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## Is Daughter's Marriage Planning Still a BIG GOAL?



### Be practical for MARRIAGES

The 2 most important goals while we make financial plans are Retirement & Daughter's Marriage Planning. And, moment we seek clarification, the daughter's marriage changes to "Kids" Marriage. Is marriage planning of daughter still a viable financial goal? Let's look from Financial & Social aspects today.

Expensive weddings are all around, the Ambani Junior, Priyanka Chopra & Deepika Padukone, and many more such weddings are making father's in India worried. Are weddings so expensive as depicted in Media or there is some other aspect to it?

On the other hand, daughter's marriage is still used as an **emotional** pitch for selling financial products like insurance policies etc.

*First, I would like to clarify that I am the father of 2 daughters. They are 12 & 6, and like you I am also concerned about their wellbeing. The elder one understands marriage & stuff, and she also knows my profession. I have made her clear that I am going to help them financially for education but for marriage, I don't want to accumulate anything. So, whether it is a Roman wedding or Udaipur... your choice your expense!*

Do you think in changing time like these, do you need a huge amount to marry your daughter?



## Financial Planning for Children

**Generally, it revolves around 2 sub-goals – Education & Marriage.**

Good thing that I find is the investors or clients treat their son and daughter equally when it comes to investing for studies. I can vouch from the experience that I have interacting with our clients.

So, if they are having a goal for son to study outside India, a similar goal is made for the daughter too.

So, equality is there!

But when it comes to marriage, some prefer a higher goal amount. They are unsure or do not want to take chances.

## Marriage Planning for Kids – Socially

Last 10 years have changed a lot. Do you expect your son or daughter to go for the marriage of your choice? Look around and count number of love marriages, love made to arrange marriages and marriages done to legalize the co-stay.

Well, you may argue “It does not happen in our community”. Maybe not today, but I am sure your community is changing too.

The second question is “are people comfortable in asking or giving money or property to in-laws?”

Today, the girl and the boy own & decide.

Your daughter is equal as she is qualified, have a career & is liked by a family. So where is the question of cementing a relationship with money?





Another thing – If you have a daughter and she is married, she is not alienated from the family. Women readers know what I am talking about. You still remain close to your parents, siblings & friends. So the thought that “you give whatever you can” only on marriage is a vague argument.

Expenses will be when **you show off!**

5-star parties, celebrity presence, designer clothes, destination weddings, and multiple day functions with cocktails flowing and notes flying!

I am sure you need to plan for that.

## Marriage Planning for Kids – Financially

Age group	Money skill to acquire
<b>7-8 YRS</b> 	Budgeting, saving, learning mathematical calculations
<b>9-10 YRS</b> 	Making short-term goals, carrying out basic bank operations
<b>10-12 YRS</b> 	Making medium-term goals, watching online transactions
<b>13-14 YRS</b> 	Conducting ATM transactions, online bookings, security measures like passwords, PINs, etc

The society has gone a big change when these millennial kids have started taking decisions. Most of these kids do not believe in traditional weddings. A one-day affair with a reception is the norm. It is still the parents who due to social pressures or their own will want to have grand weddings.

But even a single day gathering has a cost attached to it. Then there is gifting. It may vary family to family. I have seen weddings where both side parents contribute to help the new couple settle their lives.



So, financially a daughters marriage is not that costly that it used to be if you are able to embrace change.

[Gold](#) was a big expense. I think the trend has mellowed. This expense has come down drastically.

Daughters too earn after their education and willing to contribute if you instill good value system.

So, be practical when you plan for your daughter's marriage, as there are chances you may over-plan it.

Over planning may result in unnecessary pressure in the [accumulation](#) phase and lower your present lifestyle.

Marriage planning is changing in India as we are evolving in a more mature society, so an investor needs to relook at their planning for children.

## Random Thoughts & Learning on Diwali !



Diwali is just the perfect time to think back, note the new things & learning – preferably from other's mistakes ); or through observations ... so with the Diwali wishes, it was time for me to ponder things...

