

# Investor Presentation



**ALFAccurate Advisors**

Protect Capital, Create Wealth



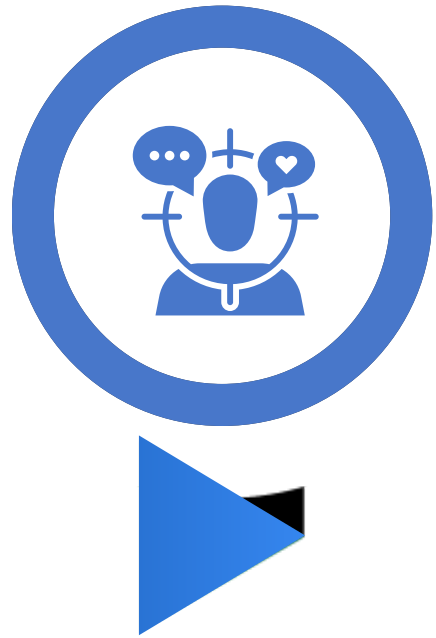
AAA Digital India Strategy

April 23

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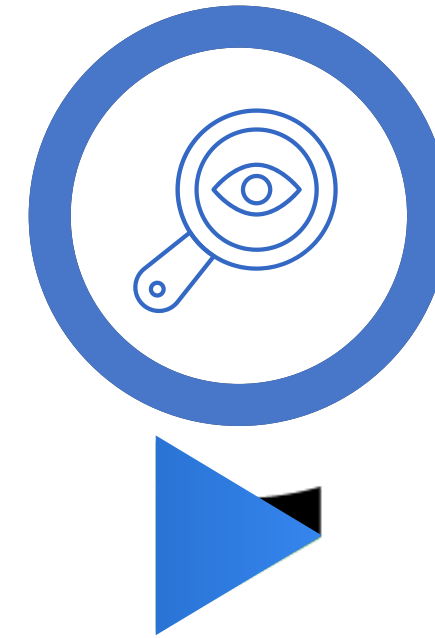
# Why AAA Investment Advisory?



**Advise In Your Interest**  
When you do better,  
we do better.



**Disciplined & Active  
Investment Management**  
Not just stock pickers but  
active portfolio managers  
centered on your long-  
term goals



**Transparency**  
Full transparency in  
investment decisions to  
ensure you sleep  
peacefully at night.



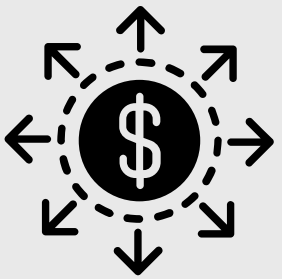
**Award Winning  
Track Record**  
We have a proven  
track record of  
investment in  
companies yielding  
multibagger returns.

# Investment Philosophy

## Protecting Capital - DSD Mechanism

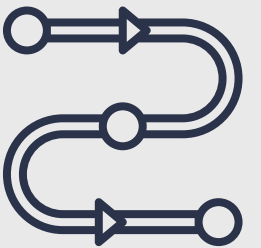
### DIVERSIFICATION

Three important risks : Governance, Technology and Business cycle - can be reduced only by Diversification. We invest across market cap, sectors, and companies to reduce company/sector specific risk.



### STAGGERED APPROACH

We build the portfolio over a period of time. We do not follow Model portfolio approach.



### DISCIPLINED EXIT STRATEGY

We have a disciplined Exit strategy. We sell/reduce due to rebalancing of the portfolio, change in growth assumption of our portfolio company, expensive valuations.



# Investment Philosophy

## Creating Wealth - 3M Approach

01

### Market Size

Market size determines size of opportunity. We prefer companies which are targeting large market size to generate exponential returns.

### Market Share

We buy the companies which are leaders in their sector as they are best positioned to navigate upturn and downturn of the economy.

02

03

### Margin Of Safety

Price is what you pay. Value is what you get. We buy the companies which are available at reasonable valuations.



# The Team



**Rajesh Kothari**

Founder & Managing Director

25  
years



**Govind Agrawal**

Director

25  
years



**Amar Mourya**

Fund Manager

16  
years



**Sandeep Biyani**

Head of Sales & Business  
Development

15  
years



## Rajesh Kothari

Founder &  
Managing Director

CWA, MBA

# The Team

### About

- Rich experience of more than 26 years in Indian capital market with expertise in both Long Only & Long Short investment strategy
- Former Director with Voyager Investment Advisors (US\$500m) – USA based India dedicated fund. During his tenure, fund Outperformed the benchmark indices significantly
- Former Fund Manager with DSP Merrill Lynch Fund Managers (DSP MF) for more than four years. The schemes delivered annualized return of 55% (Equity Fund) & 62% (Top100 Fund) outperforming benchmark indices by more than 20% & 10% respectively. The equity schemes maintained its “1st Quartile Ranking” consistently during his tenure

### Achievements

- Received CMA Young Achiever Award 2014
- Rated as “Platinum Fund Manager” by Economic Times for DSP ML Equity Fund on a risk-adjusted return basis (Jul 2006)
- Received CNBC TV18 - CRISIL Mutual Fund of the Year Award 2006 for DSPML Equity Fund and Lipper India Fund Awards 2006 for best equity fund group for 3 years
- Invited at Maharashtra Economic Summit to present views on Indian Infrastructure
- Invited by Institute of Directors to present views on Governance Deficit
- Actively involved with Arham Yuva Group - philanthropic initiative



## Govind Agrawal

Director

CA, LLB

# The Team

### About

- ▶ Rich experience of 26 years in Indian capital market
- ▶ Former Fund Manager with Reliance Capital Asset Management Company (USD 20bn) for over four years. Reliance Emergent India Fund (USD 100m offshore fund) outperformed benchmark indices by 35% since its inception. Played instrumental role in setting up Macro Economic Research desk
- ▶ Former Executive Director with UBS Securities India Pvt Ltd for 4 years as India Account Manager for large FIIs and guided the portfolio managers for right country, sectors and stocks allocation. Former Senior VP – Equity Sales with Motilal Oswal Securities Ltd for 10 years. Played key role in establishing institutional equity broking business, systems and processes

### Achievements

- ▶ Represented Reliance AMC on international platforms and panel discussion on Emerging Markets and Indian Equity Market
- ▶ Addressed investors' meet and the private banking teams of large banks in Middle East, Asia, London, Europe and in India
- ▶ At UBS, was voted as the "Best Equity Sales Person-Mega Funds category, Asia Money 2006"
- ▶ Won several awards at Motilal Oswal for consistently contributing to Institutional Equity Sales



# The Team



## Amar Mourya

Fund Manager,  
Investment  
Advisory

MBA

### About

- Amar Mourya has over Sixteen years of experience in equities in India and US markets. In these many years, he covered many sectors like IT, Telecom, FMCG, Real-Estate, Agro-Chemicals, Specialty Chemicals, Semiconductors, US Internet Companies, Defense and Diversified Mid-caps.
- Before joining AAA, he spent significant time as an Equity Research Analyst at Emkay Global, IndiaNivesh Securities, and BOE Research - USA based Equity Research Firm.
- He has been a well-established stock-picker and sell-side analyst in various investor surveys like Institutional Investor and Asiamoney.
- Amar holds an MBA degree from Lala Lajpatrai Institute of Management, Mumbai.



