EQUITY CURVE

Understand Businesses. Invest with Knowledge.

STOCK PICKING MADE SIMPLE

A Practical Workbook to Understand and Evaluate Indian Listed Companies



- ✓ Know the business
- ✓ Read the financials
- ✓ Judge the management
- ✓ Spot the red flags
- ✓ Know a fair price

Stop following tips. Start understanding businesses.

BHOJRAJ

What's Inside

Twelve chapters, one journey: from "What should I buy?" to "I can judge this company myself."
This free sample includes Chapter 1. Chapters 2–12 are in the full book.

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A NOTE FROM THE AUTHOR

I Didn't Start as an Investor. I Started as a Tip-Follower.

Late 2018. The news was full of one name: DHFL. A big housing-finance company was in deep trouble, and its share price was crashing. Everyone was talking about it.

I was curious. How could a company that big fall that fast? What even is a share price? Within weeks, I had opened a trading account and started buying.

And like so many first-time investors, I did almost everything wrong.

MY FIRST MISTAKES

- I bought **penny stocks** because they looked "cheap".
- I bought on **tips** from friends and messages, not on research.
- I watched the **price** every day but didn't know what the companies actually did.

I lost money. That hurt. But what hurt more was a quiet realisation: **I had put my hard-earned money into businesses I didn't understand at all.** I couldn't have told you what they sold, who their customers were or whether they made a real profit.

That's when things changed. I started reading annual reports, slowly and with a lot of confusion at first. I learned how companies earn money, how to read their financial statements, and how to tell a strong business from a weak one. I made more mistakes. I learned from each one.



> **"Before you buy a share, understand the business you are becoming a part of."**

That one belief became **Equity Curve**, and this book. I'm not writing as someone who never made mistakes. I'm writing as someone who made the same ones you might be making right now, and found a better way. If this book saves you even one of my early mistakes, it has done its job.

Bhojraj

Founder, Equity Curve

WHY THIS BOOK EXISTS

You Don't Need More Tips. You Need a Way to Check Them.

Open your phone today and you'll find hundreds of stock ideas. TV anchors, Telegram channels, YouTube "experts", the office WhatsApp group. Everyone has a stock that's "sure to double".

The problem isn't a lack of information. It's the opposite. There's so much noise that it's hard to know what actually matters. And most of that noise is about one thing: **the price**. Almost nobody talks about the business.

Meet Sunil and Mukesh. You'll see a lot of them in this book.

SUNIL · THE TIP-FOLLOWER

- Buys what's trending
- Checks the price all day
- Panics when it falls
- Can't say what the company sells

"Everyone's buying it, so it must be good."

MUKESH · THE BUSINESS OWNER

- Studies the business first
- Reads results, not rumours
- Stays calm when prices swing
- Knows exactly what he owns, and why

"Is this a good business, at a fair price?"

Most of us start as Sunil. That's normal. This book is your step-by-step path to becoming Mukesh.

THE QUESTION BEHIND THIS BOOK

How can an ordinary investor judge a company on their own, without being a finance expert?

The answer is a simple, repeatable process, which this book breaks into clear steps:



This book won't predict tomorrow's market or hand you a guaranteed winner. Nobody honestly can. What it will give you is something more valuable: **the ability to ask the right questions before you invest, and to know where to find the answers.**

WHO THIS BOOK IS FOR

Do You Recognise Yourself Here?

You don't need a finance degree. You need curiosity, a little patience and a willingness to learn. If any of these sounds like you, this book was written for you.

THE BEGINNER

"I've just opened my demat account and I don't know where to start."

You'll build the right habits from day one.

THE TIP-FOLLOWER

"I get stock tips all the time, but I don't know which ones to trust."

You'll learn to check any tip in under an hour.

THE EXISTING INVESTOR

"I own shares, but honestly, I can't explain what half of these companies do."

You'll finally understand what you own.

