55
BUY	437.00 -	443.00
Average	377.00 -	385.00
Target 1	555.00 -	560.00
Target 2	680.00 -	690.00
STLP (Below)		365.00
52 Week High (Rs.)		745.50
52 Week Low (Rs.)		369.75
BETA		0.42
Market Cap (Rs. In Crores)		13121.35

Key Ratio,s	
TTM EPS (Rs.)	15.80
TTM PE (X)	28.13
Book Value (Rs.)	121.16
P/B.V. (X)	3.67
ROE (%)	13.75
EV/TTM EBIDTA(x)	7.3
EV/TTM Sales(x)	0.14
Dividend Yield%	0.23
Promoter Holding (%)	50.57

Financials (Consolidated)	(Rs. In Crore)		
	2015-16	2014-15	2013-14
Net Sales	165211.37	50462.89	29197.20
Other operating income	9.02	0.11	0.64
Operating Profit	1768.78	1266.56	784.43
PBT	1112.12	726.07	404.55
Net Profit	1070.80	654.93	360.15
Shareholder's Funds	4665.55	3361.64	2744.63
Long Term Borrowing	497.55	0.00	0.00
Creditors	10790.94	8738.84	5681.31
Net block (Fixed Assets)	701.09	264.13	168.27
Investments	840.54	60.25	0.00
Inventories	992.61	567.53	571.31
Sundry Debtors	688.95	2989.84	698.30
Cash and Bank	11865.30	11406.38	7032.31

### Company Overview:

Rajesh Exports Limited (REL) headquartered in Bangalore, India manufactures gold & diamond jewellery. REL exports its products world wide and distributes them within India to the wholesale jewellery market. REL also retails its products through its own network of retail jewellery showrooms Shubh Jewellers spread across India. REL has set up a state-of-the-art jewellery manufacturing unit at Whitefield, Bangalore. The construction of the manufacturing unit was started in the year 2001 and completed in the year 2003. The factory has been specifically designed to suit the most demanding needs of jewellery manufacturing; special emphasis has been laid on security, minimizing Gold wastage and worker welfare. The peak out-put capacity of the factory is to produce Two hundred and fifty tones of world class jewellery per annum. The manufacturing facility is the largest jewellery manufacturing facility in the world.

### Investment Rational:

As seen in the charts below, stock currently in upward bias after taking strong support around 420-427 levels. Its technical indicators such as RSI and MACD also confirming positive diversions Price recovery is on the way on back of good volumes. Recently stock made a double bottom around 420-423 and accumulation seen in stock from one and half month. At current juncture we believe script is all set for an upward move near to 600-700 in short term.

On fundamentals ground, Rajesh Exports Limited is showing strong growth in top line, which are almost 5 times from 29197cr.(Mar-14) to 165211cr.(mar-16). Bottom line of company also jumped 3 folds from 360.15cr. (Mar-14) to 1071cr.(Mar-16). Moreover its current PE(TTM) stood at around 28 which is reasonably low as compared to its Industry PE (TTM) of 33 which makes stock attractively valued at current price.

*Hence we recommend to buy this stock around 437-443 for the tgt of 560-690 in shorter term..*



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