# AAA Digital India Features



## Portfolio Overview

AAA Digital India Portfolio is a portfolio of 10-15 companies which are market leaders with strong corporate governance and high growth potential with investment horizon of 3-5 years.



## Portfolio Strategy

- India is one of the largest and fastest-growing markets for digital consumers & enterprises.
- The digital economy is expected to contribute 18-20% of GDP by FY25 compared with ~8% in FY18.
- AAA Digital India Portfolio aims to capitalise on robust digital ecosystem and faster digital adoption by focusing on companies leading the change.



## Portfolio Marketcap

Multicap



## Minimum Investment Amount

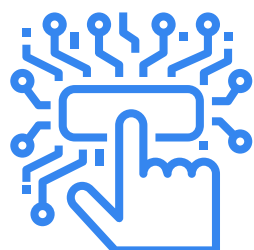
Rs. 5,00,000

# Digital India Investments



## Robust Digital Ecosystem

India has 1.4 billion mobile phone subscriptions and more than 26.69 billion apps downloads in 2022.



## Faster Digital Adoption

Indian mobile data users consume 17 gigabytes (GB) of data each month on average (Aug22) compared with 7.6 GB for mobile users in China.



## Creation of Opportunities Across Sectors

Digital economy is expected to contribute 18-23% of GDP by FY25 compared with ~8% in FY22.

## AAA Digital India Portfolio

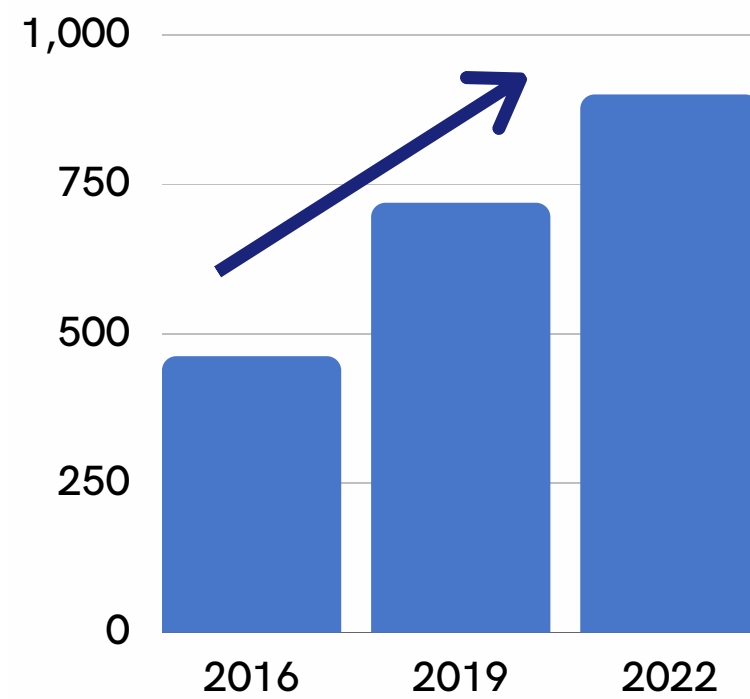
A curated portfolio of 10-15 companies which are likely to be big beneficiaries of digitalization of India.

