Friends. It's a pleasure and a privilege to be here you today for this evening and i'd like to invite words to the stage group needs no introduction to any of us. But briefly I have seen many investors, but Go Up is unique simply because he's a mind of his own, he's a method of his own and he does everything to his own conviction. You cannot convince him to do anything which he doesn't believe in in that sense, a very rare trade investors who try to do what others do. He will do only what he wants to do and everything that he does today with such success is something that he has built on his own. And I deem it an honor to have this conversation with him because I have seen it up close from close to 28 years and it's been a phenomenal learning for me. So in that sense, it's a pleasure for me to have this conversation go up. Please.

This is it will be without wasting much time. We'll go straight into the discussion.

My first question goess up to you,

Your early years tell us about your childhood and where you grew up.

I grew up in Panjab a small town of called Balla. So I did my high secondary from there. Then my grandfather called me to Chennai. He had a business of steel trading. So when I came here he called me for holidays because I after finishing my high secondary. So I had three months for college admission. So he said you can be here so then he put me in the business. So I got interested. So I then didn't go up for a study. So I started. So that's how you can be cheap for a holiday and you stayed on here. Ye and your business tell us something about your steel business, how you did your business and what you did in your business which you really liked what you did differently. A few things see in my business, especially people keep doing the same thing whereas I always innovated things. So I always like to do different than who market does so that we can make better profits. So we used to basically people used to buy some fixed sizes of steel whereas they have to cut it and then make it smaller sizes than those I used to provide them already small size to their size which used to work out for us cheaper and to them used to work cheaper. So both it was just a winwin situation for both.

During the hatred meta scam you are not in the market but he had an opinion on the market so tell us about that view which you had on the market and what you were telling your friends. During my STE business we have no knowledge about stock market but since those days we had to go to the bank almost every day to see how the banks push and all those things because it does everything physical. So when I used to go to the bank all the bank staff used to say yesterday I bought this today has gone up. So so like that I was hearing for months to after 2 three months. So one day my comments sense said that there's something wrong because nothing can grow like that overnight. So I told my manager.

His name so Syro-malabar I used to call him. So I said Som. I believe that there's something wrong in the market, so better get out of market. Otherwise your great-grandchildren will accuse you being in the market in this period. So he said. What do you know about stock market? I said nothing but I have a common sense which says that this is not something. It can grow overnight. So after a few days momentum are still long. So Mar further went up. So he made fun of me saying Mr. Go, you may be good it your business, still business. But you don't know anything. I said what happened. He said Market has gone up, you asked me to sell. So I said you wait for a month, month then talk to me.

So to see we never used to buy any.

Paper economic times or any paper because it was not our need and there was no channel also which used to give business news. So I didn't know anything what is happening. So one day fine morning he called me and he said Mr. Girl, you have improved right in stock market too, he said what happened, he said market crash.

And that was the time I thought when people who are in the market they are not able to understand that is mother, they are not having common sense. The market is going up like crazy and everybody is blindly going after it. So I said. Let me start. So I took a plunge in that time. So first three months I study after the crash. After the crash, then from September 92 I just ventured into stock market with there sum of 50 las.

Without knowledge of any of my family members. So which became around one third less national loss was there was March 93, so it became about 33 relax, which I invested at 50 las. So my family came to know. So they said it's not our business, you better sell and come out of the market. I said nothing doing because I had the connection that this is the very low market. So it can't go below this because same thing I have experienced in my steel business to in earlier when the steel market fallen below the cost price you see cost price of steel producing at that time. So if it was 1501 1600, the prices came down at 1200. So I said when the price is lower than the cost it cannot sustain, it has to go back, go back the same thing about stock one. Also if it comes down to too low, it can't stay there, it has to go back.

So then I invested a large amount in April 2 thousand in 1993 so which actually was the right time because was invited at that time and all thesis came in that time. So the market just went up like in 93, 100 and 94, everybody must be aware market went up, so we made good money for our investment. So but at that time it was our first time in the market. So we thought we are very smart. So after in 94 a lot of companies placed GD. Everybody must be knowing so gds were placed at a very high rate. So once the gds are placed at high rate the companiess got a lot of cash. So we calculated that the company got 200 cash or 300 cro cash. They will be saving so much interest and eps will go up. But all those.

Companies actually they didn't use money to reay that they did that. They just fluted that moneyated capital. Yeah. So then the market came down and all the GDL which were placed at a very high price came down drastically. So when the GD prices came down to 50 percent and less. I started by I thought this 50 percent is very low price because as far I bought say 300 and 60, I'm buying it 100 and 80. I'm a smart guy.

So but there was no bottom. The 1. 80 became seven rupees. I don't know how many people know. Leg Jia came one percent, two percent, three percent. I lost all the money what I made, but only one thing was saving grace. I bought one piece of land after my 93, 100 and ninety- profit which was there on year. So I sold that land in 19, 700 and 98 and restarted Mayport for it. There is one interesting thing which I observed from 95. I've been closely in touch with him, so 95 to 98, the amount of companies which we have studied. I think you would not have done that much even afterwards, crazy. So like O every company you study the result and see whether it's worth what price you can buy, whether it's worth buying. It's not like today where people just do complete mastery or dridown of 2, three companies, number of companies. So I'm just going to ask you about.

