

Analyse India – The Weekend MBA – Indian Investing Conclave

Alpha Series: Part- 2



https://indianinvestingconclave.com/alpha_series

In this series, Jatin Khemani has called on various Investors where they cover diverse Investing topics.

Analyse India – The Weekend MBA – Indian Investing Conclave

Mr. Amit Rupani - Evolution of My Investment Philosophy

About: Amit grew up being fascinated with equities and started his journey in Indian capital markets 15 years ago. A colleague introduced him to Prof. Bakshi's blog which has had big influence in shaping him as the investor he is today. Since then he has been learning and applying Value Investing principles. He lives in Charlotte, North Carolina and has been investing in both Indian and US businesses. Prior to moving to the US, Amit had first hand experience running his family's hotel business in Ahmedabad for 4 years.

In this episode, Amit Rupani talks about his investment philosophy and his main learnings from his investing journey. He also discusses and analysis an Indian company, Dr. Lal Path Labs.



Amit Rupani

Excerpts from the Episode

“It’s going to be a looooong journey to experience the magic of compounding!!!”

“Importance of buying solid businesses with tremendous longevity.”

Analyse India – The Weekend MBA – Indian Investing Conclave

Mr. Paresh G Sangani - Focussed Investing

About: Paresh Sangani is the Founder CMD and CIO of the Club Millionaire Financial Services Pvt. Ltd. What started of as a modest entrepreneurial venture in 2004 is today one of India's respected and well-reputed investment management firm, managing savings of Rs. 1150 crores. Prior to setting up Club Millionaire, Paresh managed his family business at an early age of 17, due to the untimely demise of his father. This gave him first hand exposure to the challenges and opportunities that a business faces at a very micro level.

In this episode, Paresh Sangani discusses his investment approach (which mainly focusses on consumer companies) and the key characteristics he looks for in investments. He illustrates this with the use of case studies of 6 companies – Venkys India, IL&FS Investment Managers, Gruh Finance, Bajaj Finserv, Gillette India and Nestle India.

Excerpts from the Episode

“Buy commodities and sell brands have been the mantra for value creation, because strong brands ensure that the producers have strong pricing power.”

“If you hold an outstanding company for a very long period of time, then there will be convergence between the company's earnings and the shareholders returns.”



Paresh G Sangani

Analyse India – The Weekend MBA – Indian Investing Conclave

Mr. Ashwini Damani : Forensics in Investing

About: Ashwini Damani is a finance professional with 10 years of experience in a wide variety of roles, such as finalization of accounts, due-diligence and corporate law. He believes a deep experience in financial reporting and corporate law has helped him develop a good eye for financial shenanigans.

In this episode, Ashwini Damani explains how to do a thorough financial analysis through secondary research and ways to identify accounting red flags, through examples he has encountered in the past. He also shares his 10 point checklist for stock selection, in this episode.

Excerpts from the Episode

“The most important lesson in investing cannot be taught, they have to be experienced.”

“There are certain things I compulsorily look in the Notes to Financial Statements (a section of annual reports). That being, the Revenue Recognition policy, the Depreciation policy and the Capex policy.



Ashwini Damani

Analyse India – The Weekend MBA – Indian Investing Conclave

Mr Digant Haria: A Masterclass on Indian Lending Space & Lockdown's Impact

About: Digant is the partner at GreenEdge Wealth, a SEBI Registered Investment Advisor. He was earlier the vice-president at Antique Stock Broking and is India's top analyst for BFSI sector. Digant has also worked with ICICI Securities, covering banking sector and JP Morgan. He earned his CFA in his first attempt.

This episode is a presentation on the BFSI (Banking Financial Services and Insurance) sector in India and the key aspects to consider while analyzing the sector. He uses several examples in the presentation, where he compares companies based on the framework which he lays out. The examples discussed include HDFC bank, ICICI Bank, Canfin Home Finance, Muthoot Finance, JM Finance, Bajaj Finance and many more. These companies are analyzed in the context of their strength, the trade-offs, their niche and the impact of covid on their business model.



Digant Haria

Analyse India – The Weekend MBA – Indian Investing Conclave

Mr. Naresh Katariya : Gold : Portfolio Hedge in Uncertain Times

About: Naresh Katariya holds a bachelor of Engineering and risk management certification PRM. He has consulting experience in investment banking, risk management and trading in global capital markets. He has been a passionate full-time investor since 2014, applying analytical and sentimental analysis to value investing.