### Some random thoughts, observations & learning

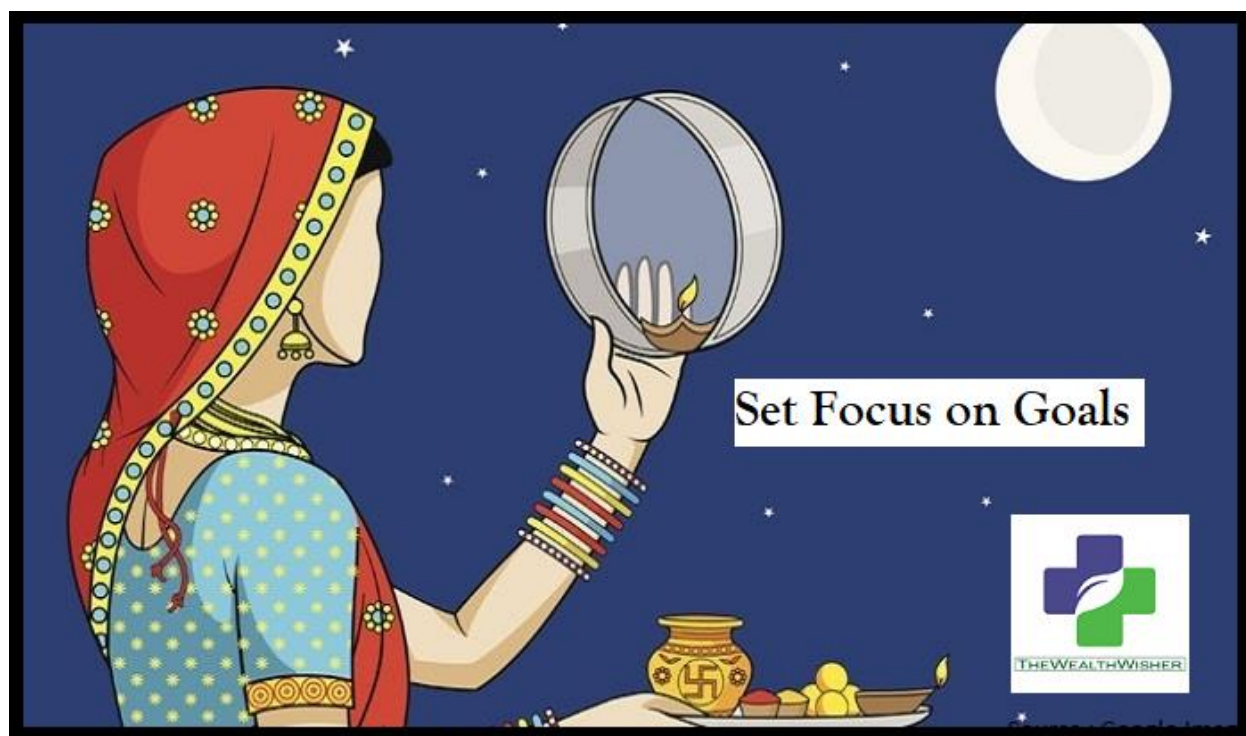
- Investors were very happy **not at 9 15 am**, the start of markets, but at 3 30 pm when it was the end of market hours. Market close on **Holidays & Sundays were bliss** this past 10 months.
- Fundamentals were low on weight against, WhatsApp & Telegram Groups. **The Samdhi'sof Reliance Group even complained to SEBI...** New management chapter added to management courses – “How to increase or decrease valuations using social media”.
- **More predictions were made for Nifty Lows then Nifty Highs.** Many of us got to know what is Technical Support and Sentimental Support levels? So many Nifty levels this year.
- Volatility increased but as per market sources, demat numbers have gone up, the number of terminals at your broker's office have gone up.
- Social media was determined to make everyone value investors. Locals like Jhunjhunwala or Kedia were eclipsed by Warren Buffet, Howard Marks & Ben Graham images & wisdom.
- The poster face of CNBC TV 18 admitted, (it was an 2016 video but I saw it last month) that **in an endeavor to direct, we (Media) should not miss direct. There is no way anyone can predict markets.**

- No one thought Dollar was more important than PNB Scam but markets proved “international” threat is bigger than homegrown issues.
- Demand for Mid & Small Caps has gone high. No one understands them, but **everyone wants to adopt them**.
- People were seen in blame shifting game like the Government: RBI did not do enough for the currency hence I lost money... SEBI did not do enough on FIIIs, so I lost money. blah blah... This means investors & their behavior remains consistent... **If I Win I am Lucky, if I lose, point fingers.**
- Investors have found new love in their holdings: Funds/stocks which fell less may be the future potential is less.

**Happy Diwali !!!**



## Karva Chauth & Goal Planning



The Karvachauth – It's a festival in India particularly North, but movies have spread it, to all parts of the world now. The festival also has a learning for goal planning and how to deal when markets are not favorable.

Equity markets have been [volatile](#) and still remain so in view of forthcoming state elections. But here is another lesson on how to deal with it. Through focusing on goal planning & their occurrence.

On Karvachauth ladies (and some men too) keep a fast for well being of their spouse. Obviously, without food and water for a full day is not so easy. You can have meals after the moon rises and you have a look at it.

### Karvachauth – Waiting for moon makes it special

You know almost every newspaper prints the time of moonrise.

TV throughout the day run stories on Moonrise time in various states and countries.

But do you think Moon will rise before time?

Just because a few crores are having a tough day.



Their children have been looking at sky since 6 pm and constantly shouting back **“Mummy Nahi Aaya”** (moon still to rise).

In fact, if you look at mature people- they will prepare food, do pooja (worship) and free themselves by just 10 minutes before Moonrise and wait.

But some neighbors will be so active by 6 pm when the time of moonrise will be 8 pm. They will watch TV and impatiently yell “arey Bihar main to nikal gaya” (moon has risen in Bihar)

Some will engage the youngest child in the family and he/she will just go to the roof every 10 mins and same – **Mummy Nahi Aayyyaaaaa...**

## Investor – Without Goal Planning

Many investors do not have a goal to fulfill in 2018, why are they bothered by the markets of 2018? Your moon will rise in say 2025 when your child will need money for education.

Why are you stopping your [SIPs](#) now when you need money in 2040 for your retirement.

You did your **goal planning**, calculated the time horizon, so why are you bothered on daily [market fluctuations](#).

Goals	Short term goals: School tuition fees, insurance premium, etc.	Medium term goals: Planning for an international vacation, purchase of car, etc.	Long term goals: Retirement, children's education, children's wedding, etc.
How long-Tenure	1- 2 years	2-5 years	5 years and above

Or, maybe you **did not do your goal planning**, just invested for fun or greed looking at returns of last year or on your friend's advice... so why are you hating markets for not dancing to your tunes!

## Result

- You think of not investing or postponing it for some time.
- You sell what you have due to panic.
- You go back to traditional investments which yield below inflation.
- You wait, wait & wait ... missing out the accumulation.

**"You can't cross the sea merely by standing and staring at the water."  
— Rabindranath Tagore**

It's a very common story and in my experience many investors that I speak to also learn and change their mind.

Many of them write or share their fears and when we speak to them and share the learnings they hold back.

Some do not and the future will tell them a hard way.

### **Back to Karwachauth**

Did you get the gift for your spouse? Or just like me ... forgot.

The best gift this festive season could be, leaving aside the fear and greed in investments. Do the right thing and be patient... Moon Shall Rise.