How you got that thought that we have to do so much equity because I never ask you that question till now.

You see basically I always thought for anything you buy you had to see the value of it. Once you see the value of it. Only then should you can buy. If you don't know the value of it how can you buy? You can just buy. Because the the market is giving this value we have to see the value asset value. So initially my way of investing was to see the asset value.

So I used to calculate what is the asset value and what is the part share asset value comes to. So if it is less than the asset value we used to buy, so basically Gramin invest that's a discounter book value. Whatever you calculate as the adjusted value, you track multiple industries. You've bought so many industries over the years. How do you track so many industries because it for one person to do so much? How do you manage it? So many industries? You done textile, you done sugar done. You've done so many engineering companies see with the time I had a lot of people accompany like you and so many other people. So I had people from Taxila, people from other industries who were with us discussing discussing with us. So we used to get an idea from suppose is a Taxila we used to get idea for of a Taxila guy. So basically since I had 25 year business experience before coming to stock market, it was easy for me to gauge how this business will do.

So that is how it became very easy. Friends is quite in contrast to a lot of young people who think that doing business is dumb and you can go straight into investing. So whereas Disney experience helping the Investor form judgments is something which is a very, very good pointer in this discussion which we have just come to.

Coming to the next point sir which is dividend your favorite said dividend became favorite after it became tax-ree OK because see once it became tax free. So we started calculating pretax. What is the return we are getting? So suppose we were getting a return of, say, six percent. The pre tax is almost ten percent, so I used to calculate that way and then I used to see the return. So if it is higher than the F rate, it's very good. So you would have 100 of companies which today you are paying 3040 p which he has bought on yield.

Most of the companies which you see where he made high returns were are actually bought on dividendbasis butts. You are looking at it today. From the other side you are thinking that it is growth actually dividend, very patient, extremely patient, interesting and extended dividend industry. That's been the story. Can you tell about dividend composting how you calculate this? I used to see the growth indirectly, not directly, indirectly means I used to see a company which is giving higher dividend year on year. So basically that was a filter the company is growing. That's why the divide is going up. No, if the company is not growing, the divide will not go up. So I used to see the companies which are giving dividend year and year better than the previous year. So that was one filter of mine. So that serve linked to the growth. So 1 point which I found fascinating every year.

Most investors estimate what will be the earnings of companies and how much their portfolio will grow. But you used to compute every year how much your next year total dividend of the portfolio would be. Can you tell us something about that? See basically, when you are looking at a high dividend, you're compounding a dividend. That means you're already seeing the growth of the complies.

But even used to calculate how much dint your Divan increase every year, not just the portfolio value. So that is only because we were buying those comp where the dividend was growing every year, year on year. So effectively what happened is many companies which pay out a lot of money also turned out to be better allow as a capital and the PE ratio expanded naturally, you didn't have to go to multiple platforms. Tell by this by that company, no presentation, nothing. Because the dividend kept on compounding at a certain rate, the multiple also started expanding. That is one thing that I observed in this dividend. Compounding.

So you always rank your rass. Yeah, that is basically what we do. We see we first start with, initially I pick up some companies and I make it token investment. So investment is made token investment so that I can follow it up. So I keep following up. So those type of companies will be about some number of companies 78 complies in my portfolio, but that percentage of my portfolio will be hardly five percent. Let's like a laboratory, yeah, so it is like a testing thing. So my major investment will be in my core portfolio, which will be around 20 companies which have 80 percent of investment, another five percent, another 15 percent. My money will be invested into the companies which are already upgraded from the first level to second level, that is, from my labor tree. I have taken it up, so what I do. Suppose I exit in my top holdings from second level. I promote those comp to the first level.

So tell us about your own screener. Yeah, see. I develop the Skinner physically. I used to make myself quarter and quarter. I used to see that revenue growth. ANITA growth and everything what today's screener is providing. I did in my. I think in 97 itself what I was doing physically. Then one day Sha told me why you are wasting so much time physically. So he started, he took cover and he started making on computer.

Can youll see one big sheet in which all these companies which is tracking will be there and he'll keep on looking at it every day and then he'll make notes on the side and keep on marking commences what you expect in that seat. You'll see next quarter numbers you would have written. Then next quarter again one more bunch will be formed of 60008, 100 companies. There'll be pencil notes on the side, so when I go you'll just throw that bundle and see see that. So you'll have to look at the company and say whether what is your estimate of that company? This is something which keeps you very sharp on how you pick. Because in your mind, if you're 100 companies, how will you know which one to buy next? It's very, very difficult, but he used this very, very effectively. So managing that laboratory is not even looking like a tough task. You're able to naturally do it. That is something which I observed while doing that. So can you tell us about evaluation? This is a favorite subject of NAR also ye. So she relate Eva revolution is very simple today. Suppose I have invested in.