# Robust Digital Ecosystem



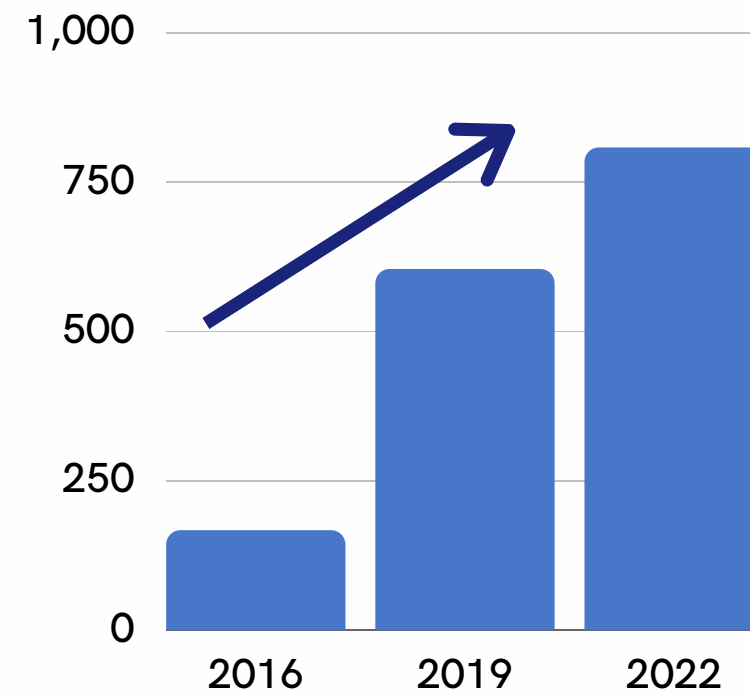
## INDIA INTERNET SUBSCRIBERS

**900 Million**



## INDIA BROADBAND SUBSCRIBERS

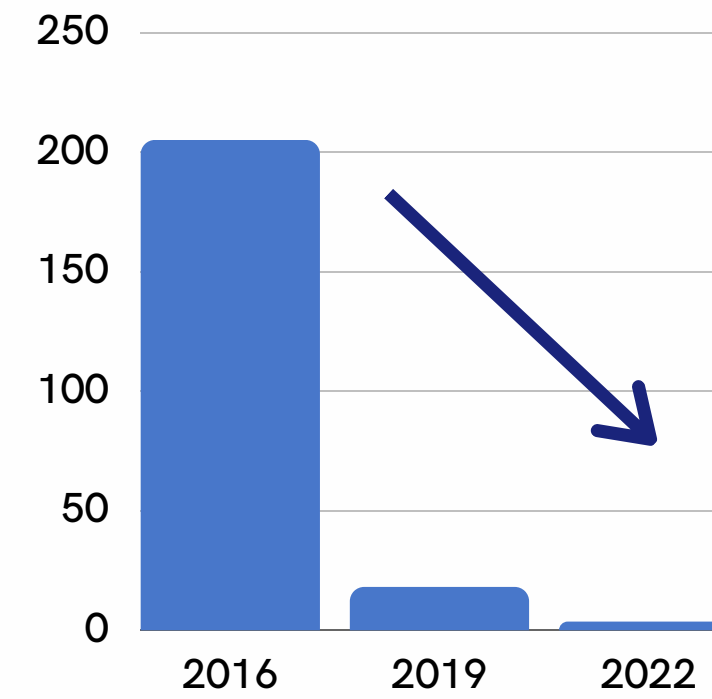
**807 Million**



## INDIA COST OF DATA

**Rs 3.5/GB**

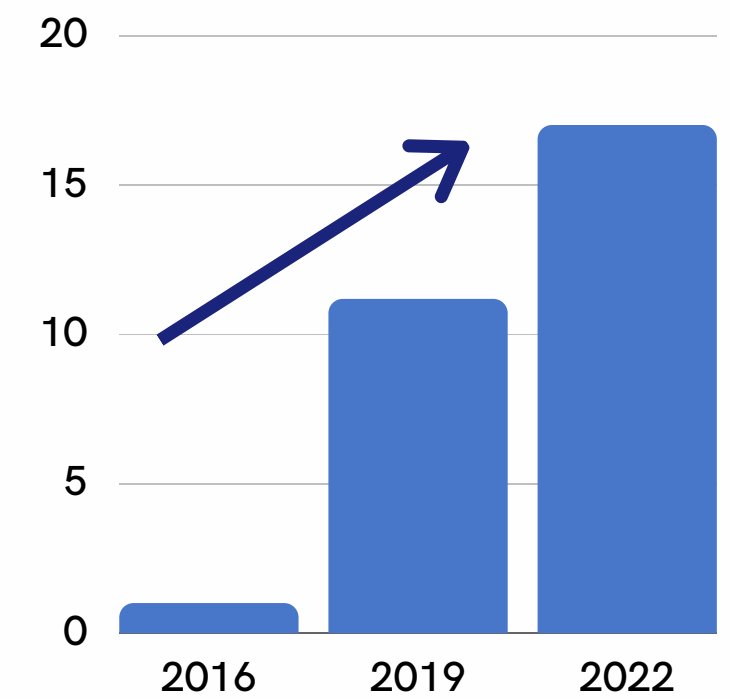
Cheapest in the world



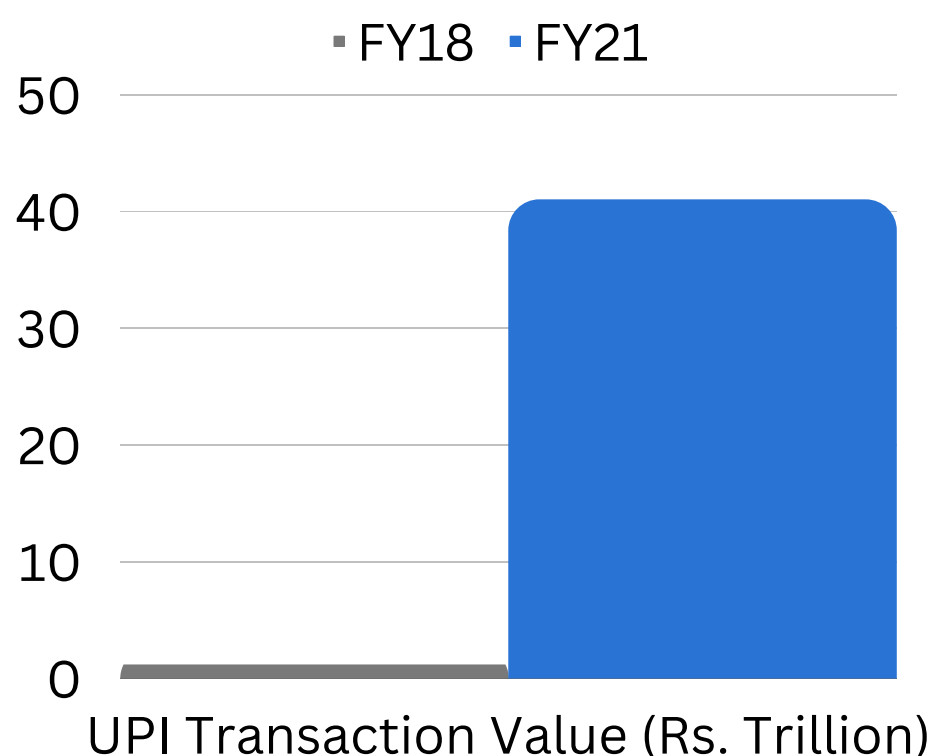
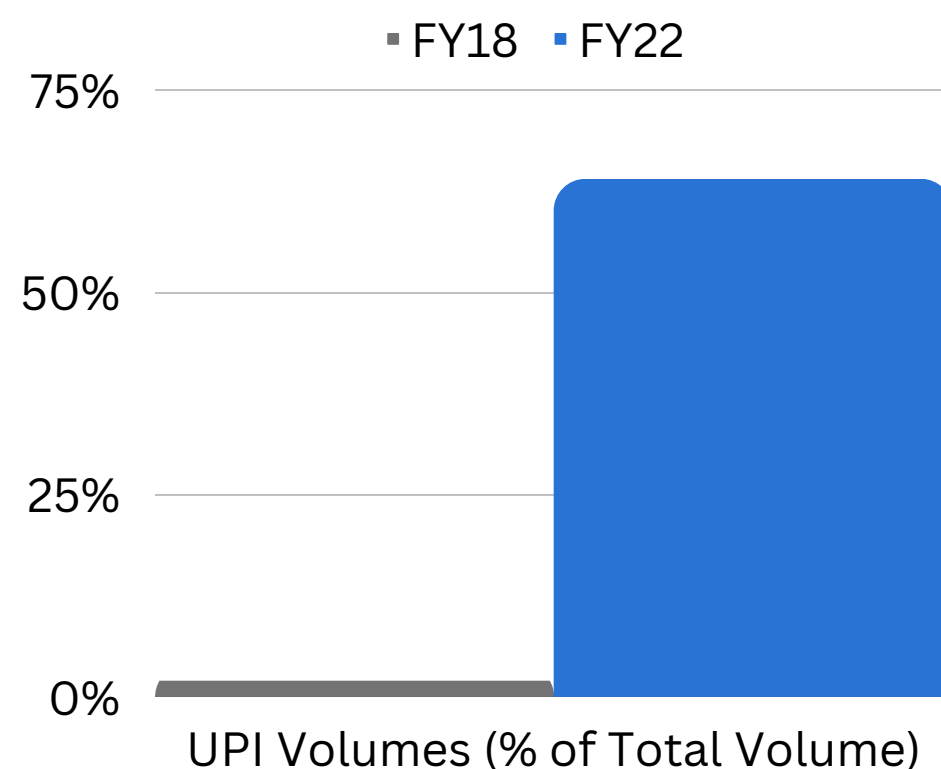
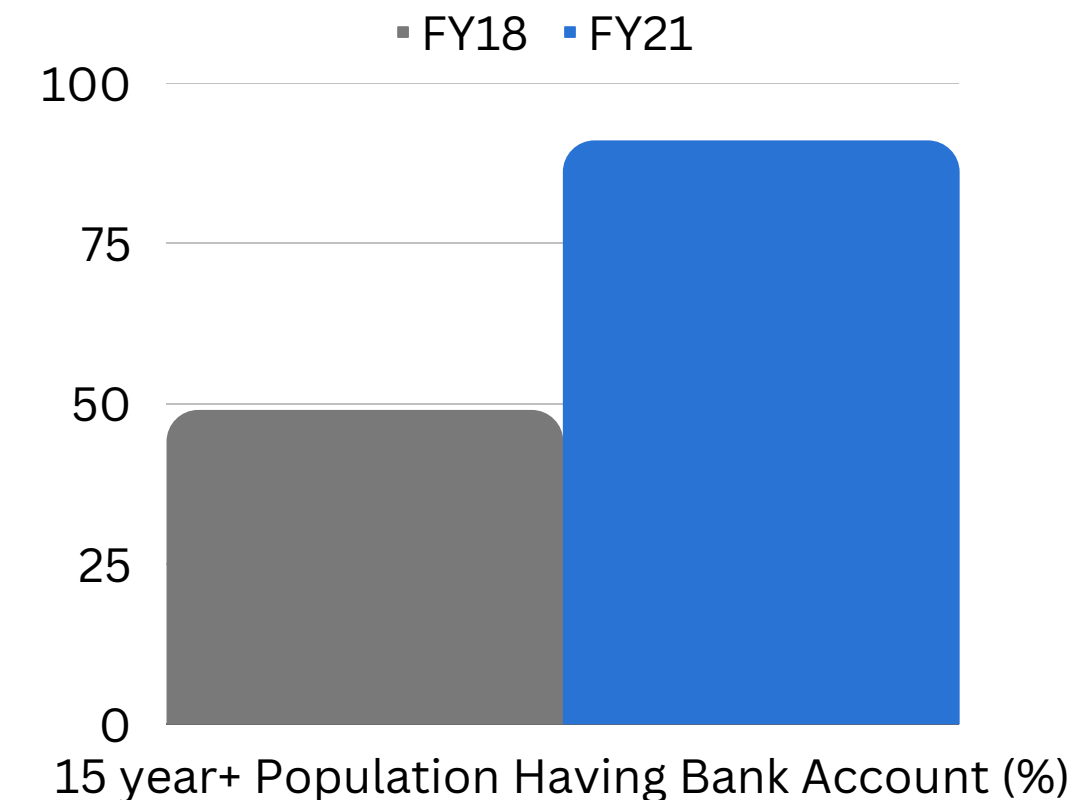
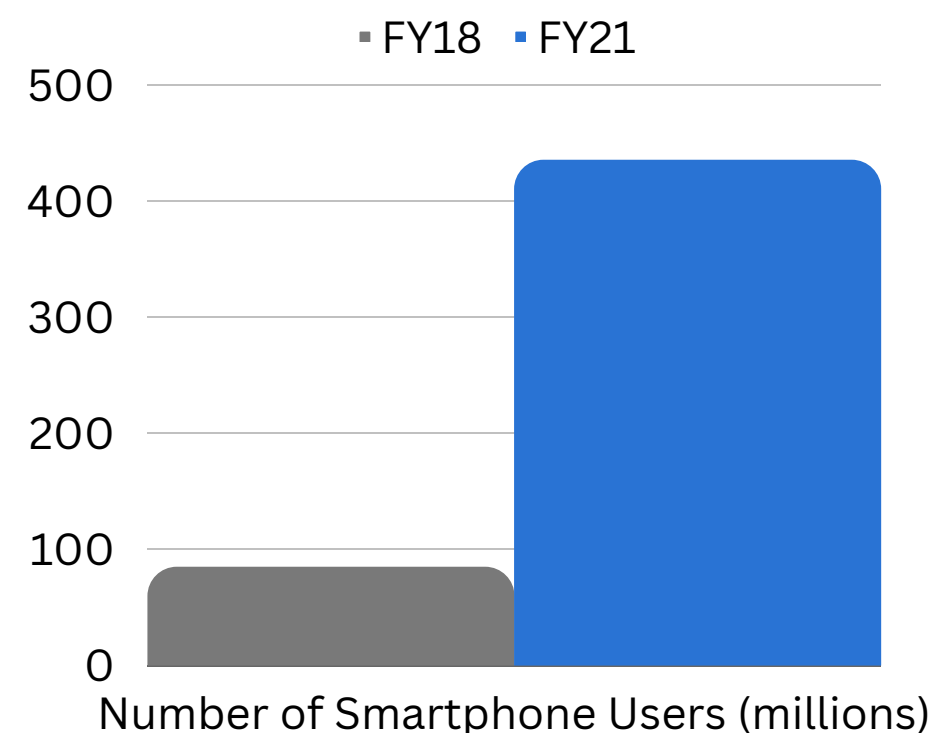
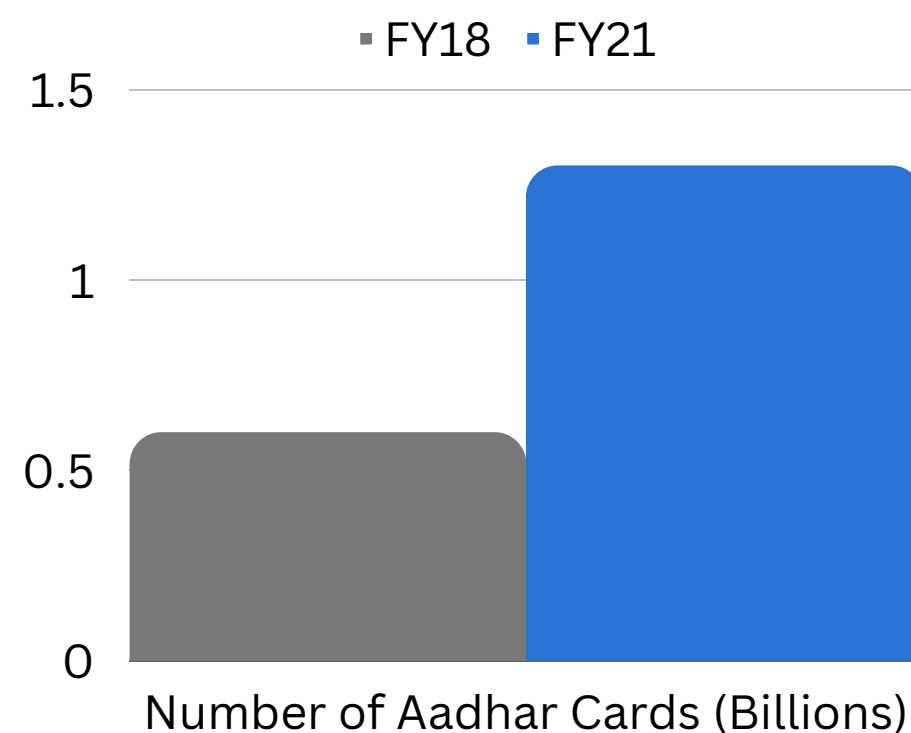
## INDIA DATA USAGE

Per subscriber/month (GB)

**17 GB**



# India's Digital Leverage



“India is therefore anticipated to have an unrivaled digital infrastructure, which would lead to the best possible use of future improvements and faster growth.”



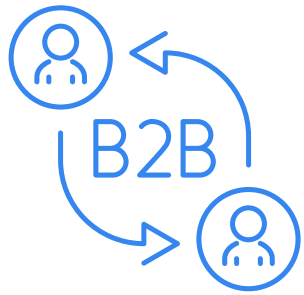
# India's Digital Leverage

OCEN

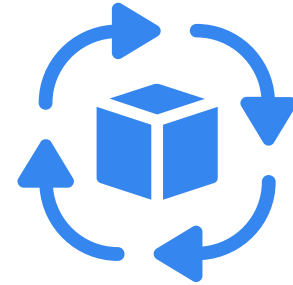


ALFACCURATE ADVISORS

Protect Capital, Create Wealth



B2B Commerce



Supply Chain  
Financiers



Social Networks



Payment  
Gateways



Tax & Legal  
Filing Apps



Kirana Tech



Accounting App  
Companies



Neobanks



Loan-Selection  
Platforms



Agri-tech

More than 30 consumer-facing entities are now transforming into Lending Service Providers.

