

# Should I Regret or Should I Learn?

## My Love Story with the Stock

–Harish Kawalkar

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I bought my first stock on 13 Oct 2008, at the age of 24 years. My journey starts from one stock to another stock, but whenever I invest I always look for long term prospect of my investment. I don't have any analytical skill or any business skill. That time I have zero knowledge about financial analysis of company, in nutshell I was zero...

But, I start my investment, like a new business for me. I was not bothered about the price and value. I invest only on my common sense and the business I know little bit about it.

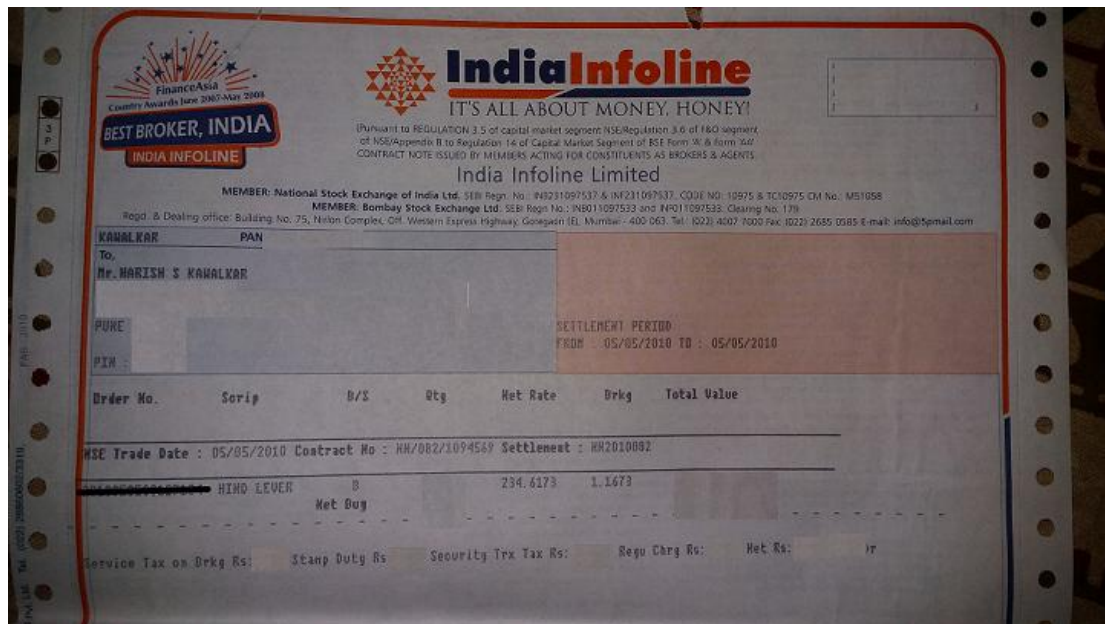
Two days back, I was searching my old documents, which I did every year, in the old documents I found old contract notes of my investments, in which I found few great things, that's the main purpose of writing and sharing this post with all of you.....

The date was 5 May 2010, I bought few stock of one of the well know company, at the price of Rs 234.61 with brokerage, service tax and all other cost include, It cost me around Rs 235 per share, and sold it on 15 Nov 2011 at the rate of Rs 303 per share, book profit of 29% within a span of 6 months, I feel great, but I sold it to do the down payment for my new flat, these are the my real reason, and excuses.

The story is over for the stock, I never go back and invest In that stock, I fell happy in my new flats....

But on 24<sup>th</sup> January 2019, the contract note tell me different story, let's dig dip...

As on 26<sup>th</sup> January 2019 the same stock trading at Rs. 1757 per share.



Here is the contract note of my buying at Rs 235 per share.

Look at the today's story....

Buy 5/5/2010	Sold 15/11/2010	Today's Price
235	303	1757
	29% Profit	<b>648%</b>

Buy Price	Today's Price	XIRR
235	1757	<b>25.90%</b>

Include Dividend Rs 126/Share till Date		
Buy Price	Today's Price	XIRR
235	1757	<b>28.82%</b>

I book 29% profit in just six month, but if I not sold this stock, and hold it till date, I can generate 648% return. If I calculate the XIRR it is 25.90% without dividend and 28.82% with dividend. If I hold this stock over the next 22 years, it will be in crores of rupees.

So, long story short.. I lose crores of rupees, just not holding this stock.. and it's a very expensive mistake I done.....!

In the above story you see the performance of the stock.. What about the business performance? .... Let's see.....