Ten sugar companies okay so one sure company price would have moved up whereas other Scheer company price would not have moved up because stock market doesn't move everything. At the same time some companies move up faster. Some moves up later. Suppose some company has moved up much higher and other companies are not moved up. I'll shift from that company to the company which has not moved up so I see both are al same but one is value is higher, another is value lower.

So the market doesn't give same value to every company at the same time. So some companies move fast, some company move less, how do you use that? I keep tracking just. I know that this company is going to do so much and he getting value of say, suppose within sugar company if some company is getting 20 time value, another company is getting only five tea value, so I should sell 20 times and we put it in the five times which brings us to the next concept which you very effectively used, which is switching switching? Yes, so can you give one or two examples of switching. Maybe I have done a lot of switching in my life.

It has helped in two ways see like the one year which has become very favorite for the market. It moves up very fast and you see it goes up beyond our estimate also, so I will sell that share. I will not wait that this share will can go up still more because market fancy has got it. So I'll sell that share and buy some share which is still not moved up so I can give an instant in 2 thousand and nine I bought relax of industries, relax of food for so at 30 rupee that time and when I sold everybody are selling this company has very good future why you are selling. I said it doesn't matter. I' am buying some company which has a future and it is available same much lower price. So I sold the LAX so say at 200 and 1520 13 and bought care will at 20 rupees. So I got about 12 shares of KR will today 12 share of KR will much more than the what I so relax at that time. So my way of investing is like that, so I don't lose even if the share goes up, I've already invested in the share which has more potential to go up.

How do you go so deep into one sector because I've seen this in textile engineering and now in sugar? Of course, rice is another one. There are multiple sectors, but how do you go so deep into a sector you going to see all the companies? That is because of my business ecument, which I have learned 25 years being in business. So I just think when I invest in a company. I' am partnering with the company. I'm not buying just a piece of paper. Im becoming a partner of this business, so I see it is a business.

So so unless I go deep I can understand the business. So I have to understand properly. So then I can invest consoled do the investment into that. Many people see that you're invested in some company for a very long period of time you're holding when they have all sold and bought back and then all these for example, sugar across multiple cycles from what I have seen. Sugar two cycles we only studied. We missed the bus two times investing only third cycle your bot. But even there like somebody like me goes out, comes in, goes out, comes in, whereas you from third cycle till now you stuck to that sector. How do you invest across multiple cycles? There's another example which I can tell you, 2 thousand and four we studied Sangli Moors, you're still not sold. I think you're holding for the last 1819 years more than that March 1919 years. So I remember it's in February March 2 thousand and four to today because my daughter's age is 19. So that is when thiscom. So how do you invest across multiple cycles even in stocks which have cyclical nature.

See take example of sugar the sugar we thought because there is a lot of change happen in the industries like ethanol was not there in the sugar aware. So once the ethanol story came into sugar, so we thought it is not going to end in a year to and it will take at least four to five years. So my hypothesis itself was that I should wait till 2425 when the Ethel story becomes fully fully matured.

So the patients so in the interim period you are only focusing on the business and the dividend. The dived keeps you happy, yes. So growth stocks. There's a gentle feeling that value investors don't understand growth stocks. Actually the people who say are not even growth. They momentum invest. That is the irony. But you understand growth stocks very well. Can you tell us about some of the companies where you have participated in the growth for a very long period of time.

Maybe something like KBL, for example. It's been very, very long. I think nearly 1314 years for 15 years you're just stuck to it. You're not sold your about continuously. But there is another area also where I have seen you have been very, very sharp. I'm going to ask you about your autoancilllery investing because not many people know about it that there are companies which you have bought every cycle at the bottom and sold every cycle at the top and three cycles. I can give two examples with your permission. One is LGB Brothers which I have seen and the second is MM four G and there are multiple companies. I've just given two samples. There could be at least I can exhaust both my hands in counting, but these are just two examples. How do you turn a company like an auto anllator into a growth stock? See basically they market their Illiquorde shares like as you mentioned lgb and MM approach see every good cycle when this.

Sector become favorite people want to buyer SOS the funds so they don't get so since we are holding those dogs they come back from us and we give them the stock and the same when the CY term downward those funds are come us to sell because they are not able to sell in the market which means you go completely against consensus. Yes both sides. These sellings are one thing I' haveve noticed. Tell us a little bit about how you sell because many people are seeing you only hold but there's one side to you which is very very fascinating which is you sell. Tell us about how you sell. See basically I sell when according to my valuation DA share is fully priced and still market. I know market can give much higher price but selling I start shaving that stock from that level at.

Say suppose one stock I bought at maybe 100 piece 500 of piece is my target. A target comes, we start selling though I know that market it can go to 1000 of piece so I will start selling and a small paarl. Then every next selling will be double the quantity and again next cycle it will next price it will be again double of second so my average will go up because I'm selling at a higher rate much more quantity than the lower level. So you don't have to worry about starting yes. So and actually we are able to get average price of selling itself which is closer to the peak. So market doesn't remain aquae. So our average price will be much higher. The share will be going after six months because it falls. So we are happy there are shs which have sold at the peak on the freeze full quantity. How do you manage that? Tell us a little bit about it because I have got a conviction that it is the over price. So I need to sell against the entire consensus one shot because that is where I can sell. Quantity.