## Market Corrections & the Bloodbath News!



When I was in school the movie 300 fascinated me and I am sure you too have not missed it... even people who do not like violence, wars, politics & rage appreciated it. The movie was rich in VFX technology and it was the first time we saw blood flying, true grey emotions & huge war scenes come alive. The same is happening, when media discusses market corrections. Look at the headlines... **Markets & Bloodbath** are used so extensively... and mostly all media houses are involved.

**Market corrections are like VFX-d, blown out of proportion & shown like terror.**

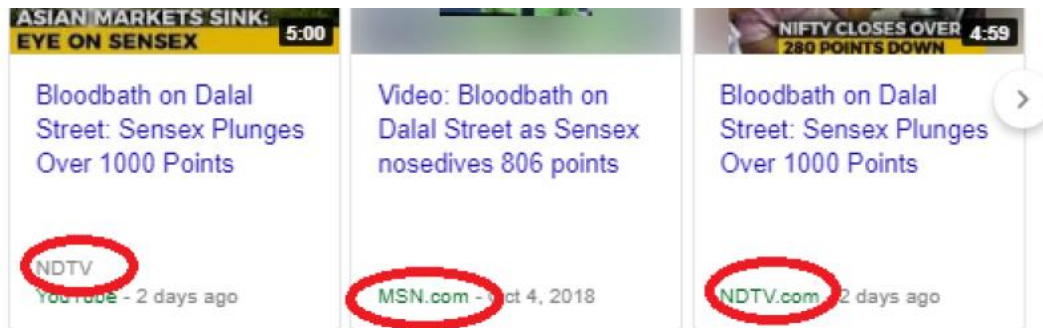
**Everytime markets lose a few points “Blood on Dalal Street” or “Bloodbath in Markets” is a front page title.**

I have previously written how markets are emotionless, how can you blame them bloodthirsty? Imagine the psychological image it projects in the mind of investors.

- Don't you think using term like bloodbath or carnage is not good for investors learning to cope up from the decrease in interest rates?
- Do you think one would advise his son or daughter to make a career in this field?
- Do you think any sane person will invest if you tell them the investment they are investing can shed blood... investor's blood?

Look at the screengrab when I searched bloodbath in markets term in google.

## The so-called market corrections & bloodbaths



### Bloodbath on Dalal Street: Top Sensex, Nifty losers in trade today

<https://www.businessday.in/markets/stocks/sensex-nifty-losers.../284694.html>

2 days ago - When the Sensex fell over 1,000 points to 33,723, the Nifty crashed 322 points to 10,138. Over Rs 3 lakh crore of market wealth was eroded in early trade, leaving investors' positions in huge losses. ... Bank Nifty crashed 828 points to 24,493 level compared to its previous close of ...

### Bloodbath on Dalal Street: Sensex Plunges Over 1,000 Points

<https://www.ndtv.com> > Home > Market

2 days ago - Sensex trades Over 800 Points Lower On Global Rout: 10 Things To Know. ... The S&P BSE Sensex sank as much as 1,037.36 points and the Nifty50 hit 10,138.60 level, 321.5 points below its previous close. ... The Sensex had hit an intra-day low of 33,723.53 and the Nifty of 10,138.60.

### Bloodbath on Dalal Street: Sensex slumps over 1000 points in intra ...

<https://indianexpress.com> > Business > Market

Sep 21, 2018 - The BSE Sensex Friday closed at 36,841.60 — 279.62 points lower — after an intra-day drop of over 1,000 points. Nifty, too, cracked below ...

### Bloodbath on Dalal Street as Sensex, Nifty crash | 3 things to know ...

<https://www.indiatoday.in> > Business

Oct 4, 2018 - The BSE Sensex is trading down by nearly 800 points while the NSE Nifty has lost more than 200 points so far in the trading session on ...

### Bloodbath on Dalal Street: Sensex plummets over 1,000 points ...

<https://www.zeebiz.com> India News

Sep 21, 2018 - The benchmark BSE Sensex today plunged over 1000 points before staging a recovery while the Nifty50 also fell below 10900 mark. In what ...

## Market corrections have spoiled MARKET's image – Courtesy Media

It looks like the market is some psychopath, violent person who finds pleasure in spilling blood.

Now, I am not accusing media that they are doing it knowingly.

In fact, the first person who had coined (or copied from foreign media) would have been a genius.

But the fact also remains that other bozos are just copying-pasting to create sensation because brazen emotions sell.

Blood sells... or at least attracts eyeballs. The sadist part is attracted to pain... someone else's pain.

### **How calling markets bloody impacts?**

You want to buy a new car and you go for a test drive. The car salesman – a brilliant young guy explains you only the security features of the car.

You ask for the performance like mileage, top speed but he says all these are of no use as “safety” is the most vital aspect.

He then narrates you cases of road accidents, when a car overstepped and fell in a valley or when an overspeed vehicle had a head-on collision on the highway.

Will you buy?

What he is saying is not untrue, but he is showing you the bad side only.

He is not telling you that safe driving and a safe vehicle are perfect for protection.

Similarly, when we have an entire class called as the devil, the other asset classes tend to enjoy. Look at the Bank Deposits Vs Mutual Fund Ratio in India!

Till six months ago we had an interest rate contraction, but bank deposits increased on a YOY basis.

Many investors remain underinvested or invest in products with returns less than inflation.





In fact, very few people have shares of business houses.



**CONCENTRATION**—Some 80% of all stock is owned by 1.6% of the people.



They buy products which are just wastage of money and time – like endowment plans or plots of land.

Similarly look at property prices! They fluctuate and correct too. But it is a general perception that one never loses money in real estate. People often ignore illiquid feature just for safety misconception.