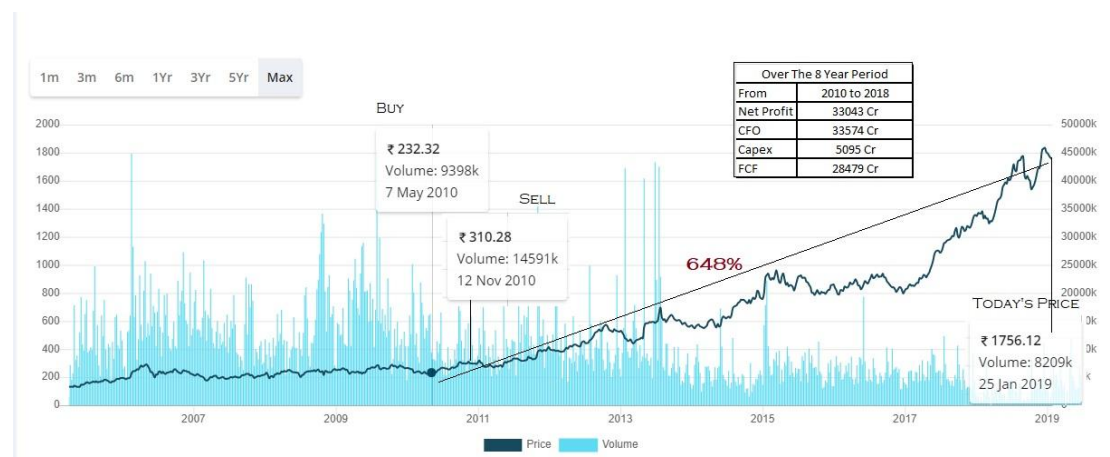
Narration	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	2010-2018
Sales	20205.13	17501.68	19735.51	22116.37	25810.21	28019.13	30805.62	31061	31890	34525	8.86%
Operating Profit	2408.2	2344.1	2664.5	3256.82	3964.06	4464.88	5194.43	5639	5990	7220	
Operating Profit Margin (OPM%)	12%	13%	14%	15%	15%	16%	17%	18%	19%	21%	Consistant OPM
Other Income	812.94	666.42	493.6	431.7	1254.99	860.09	1296.5	643	824	563	
EBITDA	3221.14	3010.52	3158.1	3688.52	5219.05	5324.97	6490.93	6282	6814	7783	
Interest	25.32	6.98	0.24	1.24	25.15	36.03	16.82	15	22	20	
Depreciation	195.3	184.03	220.83	218.25	236.02	260.55	286.69	321	396	478	
Profit before tax (PBT)	3000.52	2819.51	2937.03	3469.03	4957.88	5028.39	6187.42	5946	6396	7285	
Tax	504.07	617.48	631.04	777.63	1161.21	1160.9	1872.16	1809	1906	2048	
Tax%	17%	22%	21%	22%	23%	23%	30%	30%	30%	28%	Consistant TAX
Net profit after tax (PAT)	2496.45	2202.03	2305.99	2691.4	3796.67	3867.49	4315.26	4137	4490	5237	35539.23
Net Profit Margin (NPM%)	12%	13%	12%	12%	15%	14%	14%	13%	14%	15%	Consistant NPM
Cash from Operating Activity (CFO)	2028.66	3441.02	1891.78	2872.41	3529.58	3724.15	3271.9	3974	4953	5916	35602.5
Capex (NFA+WIP change+Dep)		541.26	242.62	123.31	381.64	493.85	481.39	684.46	1323	823	5094.53
Total Debt (D)	421.94	0	0	0	0	0	0	0	0	0	FCF
Cash + Investments (CI +NCI)	2109.97	3156.29	2889.14	4268.25	4038.55	5315.09	5815.49	5539	5450	6484	30507.92
EPS	8.14	9	9.61	11.23	14.52	15.75	17.01	15.94	20.79	24.25	
Stock Price		235								1757	
PE		26.11								72.45	
Data Source : Screener.in											

It's a consistent business in a well establish sector. Sales CAGR growth over the 8 years is 8.86%, Operating profit margin is 12% to 20%, it's not a fluctuating business, and company does not compromise on margin to boost sales, it's a regular dividend paying company. Its products are market leaders in the segments. Pays tax on regular basis. Net profit margin is in between 12% to 15%. It's a debt free company.

From 2010 to 2018

Net Profit over the 8 years period Rs 33043 Cr  
CFO Over the 8 Year Period Rs 33574 Cr  
Capex over the 8 Year Period Rs 5095 Cr  
FCF Over the 8 Year Period Rs 28479 Cr...

In short I lost a GEM.....!



So, the big question is **Should I Regret or Should I Learn?**

## Why I will Never Regret?

1. I started with nothing, so why regret?
2. It's a decision I make it for buying a Home,
3. Buying a home was my first requirement
4. Decision matters... result may vary
5. If I don't learn, then it's an expensive mistake

## My Learning's.....!

1. I contradict with my thesis, of not holding for long term.
2. I Disturb Compounding.
3. Avoid Business Performance, it's an expensive mistake.
4. No control over greed to book profits.
5. Read great book on behavioural economics to control my emotions.
6. Reading & Learning need to be a part of my life.
7. Opportunity come and go, but learning's remain forever

As Lord Krishna says in Bhagwat Gita



I forget to mention the Company Name It's a.....



(Disclaimer: Data Source From screener.in & BSE. I have no holding in mention stocks, I am not a SEBI registered investment advisor. all are my opinions, and this is for educational purpose only. I am not genius or clever to understand all things, I may be wrong in interpreting the data and, take your decision on your own)

**To Your Success with Lot of Love!**

**Harish S Kawalkar**

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