The Only Trees is the best place where you can sell like one, so you're shopping, annoying the buyer.

So this comes to another point that when you are selling you're also buying. How do you manage these two tracks? Because.

While you're selling you're also knowing what to buy. That's also happening almost in a parallel universe like kind of how do you manage that? Because one set you're selling in euphoria and another set you're buying where there is, i mean, complete disinterest, very easy. See Stock market doesn't get into a furia for every sector at the same time like for example in two or 19 and 2 thousand when people Addphoria in it dot bubble which she is called there was old like Nomisia dumped Libera. So basically though people were thinking that we are foods, we are buying those stocks. Some companies you should name because further the interest of the yeah, we bought a lot of companies like Tube Investment. We bought EAD Perry, we bought the Carbo and Mu Mu see I was seen 2 thousand. If I give you one example the company called SSI, everybody must be noise software solution. It was trading at the market gap of some 8 thousand growths whereas the whole Mugabe grow was available for 500 grows. Can you believe it? There's something more, he said at the time. And I'm going to just interpret and say he said that.

Compared to this software company, the valuation of Amalgamation Plus TVS Plus. Mugopa Group all three put together is lower than the valuation of that one company. That is what he said. I'm going to interpret until, so that was a very nice way of putting the contrast. But nobody agreed that the other side is value. The market was so polarized that people thought that if you didn't own those companies, you are not doing the right thing. Whereas today when you talk about AD and Carbo random and tube in the current multiples, can anyone guess what are the multiple of those companies in 99. 2 thousand? Any guesses go must be annoy.

So that was the valuation kind, this is 100 and that is true, that is the kind. That is why I call myself a value investor. I just see the value and then buy.

So you I remember 95. I think you had a huge number of companies in your portfolio. Yes, as I told you see we have some the diversity fight yes, but the other portfolio was not 800 or even more. Probably I don't remember exactly but my way of having commitment money putting into 80 companies and say that will be only five percent of my portfolio. So basically when you sell something then you start looking at your laboratory what is still very cheap as you asked me rightly just now that how you can simultaneously sell and buy something because we have a lot of things available in the laboratory so when you can pick out of that something which is not gone up so it's not very difficult to deploy money. Have you been in cash in any market in this 30 years because 31 years because I have always got some opportunity otherwise so no cash ca.

Talking about the concentration if you are comfortable having high concentration. I am very much confident if I have got a conviction in particular, company.

I don't mind putting 3040 percent of my portfolio also, and you don't have any sectoral cap also. That is another thing. You go deep into a sector, so you buy many companies in that sector. Yes, some sectors other than sugar which you enjoyed investing the tax state. Any auto anciity is another ARTO. Anillaity.

You are very fond of small companies. You're not that much fond of big companies. I've never seen you like a very large company. You're always found a small company. Basically, small companies have more potential to growth because the base is small. See large company, base is higher, so anything which is high base, the growth will be ten per 15 percent. Whereas small company where the base is very small, it can grow even 50 to 100 percent in a year. But when you look at today's valuation scenario on small companies, what do you see? I don't see as a small cap or madcap i see individually companies. So what is in my portfolio? I go by my own, so you don't look at. No, i don't look at. Overall, you don't look at the valuation where it's high. It doesn't disturb you where there's 100 p and all that. But whereas in 2 thousand, how do you feel? In 2 thousand the market was so polarized today you are so cool 2 thousand. How did you feel? We are feeling happy, but people are making fun of us.

Talk little bit about that. People used to say that doesn't know investment. You know about do their arch. The person was under me. From 97 he bought some shares of which company Visual Visual Salt for some some 3027, 2730. 30 twenty-se ru. 20 to 10001 to 10 thousand. So those kind of people stopped talking to me because we thought that's not. They are the masters. We don't know anything about market, so I have seen that, but I don't mind, see.

I do what I feel is good for us, so I'm going to ask you about your conviction. You very, very strong conviction. In fact, sometimes your view can be very, very strong because of your conviction. How do you feel when.

It takes time. How do you manage? For example, many things have played out, we've always been early. This is something universal. Even now you're probably early in some idea or something like that. How do you manage that period when you have full conviction and you're early and it's going to take some long time. How do you manage? Because everyone around will be having a different view while you are having this. I don't see what others are making. I see what I am being see, i don't compare myself with anybody else. See this SOA has done better than me, i have done nothing. So if I do that, then I would not have been there in 2 thousand. I would not have been buying these old companies, you know, see we actually, if you ask me, you can make much more money in your life if you see the sector, especially when there is a furia in particular sector the sector which are totally ignored because they are available at throwaway price. So if you invest in those stocks can after the euphoria gets over, you make highest money in that. See whatever we bought in 99. 2 thousand in 2004, five, it was 2030. 40 times.

Because they were at throwback price, not that companies have done well. The company was undervalued, it was a solar throwaway price, so the value has come back. So I'm going to extend this investment discipline and ask you about something which is again quite unique to you, which is your personal disceptor. Can you tell a little bit about your daily routine.