Gold prices, interest rates, property rates, and currency exchange rates too have their ups and downs...

***But no one calls it a bloodbath.***

So why a correction in Equity a Bloodbath?

I have already written a few articles on equity & power of equity investments.

Here are the links:

[What Wine Cork Industry Tell About Equity Investing](#)

[Do Not Rent Equity- Own it](#)

[Equity Investing is a Marathon NOT a Sprint](#)

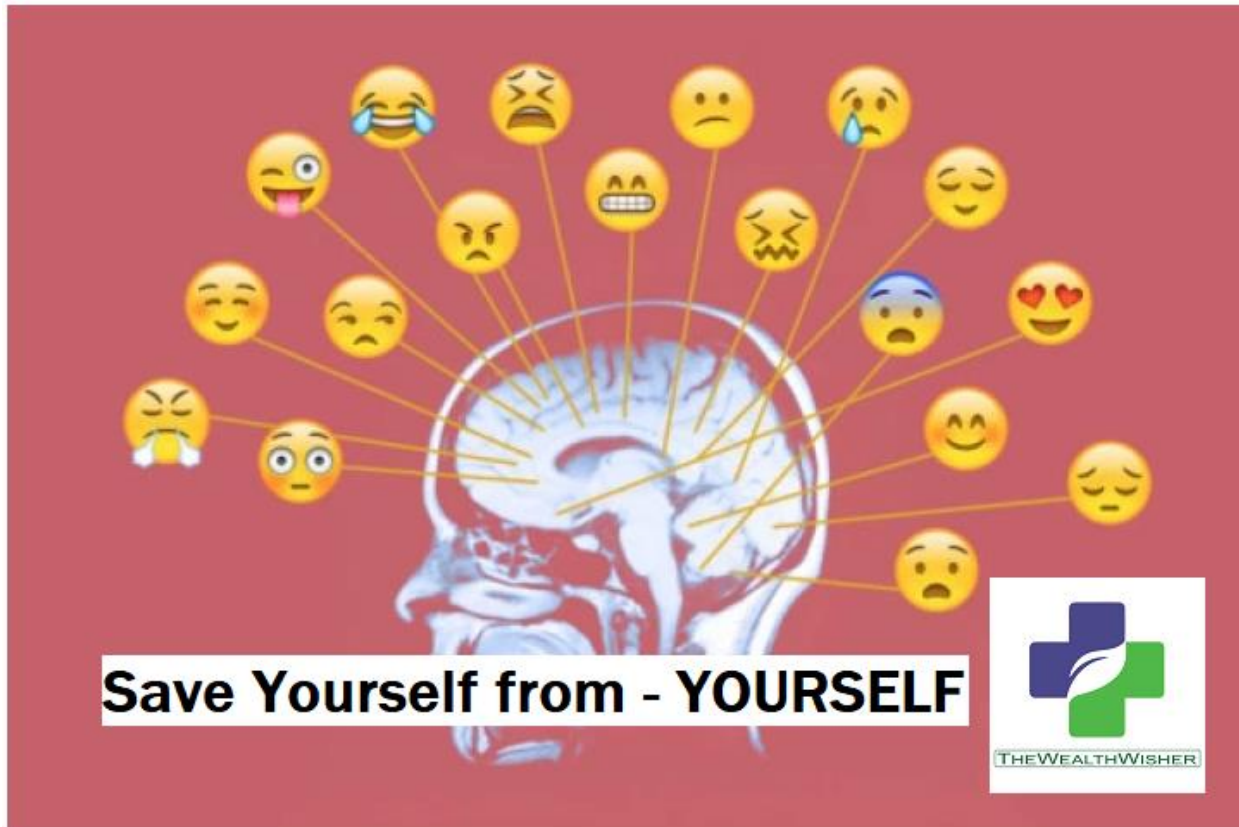
[Best Investment in Long Term – Equity Investment](#)

[Equity Performance – What Lies Ahead In 2017-18](#)

[Market Corrections : A Fire Drill Activity](#)

Hope media understands that market corrections are normal phenomenon helping the system. Also maybe they still do something to change the images of markets in common man's mind.

## Common Mistakes in Investing – Some New Ones



We have a business of dealing with investors and that is why we have a tendency to find common mistakes in investing. I keep taking notes and wish to share these learnings today. **Here are some common investment mistakes that we see prevailing around us.**

These may be old or new, but these common mistakes in investing call for caution. These mistakes may not be so talked about but very important while shaping a good financial future.

## 7 New Common Mistakes in Investing



## Investors want the future to be like past

It is never possible. If a fund or stock has given you 17% [CAGR](#) it never means history will repeat.

Past performance is an indicator of performance in the future, not the roadmap.

For successful investing, we have to balance between being prepared for the good times and to last the next bear phase.

Driving is done with help of rear view mirror, but looking through the windscreen is the way forward.

So disappointment that “it performed in last 10 years but why not this year” has no meaning.

## Investment means Returns will be linear

Prices or NAVs don't care that you hope to achieve a 20% return in the next 12 months.

They also do not care that you have a Diwali Ahead or you need 5% every quarter.

They are just like your emotions which sway with information. So expectation needs to be modified if you have time frames in mind.

**"INVESTMENTS ARE  
SUBJECT TO MARKET  
RISKS, BUT RETURNS  
ON INVESTMENTS ARE  
SUBJECT TO INVESTOR'S  
BEHAVIOUR RISK"**



**“The Money Game” by Adam Smith** described how emotional people get when investing.

He wrote, “A stock is for all practical purposes, a piece of paper that sits in a bank vault... The stock doesn't know you own it. All those marvelous things, or those terrible things, that you feel about a stock, or a list of stocks, or an amount of money represented by a list of stocks, all of these things are unreciprocated by the stock or the group of stocks. You can be in love if you want to, but that piece of paper doesn't love you, and unreciprocated love can turn into masochism, narcissism, or, even worse, market losses and unreciprocated hate.”

