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"Always be prepared for the unexpected"

Dhirendra Kumar
CEO, Value Research

Suffered heavy losses in 2008 financial crisis

When I started as an entrepreneur in 1990, it was a very different India. I had almost no capital and couldn't afford to make big mistakes. Thankfully, while I made no major errors, there were plenty of smaller ones. For instance, very early on, I borrowed ₹1 lakh to buy a Xerox machine, a purchase I could have easily skipped. We often don't spend wisely when credit is readily available. In hindsight, it was a good lesson to learn. All around us, we see entrepreneurs whose businesses have reached tens of thousands of crores, but who still haven't learnt this basic lesson.

In 2008, I faced a setback. I had invested a couple of crores in equity, only to see the market crash. Unfortunately, I sold at the lowest point, locking in my losses. My situation was such that I needed the money, so there wasn't too much of a choice, but that memory still hurts. The experience left a lasting scar, but it also taught me a crucial lesson: always prepare for the unexpected and wait for the unknown unknowns.

My advice is to keep your financial strategy simple. Don't spread yourself too thin and avoid venturing into new investments without thorough understanding. Many investors who blindly speculate in the equity markets suffer from not having a first-hand feel for what a business is, how it operates, how it makes money and how it doesn't. While everyone can't be an entrepreneur, reading up on gurus like Peter Lynch certainly helps. His book, *Learn to Earn*, offers valuable lessons and is a great resource for understanding the way businesses work.

"Knowledge determines success in all matters of finance"

Anuj Puri
Chairman, ANAROCK Group

Family got duped by realtor

When I was in my early teens, my family was cheated by an unscrupulous property broker and a real estate developer in Delhi, who sold the same office space to several buyers. The loss ran into several lakhs of rupees, which would be worth crores today.

We could do nothing because nobody in my family had any experience in the field. There were no regulations in place, not even a proper consumer court we could approach. It was a complete write-off.

The incident changed my outlook and I decided to acquire knowledge about the real estate market and educate myself on matters of money and realty. This experience was the root cause of my first career choice—chartered accountancy—and, thereafter, real estate consultancy. I was determined to do all I could to ensure that none of us, or anybody else, would ever have such a bad experience.

I also learnt that the one thing that determines success or failure in all matters of finance is knowledge. We must know exactly what we're getting into, be it stocks, real estate, or any other means of wealth creation. To venture into anything without understanding and actively managing your finances will, more often than not, lead to disastrous consequences.

"Buy real estate only for personal use"

Varun Gupta
CEO, Groww Mutual Fund

Blocked money in flat bought at market peak

In 2013, just three years into my career, I got swept up in the real estate wave and bought a ₹1 crore house in Gurugram with a loan of ₹60 lakh. It turned out to be a terrible investment because that was the peak of the real estate cycle. My liquidity was blocked for a few years, along with the heavy burden of an EMI of about ₹60,000. This effectively restricted my ability to take risks and try out different investment options early in my career.

I was lucky that I had a decent exit from my first startup (Decision Point), which provided me with the capital for my second startup (FinoZen). FinoZen was eventually acquired by Groww, enabling me to pay the loan back in 2019. However, the process took six years, causing me a lot of financial stress.

The important lessons I learnt from the experience were to never do leveraged investing and never follow the herd while investing; always build your own conviction. Buy real estate only for personal use. Invest in assets that can be liquidated quickly. Thereafter, I have invested only in the markets and studied a lot to build my conviction. I diversified and invested only for the long term via mutual funds SIPs, instead of investing with a lump sum.

"Invest in yourself even if financial resources are tight"

Tapan Singhel
MD & CEO, Bajaj Allianz General Insurance

Modest income left no surplus

At the beginning of my career, I was earning a modest salary, which often meant that by the end of the month, I was left with little or no money. It was an ongoing struggle to manage my finances in a way that these would last until the next paycheque.

The only way to improve my financial situation was to increase my earning potential. So I invested heavily in my professional development, acquired new skills, enhanced my expertise and consistently delivered more than what was expected of me at work. I believed that if I could bring more value to my role, the market would reward me with better opportunities and higher compensation.

These investments have paid off. As I grew in my career, my financial situation improved and I was able to move beyond the day-to-day worries of making ends meet. The most important lesson was the value of investing in oneself even when financial resources are tight. It can be tempting to cut back on non-essential expenses during difficult times, but spending money on experiences, education and personal development has a far greater long-term return.

It also taught me the importance of financial literacy and planning. Even during tough times, it's essential to plan for a rainy day and have a robust financial safety net. From day one, I made sure to have solid coverage—health, personal accident, and home insurance.