See basically I' am very clear see for anything you should have. Clarity of Mind. Clarity of mind comes when you are having a healthy body. Your mind will be free so another thing you should not be greedy to hold too many information into your brain. So I have a delusion process. So lot of information is so much nice is so much so you have to cut the knife. You take only information which is used to. You don't take anything other than what is not used to you so basically so I have clarity of mind that I should not have information which is not used to me. A lot of people really surprised I have a lot of brokers who are sending me daily reports. I tell them not to send me any report. I am not interested anybody's report. So even if somebody said I put it into report. Spam.

I don't see anybody's report. Not the last time you saw business TV. I dont have a TV for the last several years. 5. Six years I have not seen and you are not on Twitter. You're not on Facebook. You're not on social media. Also.

A little bit about readings, what is their opinion? See basically my life I have learned from observation. I'm a good listener and a good observer. So my learning is basically from observation. So whole learning I have got. I have not learned from anybody I have not learned from books. I learn from my experience by observing and listening to people, so I always feel this. See everybody has his own way of learning, so this is my way of learning. The importance of thinking. You spend a lot of time thinking basically see first. First thing is you get information okay, so after the information if you process the information processing means is a thinking. So when you think you ageing that end information once you process that information then only it becomes knowledge. If you use that knowledge that is you practice that knowledge, then useful. Otherwise that knowledge will be only temporary. See if suppose you have got the information and you have possessed it becomes knowledge and you don't practice it. It will go away after a few days, so you have to practice this. So then only it can be useful to you. Another thing is this investment ideation.

You do it completely almost the sense that it's not like you're looking for somebody to give you ideas and then you work on them, because generally you don't some. I'll tell you see this company, you may see it, but you don't want to own it because it does not come to you naturally tell a little bit about that, not entirely like that. Sometimes some ideas strike me. You should strike me. See, that's the point. See idea comes from so many people. If it strikes to me. I will look into that. And if I get a connection, I'll buy it. There are many times I will not buy without understanding my understanding. You see. I will not buy because Shama told to buy this. So I will buy only if I feel that it is good. I get conviction on that now I'm going to go to the next step of that conviction and ask you a question, which is sometimes in discussion because were discussing multiple industries. Somebody may be very passionate about an industry while discussing with you. Then you take your time to come to a point where you become more passionate than this person who has given you this spark the first, then.

You start owning that business for in bigger parcels know size, your investment becomes larger and larger and your conviction you're translating into actual action. Yes, this person has already sold and left the party right, but you are able to manage your conviction entirely on your own. Tell us about that. See basically idea i must have picked up from somebody, but it's my own conviction. I built my conviction and bought it, so I go by my conviction. After that, there's not going back. So even if you get an idea from somebody, you don't have to go back to that person to ask what you must do by the time you buy, you must know exactly what you want to do and after that you are on your own, so that individuality is something which completely stands out. And that's in my opinion a very, very important thing, because we are always looking for peer validation in our professional investing. So then professional investing. You're seeing who else is owning and who has already sold and everyone wants to outsmart the other person either by selling before that person or.

Buying more than that person or buying before that person. In many ways, there is this competitive spirit to do this, but the way he has been owning business is because the sheer patience and extension of time which he gives himself is not in combinationetition. It's the style of investing which actually takes him completely away from that arena. He's nowhere in that space. He's in his own space.

What are other interester other than investing.

Than always i am passionate of mentoring people in the spiritual as well as the other aspect of life discipline, keeping good health, not burning your health for the sake of money. So I always feel that health is more important than anything else. What you will do if you have money, but no health, so that is what I teach. A lot of people about youve been an investor for nearly 30 years, 31 years to be precise. Now there are a lot of young people in this room who just either finished their studies or still doing their CFA, wanting to become investors and they're very drawn towards investing if you were to tell them what they should do or how they should begin because it's a totally different context today, right in today's context, if they were to begin and do something, what would be your advice to these young people?

Basically I always believe whatever you do. You should have clarity in your mind what I am doing so for that your mind should be free, it should not be having too much of noises, you should be concentrating on some particular them and having a conviction on that. Then doing investment so should they only be investors or should they do something else. There are a lot of people who want to only be in investment banking or in portfolio management or only in equity research. We think nothing else in the world is interesting. Do they think that kind of an approach will help that depends on percent to person see for me. If you ask I feel this talking beauty is the best place to be because you don't have any tension or any business. You ask any businessman how much tension he has. I have no tension that is given to the businessman.

I should ride a good horse, that's all let horse do his work. The interesting thing is there's so many stables he has rid of horsess which he has rid very successfully over these years and he continues to enjoy his reading and he's very.

Passionate in fact as passionate today. I've seen him when I first met him and this is something which has grown and this is something which he has maintained and he doesn't see the market as something that troubles him. He enjoys it every single day. Very wise people don't allow market, that is price movement to become driver of your mind. This is my advice to everybody. Don't allow price movement of the stock market should be driver of your might. You should be driver of your own might. That is one thing I will tell everybody see a lot of people but 99 percent people has seen the price movement only makes them either happy or unhappy.