THE NUMBERS-CURIOUS

"Revenue, EBITDA, cash flow, debt... I hear these words but they confuse me."

Every term is explained in plain language.

THE COMPARER

"Two companies in the same sector. How do I know which one is better?"

Chapter 11 shows you, step by step.

THE INDEPENDENT THINKER

"I want my own process, not someone else's opinion."

You'll leave with a repeatable checklist.

What you need before starting

Just a basic idea of what the stock market is. Every concept is introduced slowly, with Indian company examples, simple maths and practice exercises. If you can do basic division on a calculator, you can handle every number in this book.

WHAT THIS BOOK WILL NOT DO

Promise guaranteed returns, give you shortcuts to wealth, or tell you which stocks to buy or sell. It can't remove investment risk.

WHAT THIS BOOK WILL DO

Give you a clear, step-by-step method and practical tools to judge businesses on your own, and make better-informed decisions.

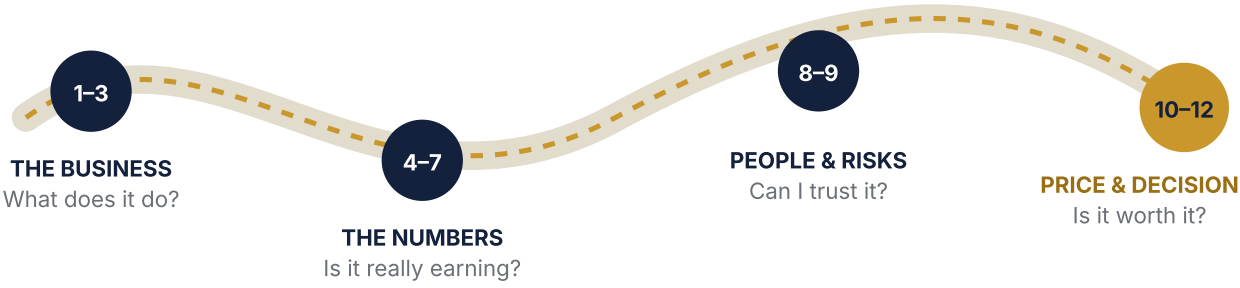
The goal is simple: to make you a smarter investor, one company at a time.

HOW TO USE THIS BOOK

Don't Just Read It. Use It.

This is a workbook, not a textbook. Every chapter takes one big idea, explains it simply, shows it on real Indian companies and then hands it to you to try.

Your journey: four parts, twelve chapters



What you'll find in every chapter

Sunil vs Mukesh	The same situation through a tip-follower's eyes and an owner's eyes
Jargon buster	Scary finance words turned into plain language
Think about it	A short puzzle that makes you stop and reason
Visual guides	One-page pictures that sum up the big idea
Your challenge	A worksheet to try on a company you own or like
Quick check	A few questions to test yourself, with answers
Coming up next	A sneak peek at the next chapter's puzzle

COMPANION EXCEL WORKBOOK

Use the companion workbook to record five years of a company's numbers, calculate ratios automatically, compare companies side by side and build your final evaluation report.

PICK ONE COMPANY

Choose an Indian listed company whose products you already know. Follow it through every chapter.

GO SLOW

One chapter a week is perfect. Understanding beats speed.

DO THE CHALLENGES

Reading teaches you. Doing the exercises makes it stick.

A NOTE ON INVESTMENT DECISIONS

Understanding Is the Start, Not a Guarantee

Learning to judge a company is a powerful step. But even the most careful research can't remove risk or guarantee returns. Competition, management decisions, the economy and market moods all change. Keep these four truths close:

1 · THE PAST ISN'T A PROMISE

Strong growth in the last five years doesn't guarantee the next five.

2 · GREAT COMPANIES CAN BE OVERPRICED

A strong business can still be a poor investment at the wrong price.

3 · NUMBERS NEED CONTEXT

A ratio means little until you compare it with the business model, the industry and the company's history.