# Faster Digital Adoption



**\$49 Bn**

E-Tail Gross merchandise value (Aug22).

**37%**

Growth during last 12months.

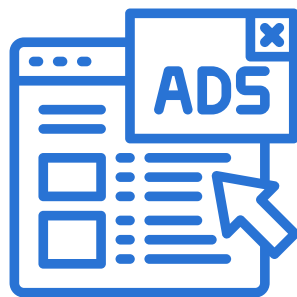


**112Mn**

**3.9x**

POS Terminals installed as of Aug22.

Growth in installed base of POS terminals since demonetisation.

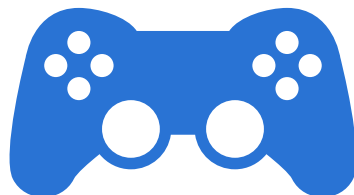


**45%**

Share of Digital Ad-Spends in overall Ad-Spends (Feb22).

**34.9%**

Last 10 year CAGR of Digital Ad-Spends.

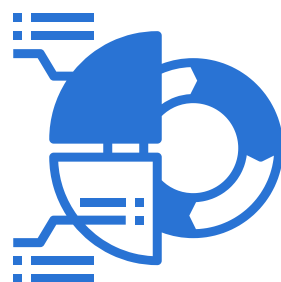


**\$196Bn**

**11.7%**

Online Gaming market size (Aug22).

Expected CAGR in next 4 years.



**20%**

Market Share of Discount Brokers, as compared to almost 0% in 2014.



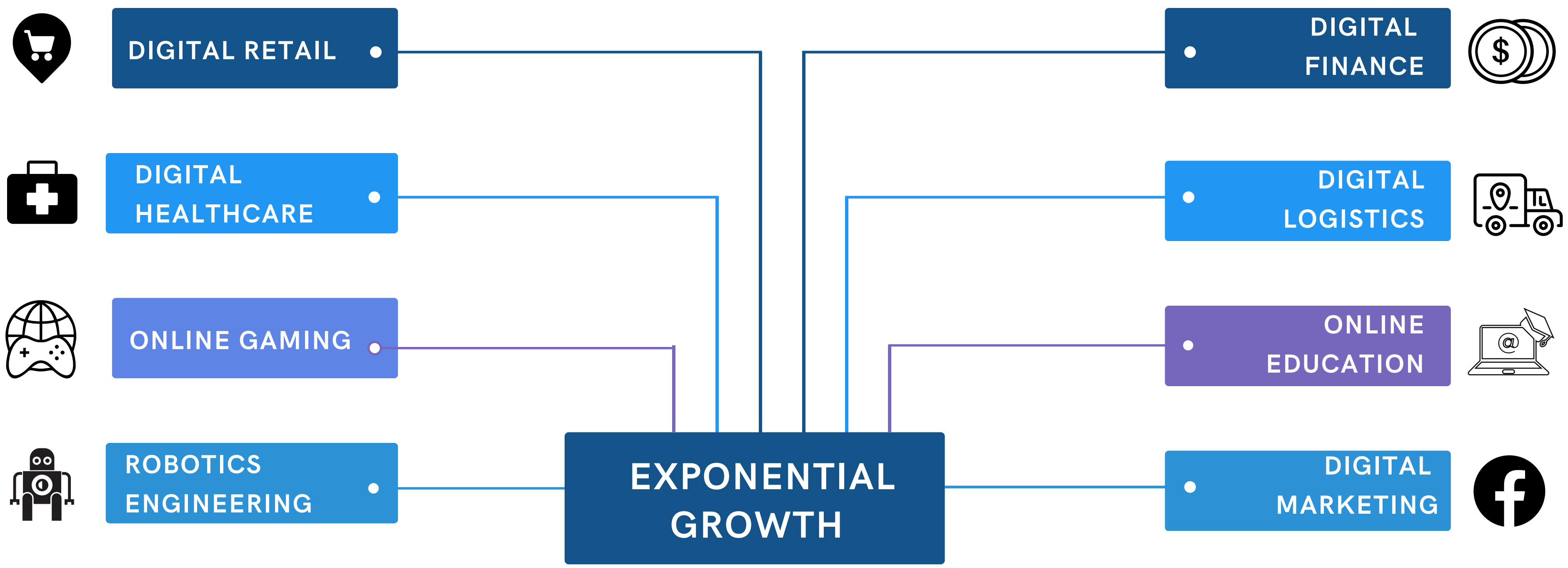
**\$0.3Bn**

**21.2%**

Indian E-Pharmacy market size

Estimated CAGR in next 5 years.

# Creation Opportunities Across Sectors





# Case Study 1: Digital Retail

Indian retail is undergoing a rapid digital transformation propelled by - online buying/selling, store and inventory management, digital marketing etc. The e-commerce market size is expected to increase 4x from from USD26bn in FY21 to USD110bn in FY25.