They don't see that Z. Basically, suppose the market is doing well. We feel happy because we have some opportune sell and market is not doing well. We are happy that we have an opportunity to buy something. So both way you should be able to be happy. But most people are the rivers. Theyre unhappy because they cannot buy in a risingcing market and unhappy because they cannot sell in a falling market anyway. I have come to the end of my questions. Now it's time for your questions, which what is the procedure they have to send the slip? Is it good? Question. Sir Kino has asked this question. How do you stay invested even when your holdings fell by 6070 percent? How do you develop? Conviction 6070 per portola markets have fallen. Sometimes portfolio falls from 100 P value to even 40 or even yeah, it happened in 2 thousand and eight. So how do you stay invested? Is this question? Actually, you have been buying actually at that time, not just staying invested. So basically we have got conviction that the price will go back. See, we have seen many die the market fall, then need go back.

The next question is on ethanol you on ethanol blending.

Beyond 20 percent do you think there's scope for that? That is the question he's asking is asked this question the scope is there, but it will take time. See bas in ethronol making there are two things you require. One is a feed stack, another is feel so sugar meals have both their own, that is can they have got their own? Their area is allotted to them so they get the can at fixed price and their fuel is basically that bags which they get out of making sugar. So fuel is also there. Whereas any independent ether makingking companies they have to buy both the things from outside fuel from outside as well as Fetack from outside. So which in case of there is no guarantee of that feedstock and fuel prices remaining at constant price. Whereas the price for the ethanol will be fixed for the year. So.

I feel that sugar industry is the major beneficiary of ETHMO policy so in long term see these independent additionalariesies will have very difficult period to ramp up the capacities because sometimes they will have problem of feedstock. Sometimes they will have problem of fuel like last year the fuel prices went up because of urine war, the cool price went up to 25 thousand so all even Aro waste prices went up in relation to the cold price so they were making losses whereas the sugar meals they were having their own fuel that is bags. So there are no issues.

This' is a question by somebody. He says when you look back at your life, what skill they think you miss gaining that is critic, anything that you feel you could have got when you are much younger or something like that. Any skill.

I don't have any idea about it. Oka.

This on so Jane when you see the current crop of new investors, what's a common mistake they do and how to avoid them? Common mistake is basically a lot of people. They don't have their own connection they buy with somebody's else. So if you buy something with the borrowed connection, then you will be always not knowing when to sell when to buy. So handling is bad. Handling will be bad other than euphoria and valuations. What are the common pitfalls and mistakes which new Inverse I mean? What are the common pitfalls and mistakes one can make other than euphorier and valuation.

See BAS people are going as I said rightly that the price movement is a become driver of the mind of the peace person. So all linked to their mind is linked to the price moment. They don't see the valuation when they get trapped as a long-ter investor patients is an important skill. How do we take patient Yash Sofia Chopra sorry, do we engage in other activity? How do we or some other hobby he wants to know? How do we patient.

See basically I have a formula which is called KCB Limited. I don't know how many people must be annoying. The KCB is basically a company name, so on that I have made a formula is K. K is a knowledge. See if you have a knowledge you will get conviction. Knowledge only drives you. Conviction. If you have knowledge and conviction then you automatically get patient. So basically knowledge dry conviction, conviction, dry patient. So once you have connection you don't bother because you know that what you have done is right.

So this is an interesting question from PA. Why no do it see I have my own limitations like I don't invest in the business which I don't understand. See if I don't understand any business, why should I put money? See if you have a lot of opportune stock market has given you so much opportunity. Why you should go to a field where what you don't understand? He's asked the same question of why no to banking and why no to farmall I just mentioned one sector to see a reaction. See Banking is basically good. Old Days 1980, s. When we were in steel business we used to see how banks used to manage their balances.

See when I used to go to the bank auditors were coming there to audit their firms. They were just going after auditors to somehow make their balances right. And also we have seen that bad dates were managed by giving overdraft in the new company and then taking money into the old. These things so that was just agreeing so that mindset. Still, I'm not get out of that because Ive seen that I have experience. So I said Why to get into that, we don't know how much is added in the bank, so what they report, can we trust? We don't know why not to Pharma Pharma again, i told you I, i don't understand it same way. I don't understand Pharma. This is a good question from Cent. How do yousef promoter Quality? A lot ofdusors have troubled in this area because how do you really judge a promoter.

That you see basically when I take a decision of doing a large investment. I meet promoter so I interact with the promoter. Once ICT I assess the person. So I have got a good quality of assessing a person because of my 55 yearar experience in business. So even when sometimes we have seen this very thing that we're meeting a promoter and telling him your stock is undervalued. Why don't you buy it? And he says he can't buy it or whatever way he doesn't pick that. He doesn't even pick the signal that you have to buy its undervalued. And then you still buy that stock. How do you buy that stock? That is a very, very interesting thing that I have observed. The promoter is not buying. He's got some mind block, it's very, very cheap. The stock is so cheap that it is actually not even it's elementary, but Watson doesn't get it so bas a lot of mother, they don't apply their mind on their stock value. See, everybody doesn't look at stock value, so very few.

Smart promoters only looking at the valuation of their stock market valuation that also it started only after it has come into the it became a field one of the field. So all people you say Enterburner who started in 90 S, they are smarter, they start a looking evaluation and they are keeping that track. So they also.