4 · CHECK THE SOURCE

Always confirm the financial year, the units, and whether figures are standalone or consolidated.

MAKE YOUR OWN DECISIONS

Use this book to build your understanding. The company examples, calculations and figures in it are there to teach methods. They are not instructions to buy, sell or hold any share. Think about the risks and your own situation before you invest.

Don't just follow the stock. Understand the business.

EDUCATIONAL DISCLAIMER

This publication is intended solely for general financial and investment education. It does not constitute investment advice, a research recommendation, portfolio management service, or an offer or solicitation to buy or sell securities. The author and publisher do not represent this publication as SEBI-approved or as a substitute for advice from a SEBI-registered investment adviser or research analyst. Company examples, financial information and calculations are provided to explain analytical concepts and methods; they should not be interpreted as recommendations concerning any security. Readers should independently verify information, conduct their own research and consider seeking advice from an appropriately qualified professional where necessary. No guarantee is made regarding investment outcomes. The author and publisher accept no responsibility for decisions made solely on the basis of this educational material, to the extent permitted by applicable law.

CHAPTER 1

Think Like a Business Owner

The day you buy a share, you stop being a spectator. You become an owner. Most people never notice the difference — and it costs them.



THE ONE QUESTION FOR THIS CHAPTER

Would you still want to own this company if the stock market shut down for five years and you couldn't check the price even once?

In this chapter, you'll discover

1.1	The ₹-crore offer from a friend that changes how you see shares
1.2	Why the share price and the business often tell two different stories
1.3	How a *great* company can still be a *bad* buy
1.4	The 8 questions smart investors ask before looking at the price
1.5	A 2-minute test: do you really know what you own?
1.6	Five rules that separate owners from price-watchers

It's 9:47 on a Monday morning. Your phone buzzes. It's the office WhatsApp group.

Raju (Accounts)
Bhai, **XYZ Infra** is going to double in 3 months 🚀🚀 My cousin's friend is in the market. Buy before 10:30!!
9:47 AM

Priya
Bought 200 shares 🔥
9:49 AM

Be honest. Have you ever bought a share like this? Most of us have. I did too, back when I started. We knew the name of the stock and its price. We didn't know a single thing about the company behind it.

Hold that thought. Now picture a very different Monday.

1.1 A Friend Offers to Sell You a Business

An old school friend calls. He sounds excited.

> *"I run a big paint company. Families across India buy our paint every time they redo a room. We have thousands of dealers, a brand everyone knows, and we sell thousands of crores of paint a year. I'm offering you a 1% share of the whole business. Interested?"*

Would you hand him your savings on the spot? Of course not. You'd have questions. Lots of them.

- How much does it actually sell each year?
- After all costs, how much profit is left?
- Is it growing, or shrinking?
- Who are its rivals?
- Does it owe a lot of money to banks?
- Will it still be around in 10 years?
- And the big one: **how much do you want for that 1%?**

You'd probably spend weeks checking before you paid a single rupee. Now here's the twist.

THE TWIST

You can own a slice of a paint business like this tomorrow morning, without building a factory, hiring anyone or managing a single dealer. You just buy its shares on the NSE or BSE. Buy shares of **Asian Paints**, and you become a part-owner of Asian Paints.

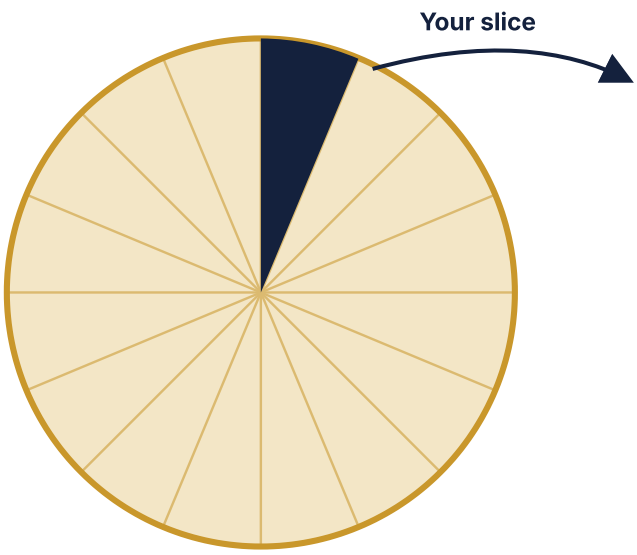
That number on your trading app is not a lottery ticket. It is a small piece of a real business, with real factories, real customers and real problems.