In this episode, Naresh Katariya talks about the value of gold as a portfolio hedge in uncertain times. He discusses gold's role in monetary policy, gold's trajectory during past recessions, role of gold in portfolio diversification and potential risks.

At the end of this session, there is also a question and answer session on gold.

Excerpts from the Episode

“Lower the interest rates, more attractive gold becomes vis-à-vis bonds.”

“Gold mining companies are another investment option (as a proxy to gold prices), although it's a more leveraged (operative leverage) and more volatile option relative to gold.”

On the potential risks with gold: “It has had long periods of sub-par returns. For example, the 1980 gold prices of \$800 was exceeded only after more than 25 years.”



Naresh Katariya

Analyse India – The Weekend MBA – Indian Investing Conclave

Mr Sajal Kapoor : A Masterclass on Global Custom Development & Manufacturing Opportunity

About: Sajal Kapoor is an operational risk and regulatory compliance consultancy professional with over two decades of industry experience working for banks, healthcare and investment firms. He's also a passionate investor. Over the years, his main learnings have been the importance of sticking to your circle of competence, the power of discipline, patience and time. He is active on twitter, with the handle, @unseenvalue.

In this episode, Sajal Kapoor discusses the Contract Development and Manufacturing Organization (CDMO) market, the industry dynamics and the characteristics to look for, while selecting companies from this sub-industry.

Excerpts from the Episode

His basic principles:

- 1) Future is unpredictable. Look down before you look up.
- 2) Demand-side economics is very difficult to predict. Supply-side economics are relatively easier to predict.
- 3) Focus on balance sheet and cash flows, instead of P&L.



Sajal Kapoor

Analyse India – The Weekend MBA – Indian Investing Conclave

Mr. Raunak Onkar : Beginners Guide to Global Equities

About: Raunak Onkar is the Head of Research at PPFAS mutual fund and has 11 years of experience in the capital markets. He started his career at PPFAS as an equity research intern.

This episode, is titled a “Beginners guide to global equities’. Raunak Onkar speaks about the advantages of investing in various equity markets across the world and shares his experiences. An important takeaway is that by reading about peers and competitors helps us deepen our knowledge about the industry/spot anomalies between companies in the same sector and be better informed in making investing decisions.

Excerpts from the Episode

“One of the most interesting things I have seen is, as economies mature and as options for investing and options for raising capital change, the capital allocation decisions also change. Promoters have realized that buying back shares at opportune prices may be better way of rewarding shareholders (as compared to payment of dividends).”

“If you really want to find information about something, you have enormous resources available at your disposal. You don’t need to go anywhere. You just require a basic computer, which has a browser inside and is plugged into a WIFI or internet and the willingness to search.”



Raunak Onkar

Analyse India – The Weekend MBA – Indian Investing Conclave

Mr Samit Vartak : Picking Winning Stocks

About: Samit Vartak is the Founding Partner and Chief Investment Officer of SageOne Investment Managers LLP. Samit has been investing in the equities markets since 1999 and has experienced and studied many bull and bear cycles over the last two decades.

In this episode, Samit Vartak discusses his investment philosophy. This is an interesting episode, where he compares and contrasts different investing styles and the pros and cons of them. He also uses case studies to illustrate his investment philosophy.

Excerpts from the Episode

Aspects to Look For in Investments:

- 1) Opportunity which is not well known to the market and where your in-depth research gives you first mover advantage.
- 2) Businesses which can double their earnings in three years and where risk of valuation de-rating is extremely low.

“Growth covers many other mistakes and miscalculations.”



Samit Vartak

Analyse India – The Weekend MBA – Indian Investing Conclave

Mr. Vishal Bhargava : Trends in India's Largest Real Estate Market - Mumbai

About: Mr. Vishal Bhargava is an independent financial analyst and writes a weekly for Moneycontrol.com on Mumbai's Real Estate market. In the past, Vishal has worked with organizations such as CLSA India and Economic Times

In this episode, Vishal Bhargava discusses the Mumbai Real Estate market. He speaks about the current state, the reasons for it, how it can emerge and what are the opportunities that are there for companies who want to ride the wave for the next 10 years.

