



The Purple People Investment Playbook™

A Step-by-Step Guide to Disciplined, Rule-Based Investing

A tool developed by CMA Ravi Monga for Purple People International Pvt Ltd.



The Modern Investor's Dilemma: Separating Signal from Noise



Investing often feels like a battle against information overload. News, social media tips, and market volatility create a constant state of FOMO (Fear Of Missing Out) and emotional decision-making. The result is often stress, confusion, and capital at risk.

A Disciplined Approach Requires Two Engines

The Playbook is built on a simple yet powerful principle. Successful long-term investing depends on answering two critical questions, not just one.



Technical Timing

When to Buy



Fundamental Safety

What to Buy

This is not about tips. It's about structured signals.

Step 1: First, See the Market Structure

Before entering any data, visually confirm the trend. You don't invest blindly.

What you do:

1. Enter a stock symbol (e.g., `NSE:CHAMBLFERT`).
2. Click 'Load Chart'.



Step 2: Input the Facts, Not Opinions

The system runs on **objective data** sourced directly from the chart and company financials.

Technical Inputs (From TradingView Chart)

Input	Meaning
 Close	Latest closing price
 20 DMA	Short-term trend
 50 DMA	Medium-term trend
 200 DMA	Long-term trend
 RSI	Strength of momentum
 Volume	Latest trading volume
 Avg Volume	20-day average volume

Step 2: Input the Facts, Not Opinions (Continued)

The system runs on **objective data** sourced directly from the chart and company financials.

📊 Fundamental Inputs (From Screener.in / Annual Reports)

Input	Meaning
⚖️ Debt / Equity	Balance sheet risk
🛡️ ICR	Interest safety
⚙️ ROCE	Business efficiency
👤 ROE	Shareholder return
📈 Revenue CAGR	Growth quality
💰 PAT CAGR	Profit growth
🔄 OCF (3Y)	Cash flow discipline

No forecasts. No opinions. Only facts.

The Timing Engine: How We Score Trend and Momentum

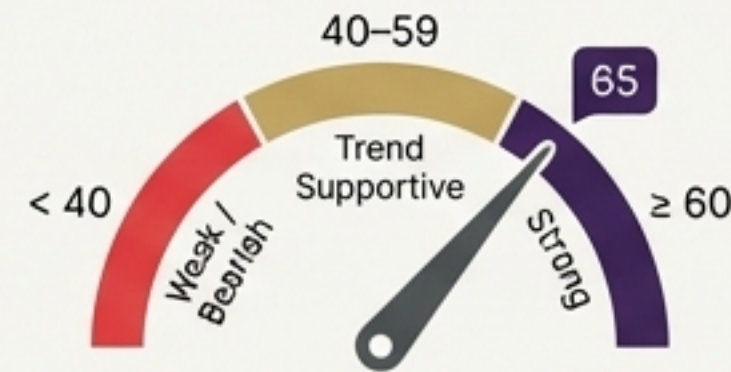
The system scores trend strength, momentum, and volume confirmation to identify institutional accumulation and smart money entry.

Moving Average Logic



A strong bullish structure (Price > 20 > 50 > 200 DMA) indicates a healthy, established uptrend.

RSI Logic



≥ 60: Strong momentum.
50-59: Trend supportive.
< 40: Weak / bearish.

Volume Logic



Volume ≥ 1.5x the 20-day average suggests strong conviction and filters out false breakouts.

The Technical Score tells you **WHEN** a stock deserves your attention.