So here's the strange part. When a friend offers us 1% of a business, we ask ten questions. When an app offers us a slice of a listed company, many of us ask none. **Why?**

CHAPTER 1 · VISUAL GUIDE 1

What you really own when you buy one share

Think of a company as one big pizza cut into crores of equal slices. Each slice is a share.



THE COMPANY

factories · brand · customers · profit

1 · A share of the profit

Profit belongs to owners. It is paid out as dividends or reinvested to grow your slice.

2 · A vote

Shareholders vote on big decisions, like electing directors, at meetings (AGMs).

3 · A share of the growth

If the business becomes more valuable, your slice usually becomes more valuable too.

4 · A share of the risk

If the business struggles, your slice loses value. Nobody promises your money back.

SIMPLE MATHS

Imagine a company is split into **100 crore shares** and earns **₹5,000 crore** profit this year. Each share's slice of that profit is ₹5,000 crore ÷ 100 crore = **₹50**. Own 100 shares, and ₹5,000 of this year's profit is "yours" (some paid as dividend, the rest kept to grow the business). (Illustrative figures.)

Before you take a slice, ask:

#	Question	Why it matters
1	What does the company sell?	If you can't explain it, you can't judge it
2	Who pays for it, and why?	Loyal customers = steady sales
3	How does it make a profit?	Sales mean nothing if costs eat everything
4	What could hurt it?	Every business has a weak spot
5	What price am I paying for my slice?	Even the best pizza can be overpriced

1.2 The Share Price Is Not the Business

Meet two neighbours in the same housing society. Both bought shares of the same company on the same day, at the same price.

SUNIL · THE PRICE-WATCHER

Opens his trading app 15 times a day. Smiles when it's green, loses sleep when it's red. Ask him what the company sells and he says, *"Something in pharma, I think."*

MUKESH · THE OWNER

Checks the price maybe once a week. But every quarter, he reads the results: Are sales growing? Is profit growing? Is debt under control? Are customers still buying?

Same company. Same shares. Two completely different things on their minds. Sunil watches what the **market** is feeling today. Mukesh watches what the **business** is doing.

Then, one Tuesday…

The company announces excellent results. Sales are up 20%. Profit is up. More customers than ever. And yet the share price **falls 12%** in a week, because of worries about the global economy that have nothing to do with this company.

Sunil panics and sells, locking in his loss. *"Something must be wrong!"*

Mukesh asks one calm question: *"Has the business actually got worse, or has only the mood of the market changed?"*

That one question is the most powerful habit in investing. Notice what it does **not** say: it doesn't say "the price fell, so buy more!" A falling price is not automatically a bargain. Mukesh still has to check why the price fell, what the risks are and whether the price is now fair. But he is reacting to **facts**, not fear.