## Investors think about investment performance instead of the goals at hand

Not everybody can be a security analyst or a forecaster, but first and foremost, thoughts – **Buy or Sell.**

You are just concentrated on price targets today and not your goals in the future. A small correction is thought as bear phase and bear phase as the end of investments. Goals are overlooked or postponed supply of funds. Are any [goals](#) cheap?

Admitting that you started wrong is an EGO issue



Most people do not start or again start even they know their investment is wrong from starting. How can you admit that you were wrong the entire time?

Many times people do not change other investments as they fear facing losses. There is nothing wrong with taking a small loss, but big losses are hard to recover from financially and [emotionally](#).

The best way to prevent large losses in future and spoiling the most important thing (time) is to take small losses.

People appreciate social approvals

Most people in my office talk in loud voice describing a new idea – For Eg “I think I will start trading Nifty Futures”. They want someone to overhear and approve it.

It's comforting when some article or someone on television says something positive about the investment that you own or wish to invest. [Confirmation bias](#) is dangerous as it gives you motivation. If it is wrong, it is wrong and does not correct it by getting it approvals form people who do not know your investment or your situation.

Graham: “You are neither right nor wrong because [the crowd](#) disagrees with you.”

## Overconfidence is underplayed by many

People misidentify one time luck as a perfect model or skill that they have better information than others.

Many people think they are above average whether it comes to intelligence. Overconfidence that they have developed the special ability to know markets beforehand.



They preach and when they are right sometime due to luck, they tend to pick overconfidence.

They start handling more [risk](#) than they actually can. The common mistakes in investing is -forgetting limits.

I see these as very dangerous investors as they influence people around them and this means they create their own clones. More clones mean markets becoming riskier.

Investing is NOT a topic to socialize



A foreign bank organized an event with their super-rich investors. They were called for an evening together and to their surprise, they were flown to Udaipur in a charter plane (from Jaipur) for a dinner at Lakeside. Is this investing or socializing? ... because what will bankers & investors talk about? Investments.

Do you think this is a good way to invest? Under social influence?

Many times, you will be part of a group who are called for sessions by product manufacturers. They can be in form of awareness programs or product launches. They are done with a group so that influence can be maximized.

But the right way is purely based on your needs & [plan](#).

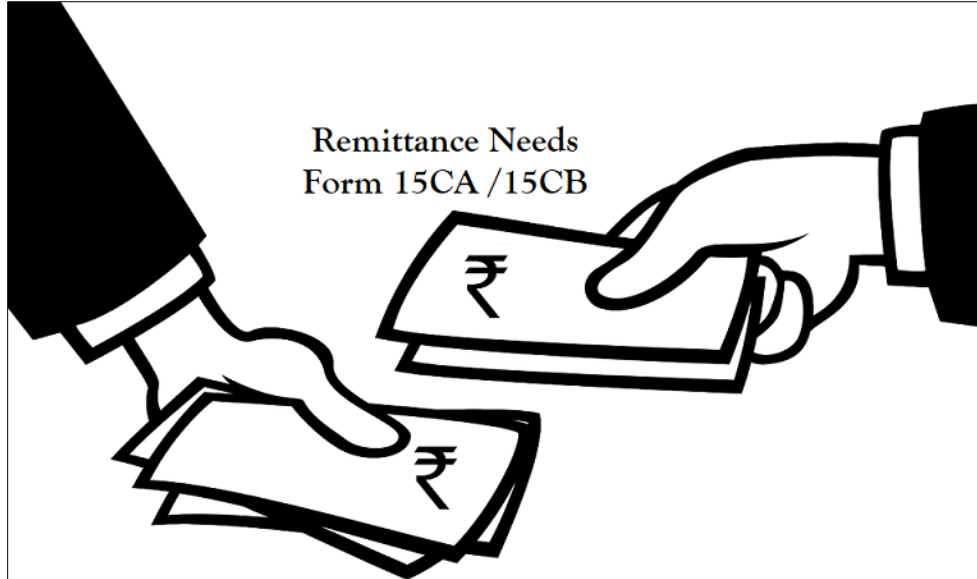
Do not let yourself be a guinea pig? Why you be a part of some social experiment?

That's all for now.

***Will share some more common mistakes in investing in the next phase of markets!***



## **Know Form 15CA and 15CB? Make remittance easy!**



Remittances have become very common between Non-Resident and residents. To track and collect tax on early stages because recovering tax at a later stage for an NRI will be difficult – Form 15CA and Form 15CB are widely used. Lets us check the meaning, requirement, difference & procedure to obtain Form 15CA and 15CB.

Many [NRIs](#)/Residents are confused when to use which of the Form 15CA and CB? Here are the details, applicability, procedure & difference between form 15CA and 15CB.

So if you are making a remittance or payment to an NRI or a Foreign Company, you need to file form 15CA and in some cases (explained below) form 15CB also.

## **What is form 15CA and 15CB?**

It is a tool for the collection of information for the [payments](#) which are chargeable for [tax](#) in the hands of NRI. So it a declaration of remitter against his tax liability that arises when the payment is to be made.

By form 15CA Income Tax Department can easily track the foreign remittances and their nature to determine the income tax liability.

Now the banks and authorized money transfer institution are keeping careful watch for possible danger and difficulties in ensuring that such forms are received by them before remittances are affected.

According to revised rule 37BB of income tax act 1961, it is their duty to furnish this form 15CA received from remitter to the authority (RBI).