**FROM OFFLINE DISCOVERY**



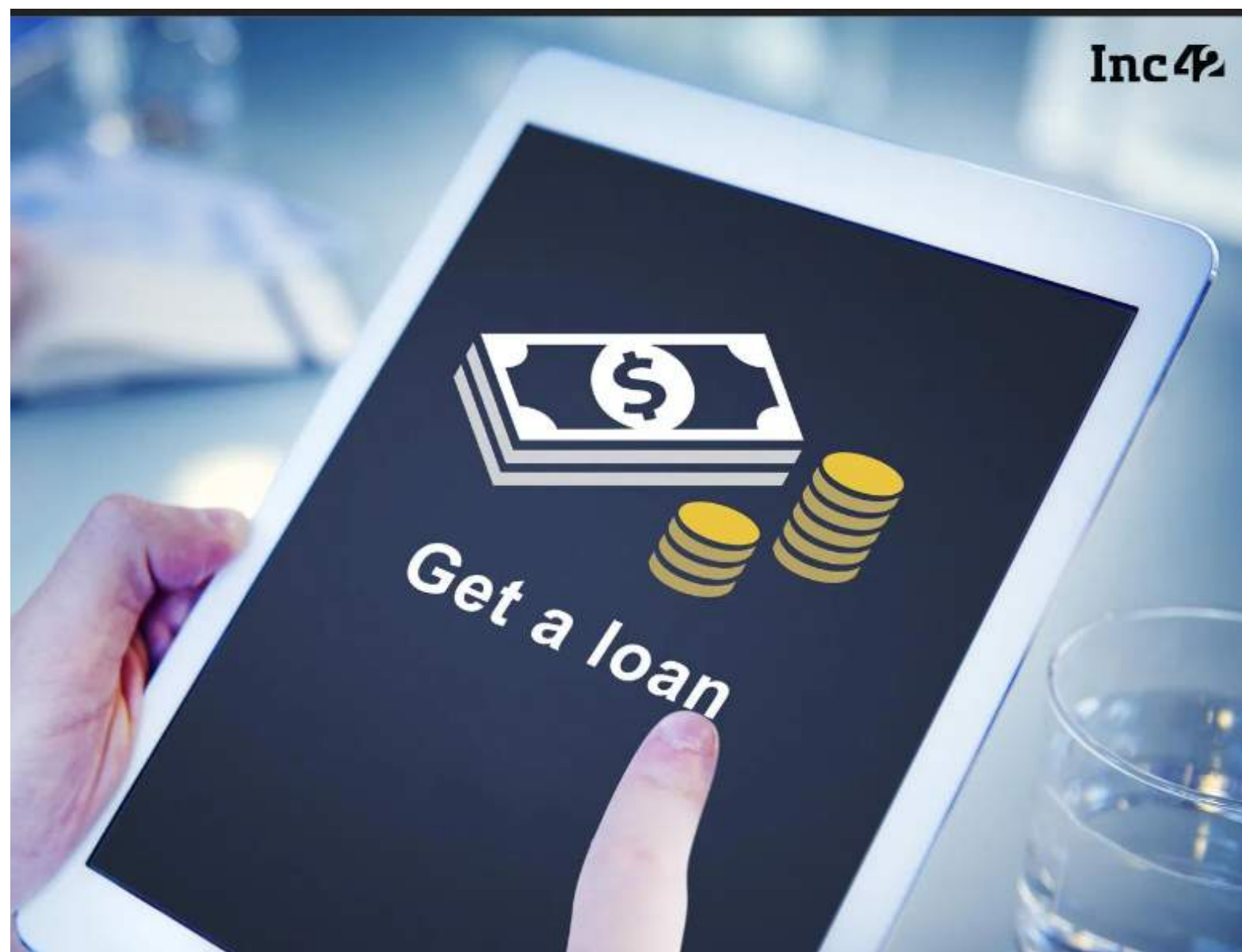
**TO ONLINE ANYTIME + ANYWHERE**





# Case Study 2: Digital Finance

Digital lending in India increased by 12 times in last 7 years to USD120 billion.



Source: PWC report

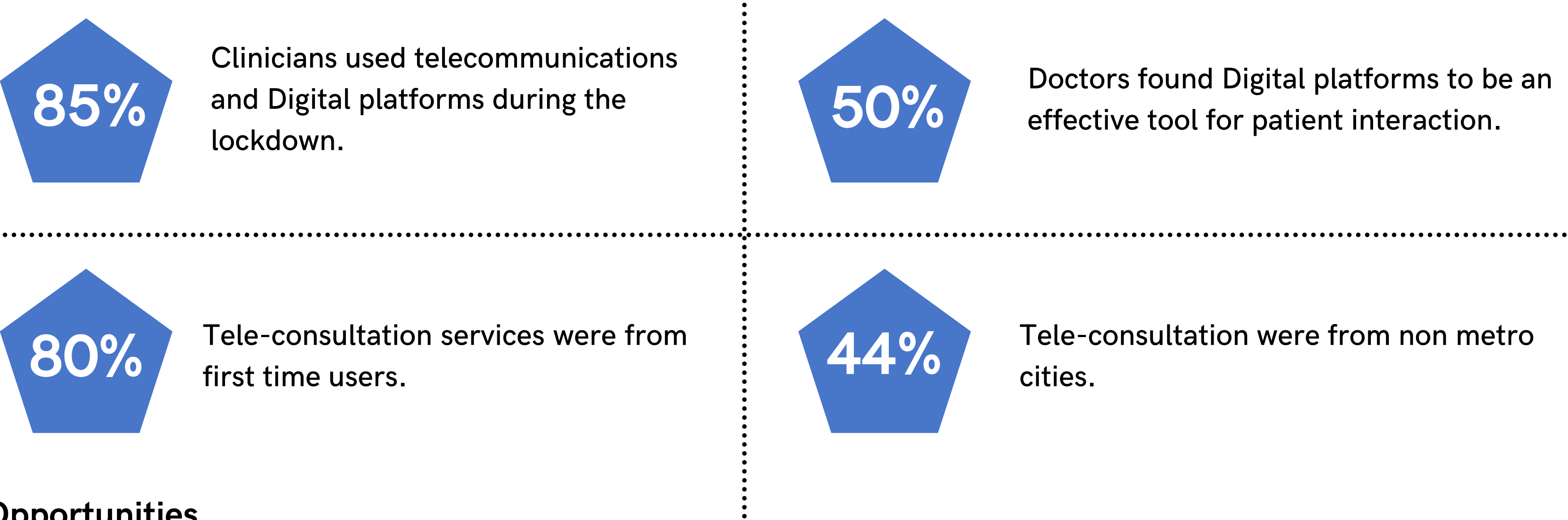
~39% of total transactions in India presently are in digital mode compared to less than ~3% in 2012.



Source: The Hindu business line Article

# Case Study 3: Digital Healthcare

## BCG Survey Results



## Opportunities



Tele-consultation



Remote care Assistance



Diagnostic Labs

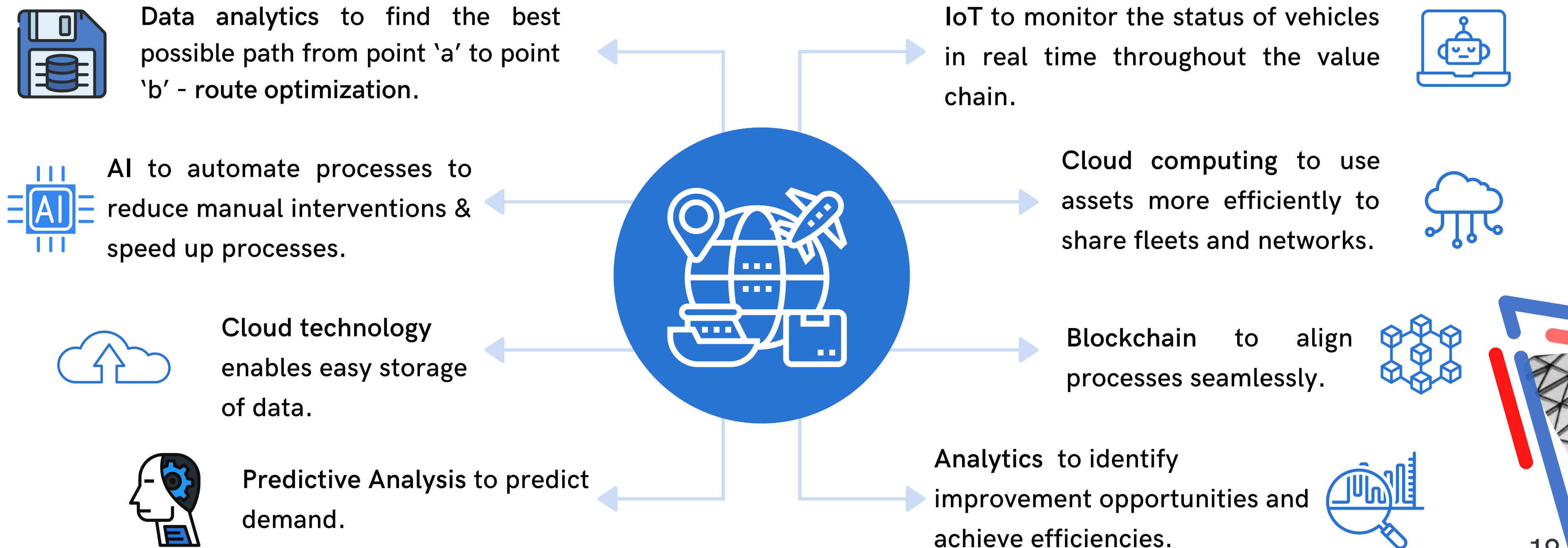


E-pharmacy

Source: BCG report

# Case Study 4: Digital Logistics

**Digital transformation of the logistics result in higher system efficiency and better asset utilization  
which can reduce logistics cost by 15 to 25 percent**





# Digital drives India Unicorns

2010 make  trip

2011 inmobi

2012 Flipkart 

2013 Justdial    
Mu Sigma

2014 naukri.com 

2015 OLA 

2016 paytm  hike 

The combined revenue of 100 unicorns is ~US\$34 bn in FY20, ~1.2% of GDP and that is estimated to increase to 5.3% of GDP in FY25.