THINK OF IT LIKE THIS

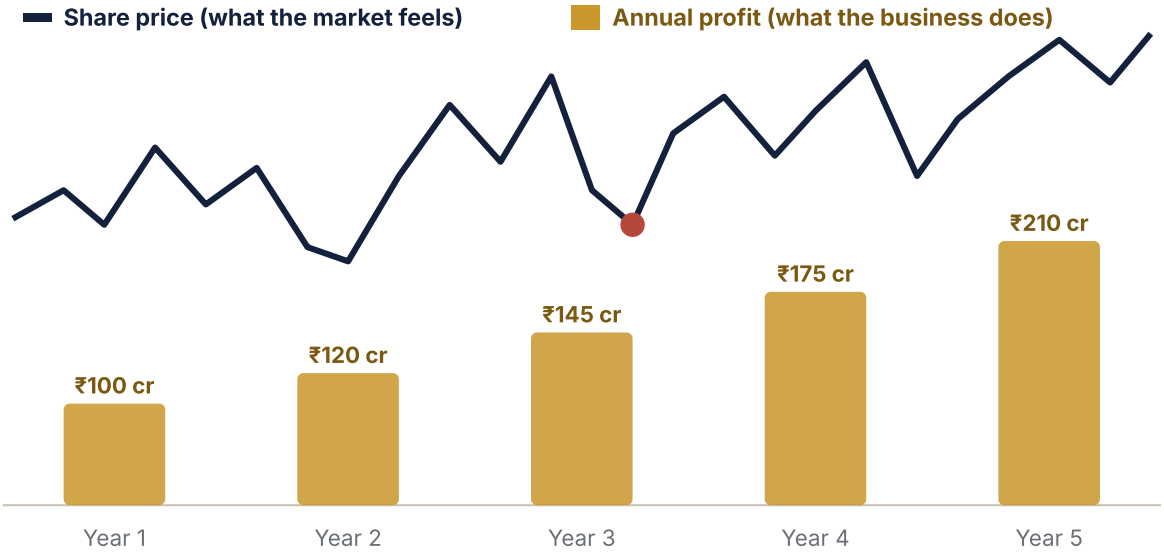
The share price is like a cricket team's ranking on social media. It swings with every rumour and every bad over. The business is the team's actual training, players and coach. Rankings bounce around daily; a strong team is built over years.

A share price can change every second.
A strong business takes years to build.

CHAPTER 1 · VISUAL GUIDE 2

Price is noisy. The business is the signal.

An illustrative company over five years. Profit grows steadily every year, but the share price swings wildly along the way.



● **Red dot:** in Year 3 the price crashed while profit kept rising. Someone who sold here in panic sold a growing business cheaply.

THE PRICE-WATCHER SEES

- Red days and green days
- Tips, rumours, "targets"
- Fear when it falls, greed when it rises

THE OWNER SEES

- Sales and profit trends
- Debt, cash and customers
- "Has the business itself changed?"

When the price suddenly falls: the 4-step owner's response

1 · PAUSE — Don't react in panic

2 · CHECK — Latest sales & profit

3 · FIND WHY — News, results, sector

4 · DECIDE — Re-check risk & price

Market myth vs. reality

Myth	Reality
"The price fell, so the company is in trouble."	Sometimes. Often it's just the market's mood. Check the results.
"The price is rising, so the company is doing great."	Prices can rise on hype alone. Check the results.
"A cheap-looking share (₹10) is better than a costly one (₹3,000)."	The price of one share means nothing by itself. What matters is what you get for it.

1.3 A Great Company Can Still Be a Bad Buy

This is the lesson many investors learn only after losing money. And it surprises almost everyone.

Think about mangoes. Alphonso mangoes are wonderful. But if a vendor asks ₹4,000 for one dozen when the market rate is ₹1,200, would you still call it a good deal? The mango didn't get worse. **The price did.**

Shares work exactly the same way. Imagine a business that earns **₹100 crore profit every year**. Someone offers to sell you the entire business, at two different prices:

	Offer A	Offer B
Profit the business earns each year	₹100 crore	₹100 crore
Price you pay for the whole business	**₹800 crore**	**₹2,000 crore**
Price ÷ yearly profit	**8 times**	**20 times**
Years of profit to earn back your money*	about 8 years	about 20 years

*Assuming profit stays flat. In real life profit can grow or shrink, which is exactly why investors argue about price.

Same factory. Same customers. Same ₹100 crore profit. The only thing that changed is the price tag. In Offer B, you pay **2.5 times more** for exactly the same business.