## Is Form 15CA compulsory?

Yes, the form 15CA is compulsory to be filled by an NRI for all payments more than Rs 500000 in a financial year.

It's is also clear that Form 15CA is not required if the remittance amount is not chargeable for tax.

After the amendment in income tax rules in 2013 & 2016, if the payment is made for the purpose mentioned in this specified list, the Form 15CA or CB is not required as per Rule 37BB.

Sl. No.	Purpose code as per RBI	Nature of Payment (3) <a href="http://www.thewealthwisher.com">www.thewealthwisher.com</a>
1	S0001	Indian investment abroad -in equity capital (shares)
2	S0002	Indian investment abroad -in debt securities
3	S0003	Indian investment abroad -in branches and wholly owned subsidiaries
4	S0004	Indian investment abroad -in subsidiaries and associates
5	S0005	Indian investment abroad -in real estate
6	S0011	Loans extended to Non-Residents
7	S0202	Payment- for operating expenses of Indian shipping companies operating abroad.
8	S0208	Operating expenses of Indian Airlines companies operating abroad
9	S0212	Booking of passages abroad -Airlines companies
10	S0301	Remittance towards business travel.
11	S0302	Travel under basic travel quota (BTQ)
12	S0303	Travel for pilgrimage
13	S0304	Travel for medical treatment
14	S0305	Travel for education (including fees, hostel expenses etc.)
15	S0401	Postal services
16	S0501	Construction of projects abroad by Indian companies including import of goods at the project site.
17	S0602	Freight insurance – relating to import and export of goods
18	S1011	Payments for maintenance of offices abroad
19	S1201	Maintenance of Indian embassies abroad
20	S1 202	Remittances by foreign embassies in India
21	S1301	Remittance by non-residents towards family maintenance and savings
22	S1302	Remittance towards personal gifts and donations
23	S1303	Remittance towards donations to religious and charitable institutions abroad
24	S1304	Remittance towards grants and donations to other Government and charitable institutions established by the Government.
25	S1305	Contributions or donations by the Government to international institutions
26	S1306	Remittance towards payment or refund of taxes.
27	S1501	Refunds or rebates or reduction in invoice value on account of exports
28	S1503	Payments by residents for international bidding".

**Update:** The list of 28 has been revised to 33. Here is the copy of [Press Release by CBDT](#).

## What is Form 15CB?

This form is basically used for the avoidance of double taxation (DTAA) and also for determining the tax deduction under the income tax rules. The form 15CB is examined by the chartered accountant and certified by him.

The form includes details of remittee and remitter and nature of remittance like salary, royalty, commission as per the agreement of both sides bank details of remitter in case of remitter lies in DTAA (double taxation avoidance agreement).

## Procedure for Filling Form 15CA and Form 15CB

**Form 15CA** is filled online on official website of the income tax.

The form is required to be furnished with all details of the remittee & remitter.

The PAN or TAN No. should be valid.

Form 15CA has 4 parts. The picture below will help you to identify which part needs to be filled under what circumstance. The 4 parts are:

**PART A:** – When the remittance or the aggregate of such remittance does not exceed 5 lakh rupees during the F.Y. (whether taxable or not).

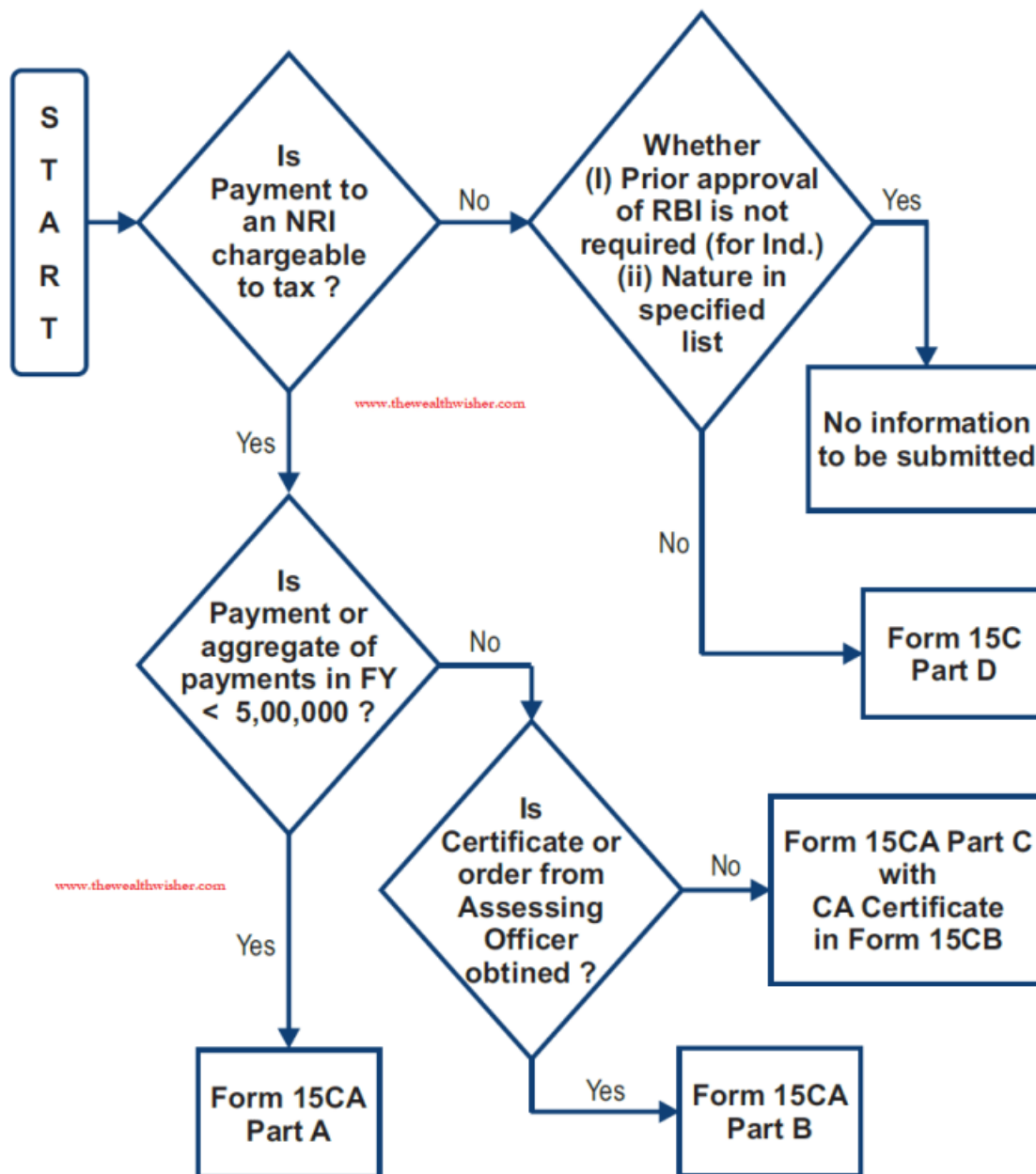
**PART B:** – Where an order /certificate u/s 195(2)/ 195(3)/197 of Income Tax Act has been obtained from the A.O. (Whether Nil rate or Lower rate Certificate).

