



## Pick of the week

### Ramkrishna Forgings Ltd.

NSE Symbol	-	RKFORGE
BSE Ticker	-	532527
BSE Group	-	A
BSE Index	-	S&P BSE S Cap
Face Value (Rs)	-	2
Book Value (Rs)	-	67
Cur. Price (Rs)	-	258
Target (Rs)	-	340
Holding Time	-	16 months
Stop Loss (Rs)	-	190
Risk perceived	-	Medium
Stock Category	-	Growth
Rec. weightage	-	3%
Promoter Stake	-	46.27%

Ramkrishna Forgings was incorporated in 1981 with the objective to manufacture forged products. The annualised installed capacity after commissioning of Hollow Spindle Line, a new 7000 Ton Press Line, a 2000 Ton warm/hot Forming Press and a fabrication facility is 187,100 MT.

Headquartered at Kolkata, the company has state-of-the-art manufacturing facilities at Jamshedpur along with offices at Detroit in USA, Toluca and Monterrey in Mexico, Istanbul in Turkey, having warehousing facilities at Hagerstown, Louisville, Detroit in USA, Toluca, Monterrey in Mexico and Westerloo in Belgium.

It is a manufacturer of open and closed die forgings of carbon and alloy steel, micro alloy steel and stainless steel forgings which can be supplied in as Forged + Heat Treated + Machined and Fully assembled condition.

*(Continued on page 2)*

### Financial Highlights (Consolidated)

	03/'19	03/'20	03/'21	03/'22	12/'21*	12/'22*
Revenue	1931.08	1216.47	1288.93	2320.24	601.32	777.48
Other Income	3.11	6.80	5.59	1.46	1.60	0.74
Interest	-82.19	-78.75	-79.85	-95.89	-26.98	-31.20
Depreciation	-121.06	-120.54	-116.70	-169.35	-45.12	-49.01
Tax	-63.62	-5.10	-11.07	-55.17	-25.32	-32.47
Net Profit	120.11	9.70	20.67	198.02	45.35	61.04
Equity	32.61	32.61	31.93	31.98	31.98	31.98
EPS	7.37	0.59	1.29	12.43	2.83	3.80
CEPS	14.79	7.99	8.60	22.97	5.66	6.88
OPM %	20.04%	17.60%	17.71%	22.34%	23.74%	22.34%
NPM %	6.22%	0.80%	1.60%	8.53%	7.54%	7.85%
Dividend	15%	Nil	Nil	25%	-	-

*All EPS and CEPS calculations based on latest Face Value, \* Three months results*



(Continued from page 1)

The company has a presence in over 5 countries. It is a supplier to sectors like Automotive, Railways, Farm Equipment, Bearings, Oil & Gas, Power and Construction, Earth Moving & Mining.

The Company is a critical safety item supplier for undercarriage, Bogie & Shell parts for railway passenger coaches and locomotives. It is a preferred supplier to OEMs like TATA Motors, Ashok Leyland, VE Commercial and Daimler in India and to Volvo, Mack Trucks, Iveco, DAF, Scania, MAN, UD Trucks and Ford Otosan in the overseas markets. It supplies globally to Tier 1 axle manufacturers like Dana, Meritor and American Axles.

For the first nine months of FY23 the company derived 42% of total revenues from export markets and capacity utilization stood at 123% for Ring Rolling, 111% for Forgings and 69% for Press. Industry wise 79% revenue derived from

Automobile sector, 3% from Railways, 8% from Mining, Earth Moving, etc. and rest Others.

The company is acquiring JMT Auto. Also it will acquire upto 51% voting rights of TSUYO Manufacturing Private Ltd., engaged in powertrain solutions for electric vehicles. It is further adding capacity of 56,300 tpa by Sep 2023 and the management is confident of achieving a turnover of Rs 5000 crores with enhanced capacity.

The company has strong Reserves and bright prospects and thus can easily reward shareholders with a bonus. Last year it completed share buyback. Also, it has resumed Dividends.

Based on the first 9 months results there is good probability of delivering an EPS in the range of Rs 16 to Rs 18 for FY23.