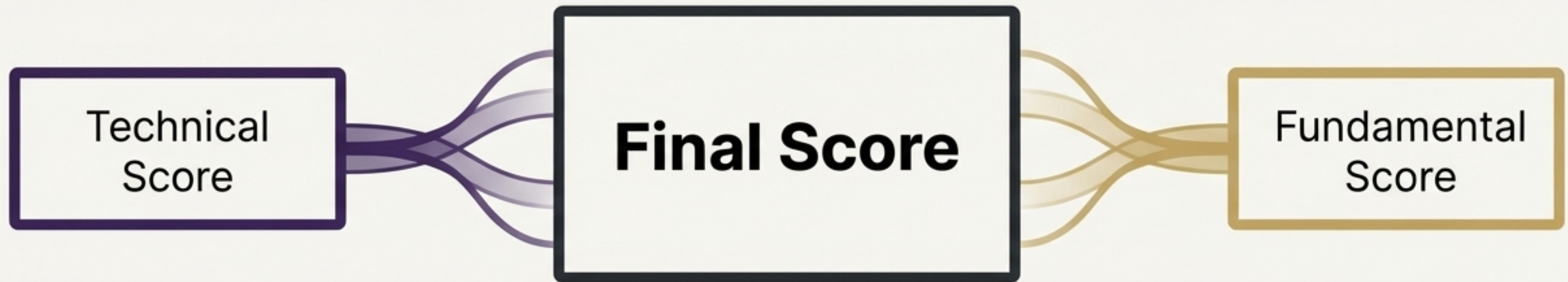
The Safety Engine: Ensuring You Don't Buy a Bad Business

A great chart is meaningless if the underlying company is weak. This engine applies strict **quality filters** to protect your capital from over-leveraged or inefficient businesses.

	Parameter	Minimum Rule
✓	Debt–Equity Ratio	≤ 0.6
✓	Interest Coverage Ratio	≥ 3
✓	Return on Capital Employed (ROCE)	$\geq 15\%$
✓	Return on Equity (ROE)	$\geq 15\%$
✓	Revenue CAGR (Compound Annual Growth)	$\geq 8\%$
✓	PAT CAGR (Profit After Tax Growth)	$\geq 10\%$
✓	Operating Cash Flow (3-Year Total)	Positive

The Fundamental Score tells you **WHETHER** a business deserves your capital.

The Decision Engine: From Complex Data to a Single Verdict



Final Score = Technical Score + Fundamental Score

- ✓ No emotional buying
- ✓ No FOMO entries
- ✓ Capital protection first

Your Investment Verdict: The Four Signals

The Final Score generates one of four clear verdicts, guiding your next action.

Score: 13+

 **CORE INVESTMENT**

Score: 10–12

 **BUY ON DIP**

Score: 7–9

 **WATCHLIST**

Score: <7

 **AVOID**

The Investor's Playbook: Using the System Effectively

This tool is designed for a specific investment style. Discipline means adhering to the intended strategy.



Ideal Use Case

- Long-term investors (6 months to 5 years horizon)
- Systematic (SIP) or staggered investing approach
- Building a core portfolio of quality companies



What NOT to Do

- Don't chase daily news or market rumours
- Don't emotionally override the system's scores
- Don't use this for intraday or short-term trading

Discipline in Action: The Rules of Capital Protection

No tool can replace investor discipline. The Playbook's effectiveness is based on the assumption that you follow sound risk management principles.



Position Sizing

Maximum 8–10% of portfolio in a single stock.



Exit Rule

A close below the 200-Day Moving Average is a mandatory exit signal.



Review Cycle

Review fundamentals quarterly and technicals monthly to ensure the thesis remains intact.

A tool provides the signal; discipline delivers the results.

Why This System Wins Over the Long Term

The Playbook is designed to keep you emotionally **neutral and aligned** with **proven market principles**.

- ✓ Combines the power of **trend-following** with **value discipline**.
- ✓ Systematically avoids loss-making and over-leveraged companies.
- ✓ Filters false breakouts by demanding **volume confirmation**.
- ✓ Keeps the investor focused on process, not on market noise.

This is how professionals think, not gamblers.

Your Journey to Disciplined Investing Starts Now

Use the Purple People Investment Playbook to bring structure, clarity, and confidence to your investment decisions.



Website: www.purplepeople.in



Email: welcome@purplepeople.in



WhatsApp: +91 8285363960



Important Information

Purple People Investment Playbook™ is an educational decision-support system. It does not provide stock recommendations or investment advice.

Markets involve risk. Please consult a SEBI-registered advisor if required.

A tool developed by CMA Ravi Monga for Purple People International Pvt Ltd technology product portfolio.