Twitter Thread by Just A Finance Aficionado



Just A Finance Aficionado
@mishika_chamria

Thanks for sharing such valuable insights @SamitVartak ❤■
Alot of key takeaways ■

You guys are adding alot of value to investors community■

@cautkarshpandey @dadalife369 @saket1974 @ishmohit1 @saketreddy @BahirwaniKrish @VohiCapital @academy_share @soicfinance

SAMIT VARTAK CLUBHOUSE SESSION

Core Investing Philosophy @ Sage One ?

Its a risky asset class so we have to make higher returns atleast outperforming market is the goal.

CAGR of 20-25% → doubling money in 3-4 years.

To do this companies have to double earnings and they find such companies.

Focus is not on PE or valuations

Primary focus is on Business model, first go right with it and then comes valuation into play.

Many cheap businesses is available at 2-3 PE.

He wants quality over cheapness.

Many cycles have rolled out b/w the years how how do you filters stocks ?

When we are looking for growth, you want this growth to be easily funded.

Earning should be ideally enough to fund the growth and also companies that have some control on their profitability.

Sectors that do well are not necessarily high growth

Alot of consumer oriented companies you will find for 10-15% consistent compounders.

Contd

How can we play the real estate cycle ?

→ building materials – electricals, steel pipes are an amazing builder.

" LOCATION IS THE KEY "

Financials Sector ?

Not so bullish.

- Growing corporate credit will be very difficult. Companies can finance their expansions, mostly the cash generating companies.
- Unsecured lending – 95% of the population. very stressed due to lending to rurals, MSME, so their lending will be difficult w/o support to the corporate lending.

Dividend policies have a big effect too. Promotors takes up the max dividend.

Another struggle – Auto Industry.

- cost of manufacturing ↑
- running cost ↑
- ola electric can be a disruptor

There can be 3 triggers for the auto.

Not that these will de-grow, but his targets are big.

Contd

In India knowing the management of the company is necessary.

Eg Bajfinance, PI Industries, Deepak Nitrate,

You should read alot.

Question 'why' among different valuations what businesses get.

Think about your style of investing.

If you go wrong then you have an emotinal decision, probability game, ow you missed on to something.

He believes in ground level checks, meeting the suppliers, knowing the management, hearing out from them.

Anything unique you find in Promotor?

Indian promotors may not be good at communicating but good at execution.

- Why CAPEX?
- What can disrupt the industry?
- Whats execution plan?
- Have they executed in the past?
- Work culture is important?
- Is he is a good deligator?
- Do they hire talent?
- Understand the future?