Give the information what is needed to the market. So that is SOMA. The guidance and disclosure is very very so. Whereas Sam mo, they doesn't understand the valuation, they just understand the business, they are only engaged into the business. So sometimes we find that valuation is throwaway price. If you remember we went to LGV in 2 thousand mentioned the name. I thought you will sell the name see LGB. Md. When I told that your share is available at 30 rupee that the company total valuation was 14. I think 14 cro was the market CA of that company LGB brothers and it was making 11 throne a profit and it was 30 ruishe share. He was giving himself four rush dividends per share. Din he said.

See you don't understand the value of your share. If market is not giving value you should buy. Then he started blinking. He was asking his the CFO answer the question.

This is a very interesting question. Sun is asking.

Ok, i ask the question, but I'm going to ask some more questions with this question. What is the dividend deal of your portfolio? That's what he's asking. That's his question. O. But I want you to just talk a little bit about how I've seen at least nearly 2728 years you have monitored the overall dividend deal of your portfolio religiously. Tell us a little bit about that.

So right now see there are two things we have to see, dividend yield on the investment, not at the portfolio evaluation. The portfolio evaluation would have gone 30 times 40 times. So you cannot expect the yield on that. So you had to see what you invested and what you are getting. So the portfolio today, my e will be not more than three percent, the three percent are royal. E. Today, you're think not more than most of people are 1 one quarter percent or one and half percent deal. That's what I've noticed. This is from an Keith. His question is why holding incyclical businesses like Sangli movers for long while getting out of secular businesses like relax or conventional wisdom says the opposite he says.

What made you wait for? Oh, that's the next question? No, then I'll let you answer this. What did you are see? Conventional wisdom says that you sell a cyclical company like Sune and buy a company which is a secular business like iphone or a relax or or something like that. You've done the opposite actually. So this goes against the general wisdom which are two things there are some companys where you will see. Sangli case. The company has a lot of cash profit, but the profit doesn't show on the bottom line because of the higher depriion and higher interest but very high depression. So we look at cash profit. So we don't look at the bottom of the company.

This is from Yonge. She asked how do you maintain high conviction when there are negative corporate downances issues like he was mentioning the Krol issue which came up some years ago. So he asking How do you manage yourself? How do you manage because your push is very large? How do you manage yourself? See basically I have a conviction in the business because I know that business even better than the management and I have a conviction in the brand value see today that company if you ask me is available for scrap value scrap value. I don't know how I can explain. See that company will be 8. 9 thousand grow of the value. The the company has more than 5006 1000 cash and the land parcel what they have and 3 four places they have that itself evaluate about 2 thousand grow. So basically and the machinery plant everything. If you put together you will be getting at a scrap value. So companies is doing well only promoter in that they are not.

Stealing the money or they are not doing something wrong. But they don't understand stock market though we have made them to told them what they should do, but they are not understanding. So it's OK. We have a conviction that this company one-day will get valuation, not this generation. Next generation will come, they will change their mindset. So do or how do you decide that your hypothesis? Whatever conviction you are having, it's not playing out as you thought. Sometimes rarely it can happen right, it happens many times it. So when do you take that call? How do you decide? And it's not going as for your thinking ye once it doesn't go as for our thinking and we also exit from exit, so it's not as you wait something to happen. This is a very interesting question. Fromitt, do we invest into large GA and move weight relatively into large gaps in Wild Bulla rallies like now now would you actually use this to sell and move to large caps? This is question no. I won't.

Why.

See I don't see much protection large cap see BA. Today a lot of people are bullish on I' seen HTC bank, a KTE bank. If you ask me, don't hold my leg. See these banks. At one stage they were doing well and they were getting valuation. Almost i have seen at one time they were trading at seven to eight times a book, so actually they were doing well on the basis of the because PSU banks were made in the Congress during Congress period, the PSU banks are bloody. They were giving money to the some people like Malaya and all those people no. So they had a lot of NPA phone banking, yeah phone banking.

So these banks are enjoying because PSU are not doing well now. This plus come back see from zero point to book value to they come back to one or some banks are treating and 0.5 book value they come to 1.5 or say like State Bank or these banks whereas private sector bank which we enjoying because of the inefficiency of the largest plus.

Large plus were inefficient so these people are enjoying that. So now if you see I am seeing in my picture though I am not investing in the banks but I still study academy interest. I have in arcade interest even BEI. So I don't invest. That doesn't mean I don't have academic interest. So I understand. So now you see that all these seven book eight book value has come down to three. Whereas these PSU which were trading at bankgob blowers St. At bi two book value and I think State Bank was at one time we were stating at zero 0.4 book value they have come up to one to 1.5 and these come from seven to three. So I don't see the time may come when the PSU may go to Tu bookque and these people come to to end up P or something like that. Now I'm going to ask you very audacious question where think the NBC will be if this is going to happen because were having NBC higher multiple than the private banks. Today people think nbfcs are kind of.