**PART C:** – When the remittance or the aggregate exceeds 5 lakh rupees during the FY.

**PART D:** – Where the remittance is not chargeable to tax under Domestic law.

**This flowchart explains which part is to be filled when?**

## 15 CA / CB Procedure:



*Form 15CB is a tax certificate where the CA examines the remittance.*

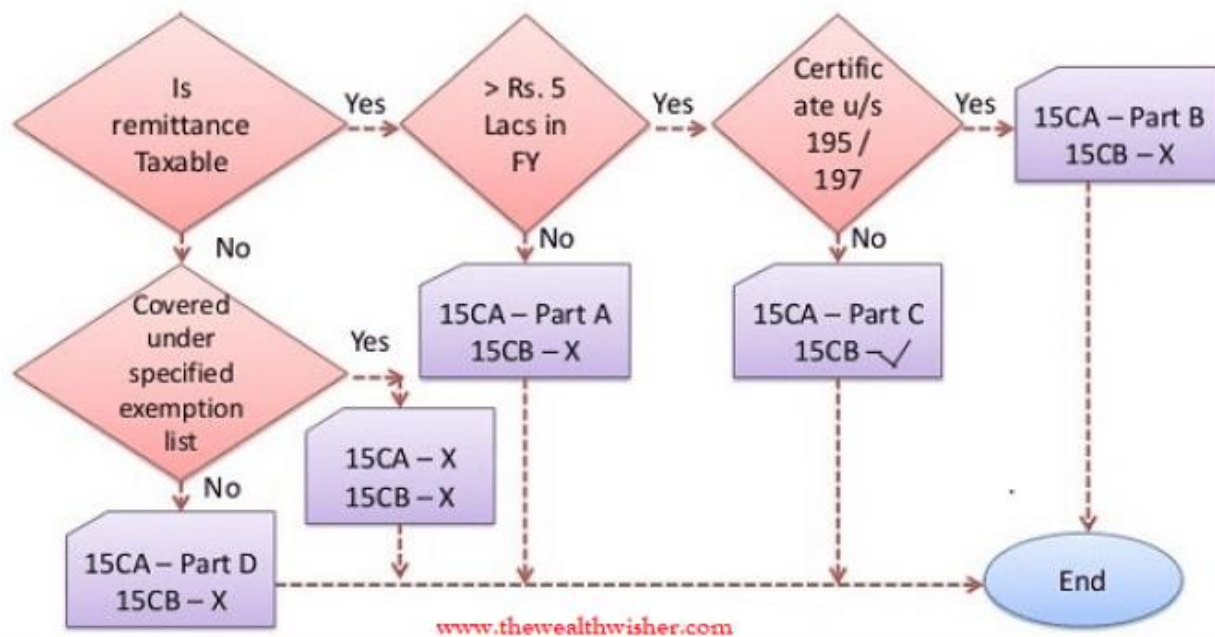
He certifies that it is under Section 5 and 9 of the Income Tax Act. Also if Double Tax Avoidance Agreements (DTAA) provisions apply.

This is also filled online, using the “add CA” option in the income tax website login. Once the CA is added, you or the CA can file the form 15CB.

In form 15CB, a CA certifies details of the payment, rate of TDS and TDS deduction as per Section 195 of the Income Tax Act, if any DTAA is applicable, with other details of nature and purpose of the remittance.

It is advisable to obtain 15CB even in cases where 15CA is not mandated. This is to avoid future problems related to tax assessment.

Below image shows the procedure & need when Form 15CA and 15CB are required.