Many of these firms are driven by DIGITAL across fintech, discretionary, SaaS segments.

2017 BYJU'S  paytm mall

2018 OYO       
zomato  

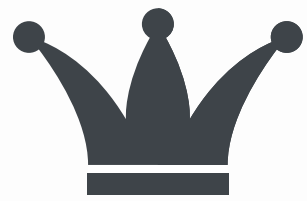
2019 big basket   BLACKBUCK  OLA ELECTRIC  
druva  CitiusTech  

2020 POSTMAN  Pine Labs   ZERODHA   
Razorpay  glance  firstcry 



# AAA's Way to Build Resilient Portfolios

Market  
Leadership



Large  
Profit Size



Low  
Leverage



Strong  
Earnings  
Growth



Attractive  
Valuations



**AAA Digital  
India Portfolio**

# What We Look For In The Company



## GREAT MANAGEMENT

We seek companies that are led by a competent management team, that are best-of-breed within their sector and have some defensible characteristics—i.e. patents, infrastructure, cost competitiveness, brand, etc. They have focused approach with efficient capital allocation.



## BUSINESS MOAT

We invest in companies that have built strong business moat - patents, infrastructure, cost competitiveness.



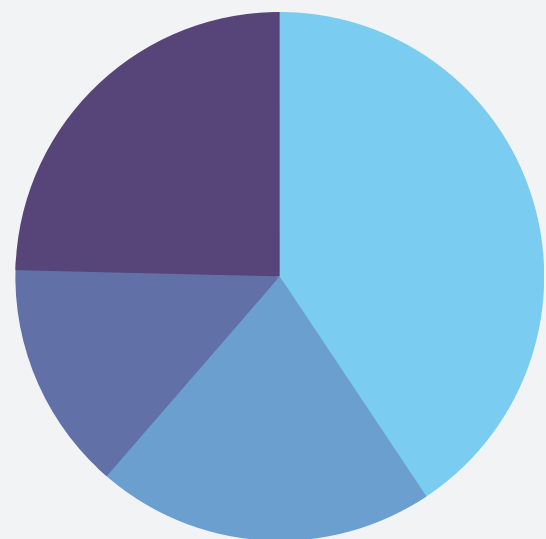
## GROWTH POTENTIAL

We invest in companies that will capitalise from emerging business opportunities, and hence, they are expected to grow faster than the underlying economy. The faster earnings growth is key to our investments.

# Sectoral and Stocks Allocation



## Multicap



Large Cap	: 41%
Mid Cap	: 21%
Small Cap	: 14%
Cash	: 25%



## Sectoral Allocation

Banking	: 26%
Engineering	: 14%
Telecom	: 11%
Software platform	: 10%
Consumer	: 9%

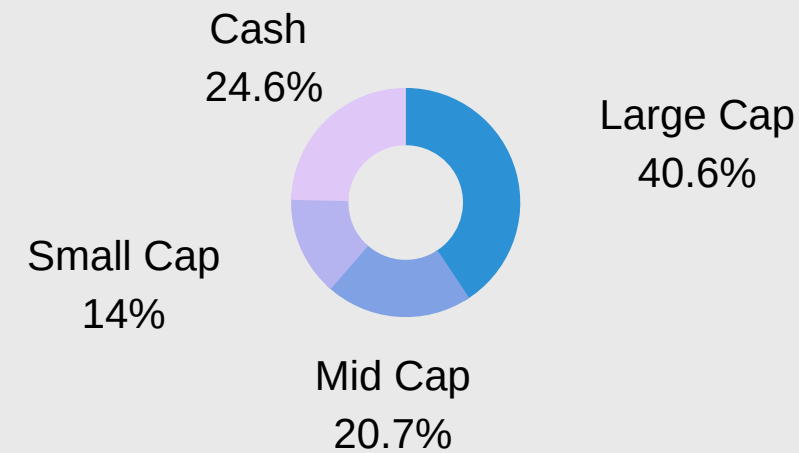


## Top 5 Holdings

- 1) ABB India
- 2) ICICI Bank
- 3) Avenue Supermarts
- 4) Reliance Industries
- 5) Cholamandalam

# AAA Digital India Characteristics

## Market cap

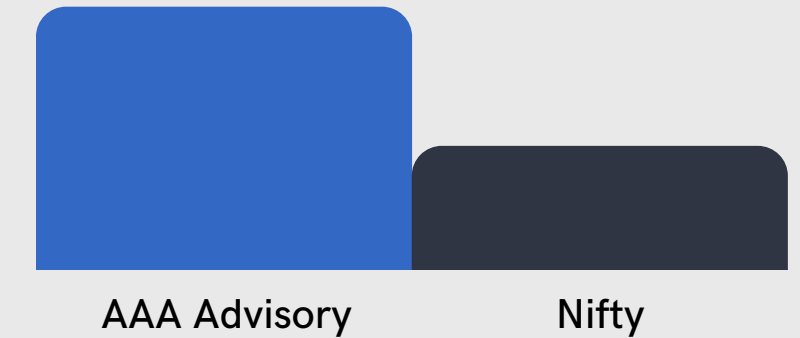


## Large Profit Size



70.7% of portfolio companies Rs.100cr+ NP  
59.9% above Rs.500cr+)