Nbfcs are enjoying because they not have a sierra and these ratios what banks have to give to these a lot of money they have to park with these RVA areas. Nbc has no rule for that, so that's why they enjoy that benefit. You think that multiple will stand alone. You think that will also converge with what you're expecting. This converge will converge. How do you judge the ethics of management? You have different. I mean some people who really think of Truly.

Gold standard Some people you think OK, they're descent, how do you judge that? How do you judge there should be? You can see the withdrawal of the promoters. Now if the promoters are withdrawing huge money from the company as the salaries and all those things you can see. Sample motors we're drawinging a lot of money and where are sample motors are very taking out very reasonable money. So according to that you can judge motors are taking away the money. Whereas Sommer motors like air they are not taking away the money. They are not taking higher salary. Also they are accumulating cash because of accumulation of cash. Only this company is not getting valuation where cache becomes negative one. If that cache is not there their ROC is much higher because they have accumulated so much gas. So we are forcing them to buy back. So.

At least we have been successful making them to buyback a small buyback they have done recently. 320 by Growth.

So it's a general statement to say this time is different Tatra. This is common with every bulla and then people tell next 20 years is not going to be ten years is not going to be like the previous decades. What do you think about the scope of value stroke.

Growth investing in the next decade with even separate opinions on value and growth, but you are not seeing it differently. Right, you want to buy Growth and value and get growth. Yes. I always look at value buying Growth stock growth stock at a value price ok. So you think that Scope is there for the next ten T years easily.

And then this is a question you have 20 portionionss making 80 percent of book and most stocks are small. Madcap, how do you stay put with the volatility this by Mitali? And what is the co drawdown? What is the worst drawdown you have seen? And how do you deal with it? Any other thoughts on any mental models that you follow? How do you deal with? Drow. Suppose again, the same question we've seen in various various cycles, 100 rui become 20 rube 30 or 20. I think 2 thousand and eight i remember my portola became 20 percent. The same happened COVID. Also. I think it became 25 percent. Or but in Twitter, if we see nobody has draw on. If you see Twitter, nobody has draw on. Yeah, yeah, they're always doing well, so how do you deal with it? That's what she's asking. It's a good question. Actually. I have clarity of my mind. I have got conviction. I think what is Paulin temporary notional? Nothing changes about your life? You just go about your routine. Doesn't bother you?

Somebody is asking about what in your investment experience what is the best investment you made any one company or 2 three companies you would like to say, and the worst. If you like to name a few, it's up to you. You can either say the best and leave it. Or if you feel comfortable, you can give both.

Time to time I think as you must be remembering we bought Peragoro at 30 rupee sold the same share to the promoter 1003 1000 Rupees 100 times which they were wanted to buy at 70 Rupees. But we sold them almost 3 thousand Rupee. So you call that the best investment. Yeah, it's a good investment 100 times you made. So is it fascinating that he would have probably invested in 700 to 1000 companies successfully and he gives a whole co as his best investment. That's a very, very interesting point. Any other companies, any other names you want to tell.

I feel my investment in guarability is also very. I was just thinking about that well because my cost is only around. I started buying that company at ten p year at around 100 of piece and it went down to in 2 thousand and nine went down to 50 rush. So we invested at even that, so one lu share my cost was only 1011 rupee then iulated 20 rupee a large portion in 2030 which I actually converted lot or my other valuable stocks sold those stocks and bought these said to Dieppe like Relax. So one example guess if I see today my selling Relax, so whatever I must have lost there, i would have made here. So that is how I keep myself clear.

This is a question. How do you value a company like DVL? I think this don ventureches DVL. What is it? Is it? No, i am not into DVL, that is, a holding company that is now setting up its own bonet plant. I don't know which company I have no investment in that. And then how do you recharge yourself? I mean, how do you recharge your health? Your mind, you mentioned a lot about health, some little bit about, yeah, I've got is all. So basically I have a habit of taking a after nap which is right from my start of business. Say earlier. I used to go for nap after lunch, but now since market is there, so I go a nap after three. Market 300 and 40 to five is my rest time. I switch off my phone. I don't keep anything which can disturb me. So same way in the night I sleep by nine o'clock. So 8, 30 I switch off everything. So so that nine o'clock I gone to sleep. I wake up at three o'clock and what do you do? What do you do at three o'clock.

Since three o'clock I get up and I see the V day. Maes and whatsapp and the US market everything. And then around 300 and 45 go for walk for five o'clock I come back, you also run at the end of your walk. Right no't I used to doha so fire you back, yeah, and then.

I just change over and then make my own horrible tea which I take doing myself. So by six o'clock I am free, so six to seven I have given slot to some of my people who want to stop discuss with me. So six to 7, seven to eight I do yoga which I' have been doing for the last 43 years and this is 300 and 65 days. 300 and 65 days means if I'm in the decision in Jama.

And every day nine o'clock you're ready for the market. Yes, not 9, 8, 45. Oka interesting. Do you like anything else going out movies very rarely. What is your favorite food food? I like both Indian foods only. Either it is south in there or or not in there. We don't like all the Chinese. I don't like anything than OK. I think we have come to the end of reasonably engaging session. I hope anyone else has any other questions. We can close with those questions.