

# 'Save regularly, invest wisely'

'Be patient and invest your own money.'

"Be patient and don't invest in the markets with borrowed money", says **Mr J.C. Sharma, Managing Director of Sobha Developers**. Mr Sharma has over 25 years of experience in general management, corporate finance, strategic planning and business development in a variety of sectors. He has worked at senior positions with leading industrial conglomerates such as Grasim Industries and Bhourka Steel.

**What are your top financial goals?**

My mother taught me the importance of living within budget and enjoying good things in life at an early age. I started my career with small but achievable



rather than looking at it from an investor's perspective. I would generally advise investors to first keep sufficient liquid money with banks, PF, etc. The investor and his family should also be adequately covered with insurance policy. One can start investing in real estate and stock markets in that order after meeting the first two objectives. I would also suggest investing in mutual funds rather than investing directly.

## MONEY TALK

financial goals. As things stand today, I am an absolutely contented person and do not have any financial goal to achieve.

**How does your portfolio break up in terms of asset class?**

Approximately half of my money is invested in real estate followed by stocks and deposits in that order.

**Tell us about your most successful investment.**

Real Estate has always been a very good investment option. It always gives a superior return with no capital loss. Some of the stocks have given better returns. At the early stage of one's career, I will always recommend buying real estate.

**Real estate investment is capital intensive. How would you suggest young investors go about this?**

Except Mumbai, real estate investments in other places remain reasonably affordable with banks funding up to 80 per cent of the cost. Besides, an investor not only gets income tax benefits but also purchases an appreciating asset at a lower cost whereas his own income keeps rising. I would recommend that a young investor with an ability to service his EMI liabilities (restricted to 30 per cent of his household income) can acquire a house.

**Do you make your own investment decisions or seek professional help?**

An average Indian requires professional help for his investment decisions. However, in my experience, we do not have very objective investment planners. The professionals normally try to push their own agenda of investments,

**What's the one mistake on investing or saving that you regret?**

Investing in shares with borrowed money! This action was influenced by greed and I paid the price for it.

**What has been your most important learning experience so far?**

We are living in a dynamic environment where we are bound to make mistakes as decisions are required to be taken without us having control over our external environment. The basic lessons to be learnt are to be patient and invest your own money.

**Tell us about any books/ investment gurus who have inspired you.**

Warren Buffett has been and continues to remain my all time favourite guru. In fact, this time I attended his talks in Bangalore and also attended his Berkshire Hathaway's AGM in Omaha, USA, just to hear him and his friend Charlie Munger. He is the ultimate guru for all the long term investors in the world.

**How do you plan your investments to beat inflation?**

Investments normally should outperform inflation. Since I have invested more money outside the fixed income vertical, I do not foresee any issue in managing inflation.

**What is your message on saving and investing to young people just starting out on their career?**

Save regularly, Invest wisely. One should not use credit cards to buy anything, if he cannot pay fully on due dates.

BL RESEARCH BUREAU