Target price has been set, based on the company's own expectations of 20% Revenue CAGR for the next three years and assuming similar moderate growth for EPS and applying a modest PEG of unity. \*

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\* All the stock rates / indices on the day of publication, unless specified. \* 'Stop Loss' is useful for short / medium term investors only \* Disclaimer-Smart-VERC will not be responsible/liable for any loss arising out of investments based on its advices including any inadvertent errors/omissions. Recommendations in this advice letter not to be construed as an offer to buy or sell securities. Stock price movements are subject to market risk. \* Past performance may or may not be sustained in future \* Published and Printed by Smart VERC Reg. No.: C / 544833, Bhopal \* All disputes subject to the Bhopal jurisdiction only. \* Risk (High / Average / Low) indicated is with respect to broad indices like BSE Sensitive index and NSE Nifty 50 index.

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Smart Gains (Weekly @Wednesday)	Rs. 6000/- per year
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*add GST@18%*

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# Products at a glance

✓ **Smart Gains** : Value rewards, always !

## Objective

Medium to Long term Wealth creation, learning valuations.

## Content

Pick of the Week: One stock advised @Wednesday with research report.

## For whom

Investors ready to invest for 3 to 24 months. Apart from the very good returns investors can learn a lot about valuations and portfolio management from SBP.

	2016	2017	2018	2019	2020	2021
Success Rate	81%	83%	73%	61%	84%	87%

One year subscription Rs 6000/- as on 24 Jan 2023 (+ GST@18% )

## Pick of the Week (Yearly best performers)

Company	Advise Date	Advice Price	Current Pr.#	% Gains
KRBL	17-08-22	273	397	45%
Vesuvius India Ltd.	18-05-22	1010	1604	59%
Shivalik Bimetal Contr	31-03-21	55	390	609%
Mindtree Ltd.	03-03-21	1750	3433	96%
Polyplex Corp.	13-01-21	720	1595	122%
Cosmo Films	09-09-20	254	753	196%
Tata Elxsi	23-09-20	1234	6772	449%

# as on 24 Jan 2023

## Products at a glance.. Continued

### ✓ **Smart Multibaggers** : Medium Safety, High Reward !

#### **Objective**

Long term mega wealth creation through multibagger returns.

#### **Contents**

Detailed stock report on 12 to 15 stocks every year including valuations and with clear 'Stop Loss', 'Target' and 'Holding Period'. Stocks are regularly reviewed and notifications sent on mobile App, SMS and Email.

#### **For whom**

Investors ready to invest for minimum 2 years and investments of at least Rs 4 lacs. More than 7000 investors have benefited from this product so far.

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	2013 to 2019	2020
Success Rate	71%	78%

One year subscription Rs 8500/- as on 24 Jan 2023 (+ GST@18%)

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### Yearly best Performers

Company	Advice Date	Advice Price	Current Pr.#	% Gain
Deepak Fertilisers	04-06-21	295	660	124%
Tata Elxsi	13-01-21	2300	6754	194%
Tata Power	03-03-21	104	206	98%
KEI Industries	22-04-20	271	1524	462%
Caprihans India	25-03-20	27	142	426%
Acrysil Limited	23-10-20	129	460	257%
GMM Pfaudler	01-08-19	393	1572	300%
Gokaldas Export	19-03-19	77	378	391%

# as on 24 Jan 2023

## Products at a glance.. Continued

✓ **Smart SIP** : Favorite of regular Savers !

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### Objective

Create huge wealth in long term by investing regularly in growth stocks. Let the compounding magic works for you.

### How the scheme works

Stocks and money remains with investor. One stock is advised on every 5th of the month. On reaching portfolio size of 18, the stock which provides highest Value in the portfolio is advised for purchase. Churning is very low. More than 80% of stocks are Growth stocks. Based on the expected long term growth in portfolio stocks we expect to achieve 15% to 18% CAGR returns in long term.

### For whom

Investors prepared to invest regularly for long term to meet their financial objectives.

### Risk

Since investment is for long term the stock price is more dictated by the financial performance of the company rather than the market.

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	Total Investment (since 05 Oct 2016)	Current Value (31 Jan 2023 )	% Change
Smart SIP (Rs)	7,60,000	12,57,000	+ 65%
IRR (Year 2021)	+57.91%		

**One year subscription Rs 4000/- as on 24 Jan 2023 (+GST@18% )**

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Disclosures Recommendations given in this report have been researched and prepared by A K Asnani (SEBI Reg. - INH000000420). He has experience of 30 years into stock investments and author of book 'Way To Billionaire'. By qualification he is BE, MBA (Finance), ERA (ICFAI, Hyderabad) and pursuing PhD.

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