> **JARGON BUSTER: P/E RATIO**
>
> That "price ÷ yearly profit" number has a famous name: the **Price-to-Earnings ratio**, or **P/E**. A P/E of 20 simply means you are paying ₹20 for every ₹1 of yearly profit. You'll hear it on every business channel. Now you know what it means.

So why would anyone choose Offer B? Maybe they believe profit will jump from ₹100 crore to ₹300 crore in a few years. If they're right, 20 times can turn out cheap. If they're wrong, they've overpaid badly. Paying a high price is a bet on the future.

That's why experienced investors ask two questions, never just one:

QUESTION 1 · QUALITY

Is this a good business?

Tells you WHAT you're buying

QUESTION 2 · PRICE

Am I paying a fair price for it?

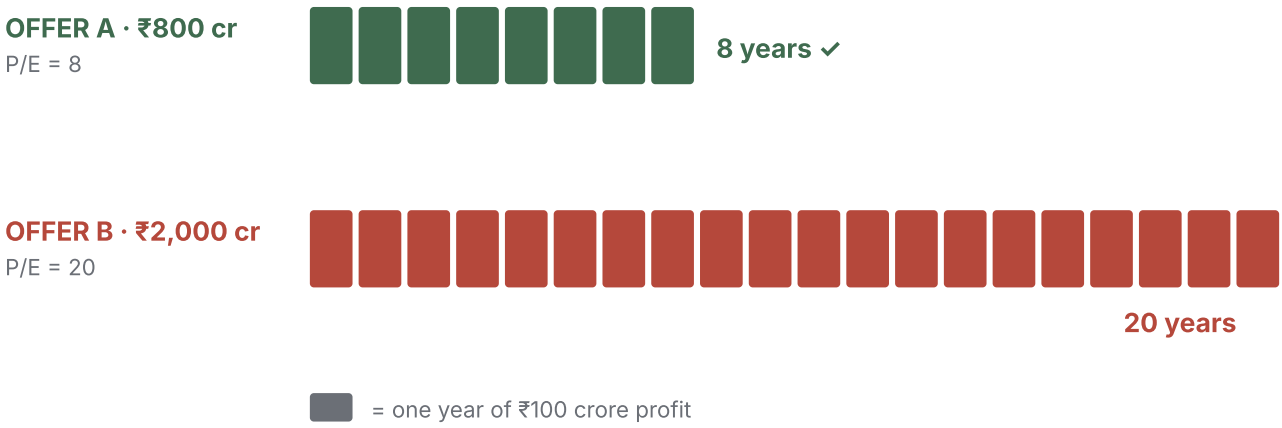
Tells you HOW MUCH you're paying

We'll learn exactly how to judge a "fair price" in Chapter 10. For now, just remember the mango.

CHAPTER 1 · VISUAL GUIDE 3

Same business. Two prices. Very different deals.

A business earning ₹100 crore a year. How long until its profits pay back what you paid? (Assuming profit stays flat.)



OFFER A

You pay ₹8 for every ₹1 of yearly profit. Less room for disappointment.

OFFER B

You pay ₹20 for every ₹1 of yearly profit. Only worth it if profit grows fast.

THE INVESTOR'S EQUATION

GOOD BUSINESS + FAIR PRICE + RISKS UNDERSTOOD

A great business alone does not make a great investment.

1.4 Ask Better Questions Before You Buy

Say you're thinking of buying shares of **Titan Company**, the company behind Tanishq jewellery and Titan watches. Most people would open the app and look at the price chart. Let's do something different. Let's play detective first.

The detective's question	What it really tells you
What exactly does Titan sell?	Is this one business, or several?
Where does most of its money come from?	Which part really matters
Why do customers choose its brands?	Trust? Design? Price?
Who are its biggest competitors?	How tough is the fight?
Are sales and profits growing?	Is the business getting stronger?
Does it generate real cash?	Profit on paper vs. money in the bank
Is management using shareholders' money wisely?	Can you trust the people in charge?
Is today's price reasonable?	Remember the mango!