## Strong Earnings Growth



## Sectoral Leaders



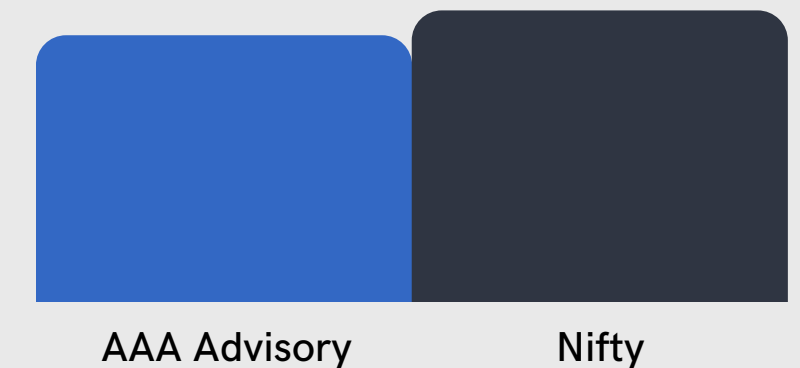
3M stock selection approach

## Cash-rich Balance Sheet



- 89.9% of portfolio cos have zero net debt
- 0% of portfolio cos have a D/E <1x

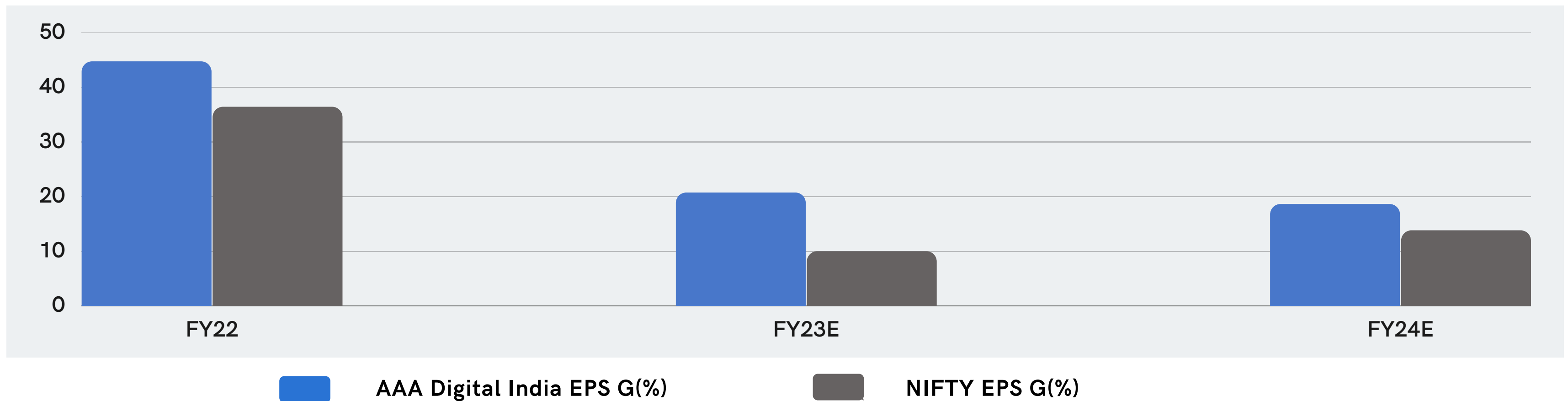
## Healthy ROE





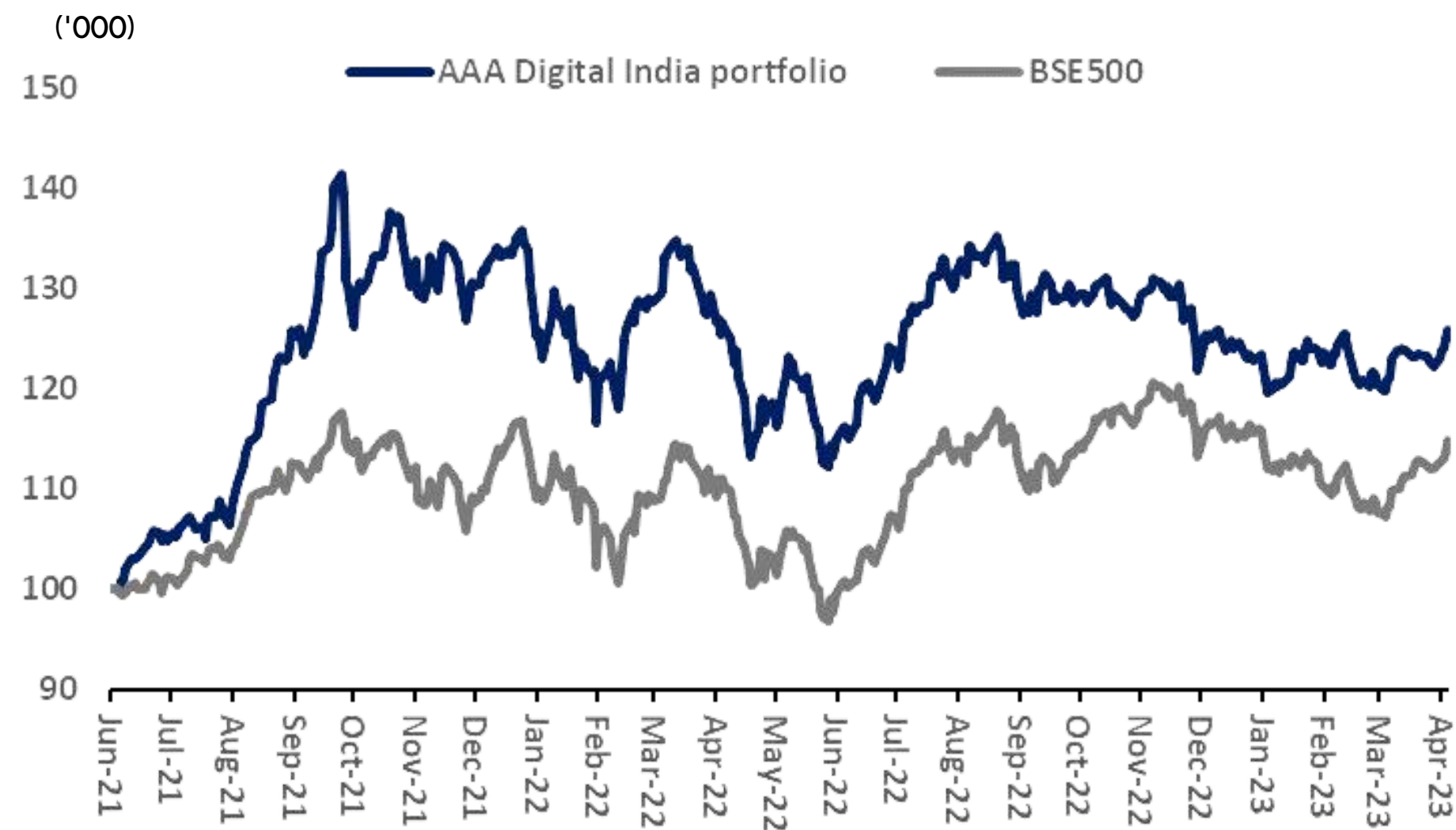
# Superior Earnings Growth

Earnings Matrix	Nifty FY22	AAA Digital India FY22	Nifty FY23E	AAA Digital India FY23E	Nifty FY24E	AAA Digital India FY24E
EPS G(%)	36.4%	44.7%	10.0%	20.7%	13.8%	18.6%
ROE(%)	14.2%	9.7%	14.2%	12.4%	14.6%	13.8%



# AAA Digital India Performance\*

## GROWTH OF Rs. 100,000



## PERFORMANCE (\*Since Inception CAGR returns)

AAA Digital India **13.3%**

BSE 500 Index **7.8%**

\*Performance from 25 June 2021 to 30 April 2023.

Note: Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Performance related information provided herein is not verified by SEBI.

# AAA Holdings on the Digital Forefront



- 65.6% - Mobile & Internet Transactions
- First Bank in Asia to launch Facebook and Twitter Banking
- First Bank in India to provide mobile remittance service
- First Bank in India to launch 24x7 fully automated branches



- 87% - Customers registered on app
- 57% - Active customers on app
- 88% - Service Requests raised on app
- 94% - non-cash collections, i.e., digital collections



- 40% - Process Automation
- Asset Light Model - 0 NWC
- Continuous Innovation - Consistent increase in R & D
- 45% - Digitized After Sales Services

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**ALFACCURATE ADVISORS**

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