Excerpts from the Episode

There are 3 big factors that drive real estate prices so high in Mumbai: Shortage of land, government taxes and high cost of capital

“There is a perception that homes are getting cheaper recently. Actually, developers are taking the easier way by reducing size of homes and not making it cheaper. Apartment sizes have shrunk by over 1/5th, since 2011.”

“Covid-19 has been a good realization for developers that they have to look outside Mumbai. There are two markets that need attention – Navi Mumbai and Thane. The main advantage with Thane is the presence of large land parcels, which means developers don't have to demolish and re-develop land, unlike in Mumbai.



Vishal Bhargava

Analyse India – The Weekend MBA – Indian Investing Conclave

Mr Tushar Bohra : Pharma APIs - Common Products, Uncommon Profits?

About: Tushar Bohra is an investment management professional with 15 years of cross-functional, cross-industry work experience – 7 years in consulting and 8 years in equity research. He is currently the fund manager at MK Ventures, which he co-founded with veteran fund manager Madhusudhan Kela and a few other colleagues. He actively tracks sectors like Pharma, Chemicals, Telecom, IT, Automotives, Real Estate and FMCG.

In this episode, Tushar Bohra talks about the Pharmaceutical sector, the industry dynamics and shares his experience of investing in this sector, with the help of case studies. This is a detailed presentation and will help in a reasonable good understanding of the basics. His presentation includes a lot of data, graphs and statistics.

Excerpts from the Episode

“In API industry, the entire gross margin benefit, will generally accrue to the manufacturer. As soon as your product starts to become more value additive in nature or as you’re able to get your cost control better on the API side, you will have a disproportionately larger margin delta, as compared to the formulations business. So, your sales and marketing expenses or your cost of manufacturing formulations, these will linearly vary with scaling.

“This is where a lot of people haven’t been able to digest the increase in gross margins, they feel it’s unsustainable. Whereas, we feel it’s a structural element, which is why the EBITDA margins which were at 15-16% are at 25%+ for a lot of the players and likely to remain there.”



Tushar Bohra

Analyse India – The Weekend MBA – Indian Investing Conclave

Mr. Prabhakar Kudva : Patterns To Spot Winning Stocks

About: Prabhakar is the co-founder at Samvitti Capital, a SEBI registered PMS. He is a successful long only growth investor and has been selected as one among 40 under 40 investment managers by AIWMI. He has been generating market beating returns across the cycle by cherry picking a number of high growth businesses that have turned out to be big winners.

This episode is titled, “Patterns for Spotting Winning Stocks” and gives a practical understanding of what drives stock prices, what are the patterns we should look out for and the why they work. He explains each of these patterns with examples.

Excerpts from the Episode

A few patterns which are discussed: Leading sector of the current market, Post Earnings Announcement Drift, companies that have meaningfully reduced debt, multiple stocks from a sector hitting new 52 week/all-time highs, demerger and spin-off situations, low capacity utilization/general pessimism, 52 week lows with insider buying, change in management

On Insider buying: “People will sell the stock for many reasons, but people will buy the stock only for one reason – because they think the stock is likely to go up.”



Prabhakar Kudva

Analyse India – The Weekend MBA – Indian Investing Conclave

Mr Nitin Rao : A Masterclass on Pre-IPO Market

About: Nitin is the one-man army behind Alpha Ideas, one of the most popular financial blogs in India. It's daily linkfest email has curated links to wide ranging and insightful content on investing, right from company specific analysis to portfolio strategies and behavioral finance.

In this episode, Nitin Rao discusses the pre-IPO market.

As we know, the unlisted space is very different from the listed one, be it in terms of price discovery, modus operandi for transactions, liquidity, tax implications and so on and so forth. Nitin watches this space closely and shares his experience on it. He also explains the distinction between Pre-IPO investing, start-up investing and the Grey Market.

Excerpts from the Episode

General characteristics of IPOs: Expensive, Exits to existing investors, difficult to get allotments, fast growth days already over.

General characteristics of Pre-IPOs: Reasonable valuations, relatively easier to get shares, growth years of the company are ahead.

However, the additional risks involved in pre-IPO investing are Timeline risk (company takes longer than expected to get listed) and liquidity risk.



Nitin Rao

Thank You for Watching

Nooresh Merani

9819225396

nooreshtech@analyseindia.com

www.nooreshtech.co.in

www.analyseindia.com



www.nooreshtech.co.in