Notice something? **Not one question asks whether the price will go up tomorrow.** Nobody can answer that. These questions ask something better: *does this business deserve my money?* Each chapter of this book teaches you how to answer one or more of them.

Good investing starts with good questions, not with good tips.

WHERE DO YOU FIND THESE ANSWERS?

Not on WhatsApp. The best sources are free: the company's **annual report** and **quarterly results** (on its website and on the NSE/BSE websites), and its **investor presentations**. Don't worry if these look scary right now. Chapters 4 to 6 will show you exactly how to read them, one page at a time.

1.5 Your 2-Minute Owner's Test

Pick one company you own, or one you've been tempted to buy. **Don't look at its share price.** Tick one box for each question.

Can you...	Yes, clearly	Sort of	Not really
explain what the company actually sells?			
name where most of its money comes from?			
explain how it makes a profit?			
name its two biggest competitors?			
say why you'd happily own it for 5 years?			

HOW DID YOU DO?

Mostly "Yes": You think like an owner already. This book will sharpen it. **Mostly "Sort of" or "Not really":** Don't worry, most investors land here, including me when I started. By the end of this book, you'll be able to tick "Yes" for any company you study.

1.6 Five Rules of the Owner's Mindset

1. **Buy businesses, not ticker symbols.** Know what you own.
2. **Know how the company makes money.** Big sales alone don't make a good business.
3. **Track the business, not just the price.** A rising price doesn't mean the company is getting better.
4. **Never confuse a great company with a great price.** Remember the mango.
5. **If you can't explain it to a 12-year-old, don't buy it yet.** Study it more first.

You don't need to become a chartered accountant overnight. You only need one habit: **ask the right questions, then go find honest answers.**

CHAPTER 1 IN 30 SECONDS

- A share is a real slice of a real business, with its profit, growth and risk.
- The share price shows the market's mood; the business results show the truth.
- A great company bought at a silly price can still lose you money.
- Smart investing begins with questions, not tips.

Quick check (answers below)

1. When you buy one share of a listed company, you own...

A) a lottery ticket B) a small slice of the business C) a loan to the company D) nothing until you sell

2. A company's profit rises 20% but its price falls 12%. The owner's first question is...

A) "Should I sell now?" B) "Should I buy double?" C) "What's the latest tip?" D) "Has the business itself changed?"

3. A P/E of 20 means you pay...

A) ₹20 per share B) ₹1 for every ₹20 of profit C) ₹20 for every ₹1 of yearly profit D) 20% tax

Answers: 1-B · 2-D · 3-C

COMING UP IN CHAPTER 2

Three companies. Same ₹1,000 crore in sales. Only one is a gold mine.

One makes products in factories. One earns from monthly subscriptions. One runs a chain of supermarkets. On paper, they look identical. In reality, one may keep ₹300 of every ₹1,000 as profit while another keeps barely ₹40.

Can you guess which is which, and **why**? Turn the page. The answer is hiding in something called the **business model**.

END OF FREE SAMPLE

You've just finished Chapter 1. The real journey starts now.

Three companies. Same ₹1,000 crore in sales. Only one is a gold mine. Chapter 2 reveals which one, and why, and that's just the beginning.

Inside the full book

2	The ₹1,000 crore puzzle: why same sales can mean very different profits
3	Two chai stalls, a castle and its moat: how to judge the competition
4–6	Read the P&L, balance sheet and cash flow, finally in plain words
7	A company health report card, and ROE as the "FD rate" on your money
8–9	Judge the people, and spot red flags before the headlines do (Satyam, DHFL)
10–11	What is a fair price? Then compare rivals with a simple scorecard
12	A complete real-company evaluation: Asian Paints, step by step

140 pages

30+ visual guides

12 hands-on challenges

Get the full book

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