*Hope the article clarifies the need and procedure to file form 15CA and Form 15CB. Please share with your family members or friends who are NRI or deal with NRIs.*

## Disclosures

**The writer is not a CA or tax consultant. The article is written with intention of providing information only. It is suggested that you consult a practicing expert before taking a decision on basis of information provided here.**



## Market Corrections: A Fire Drill Activity



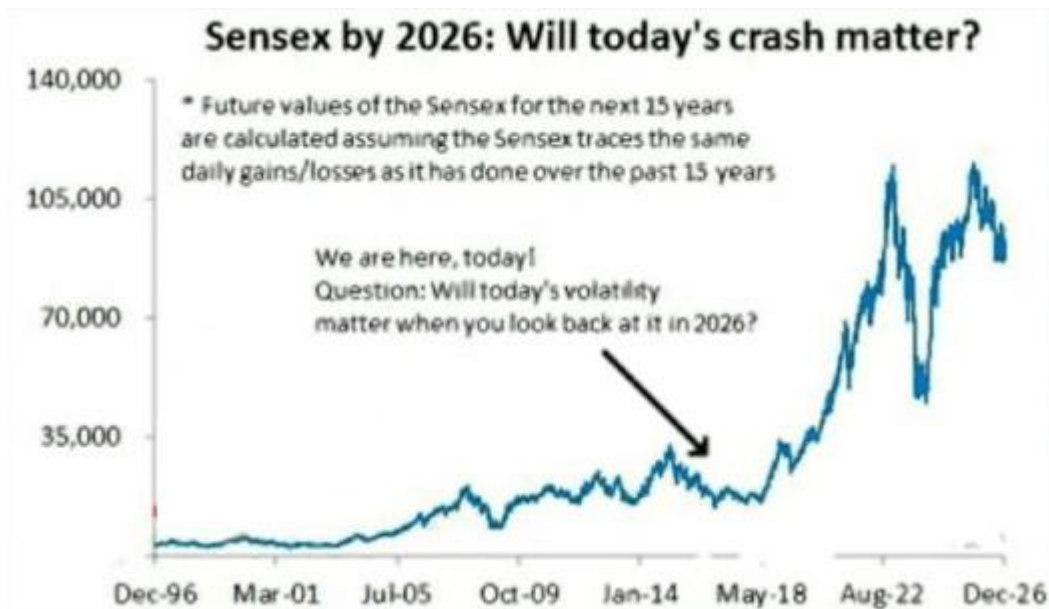
Markets have and are correcting ferociously in 2018. These market corrections are giving tough days to equity investors. No? Then you have perfected the art of equity investment. If yes... read on because I think Market Correction is a time you may check whether you are on a right track of investments or Not.

Last week after a weak Monday closing, a remark by equity broker/trader community on social media was “thank god it’s 2<sup>nd</sup> October tomorrow and markets will be closed. *Gandhi Ji ney bacha liya...* (Thank God It’s a holiday due to Gandhiji’s Birth Anniversary)

Similarly, on 5<sup>th</sup> Oct, after Monetary policy announcement at 3 pm & the market went down, many brokers & investors were praying that clocks run fast and let markets close at 3 30 pm.

Monday or day after a holiday means a lot of tension for most in equity markets. Market Corrections is a time ... many lose sleep, appetite, exercise & even quality time with family.

**Will it matter in long run?**



Isn't this absurd... you invest (no forcing takes place), then you sort of try throwing it away!

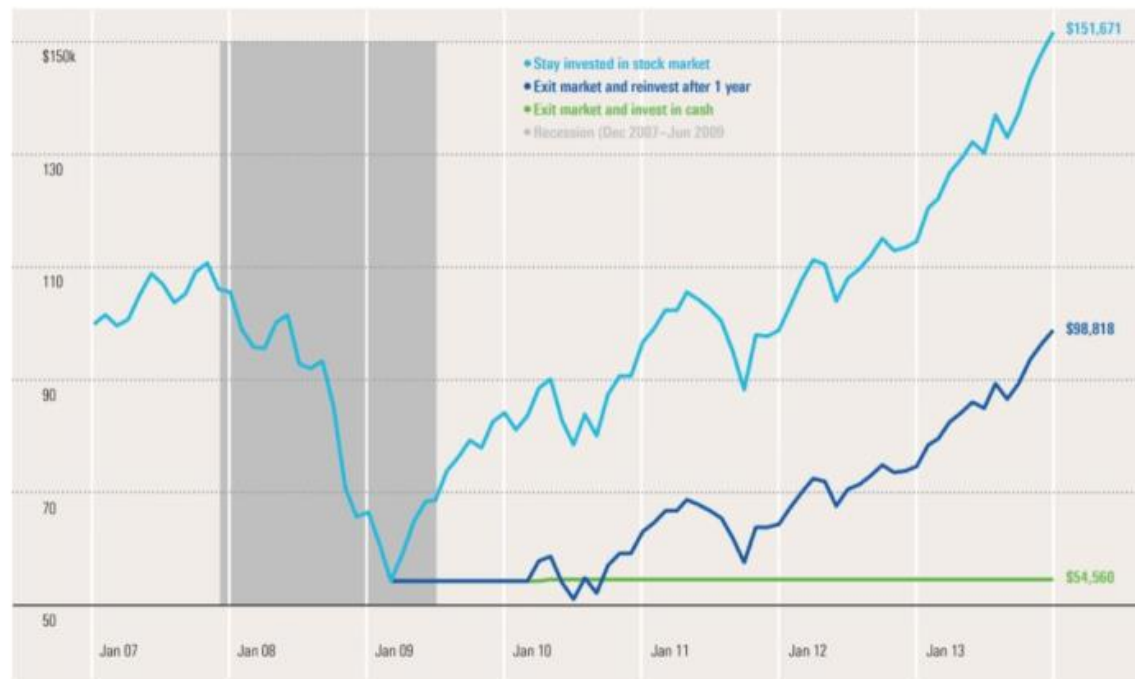
## Market Correction? Fear? Panic?

Of making a notional loss or losing a few bucks in [valuation](#).

Many of you are thinking to come out of equity markets and re-enter after some time. Do you know that time? History has proved that investors who have held have earned more than people who withdrew in panic and again re-invested thinking that they have made a smart move.

## The Importance of Staying Invested

Ending wealth values after a market decline



## Let us address this fear of market corrections today!

Just answer following questions?

- Did you invest for returns or your [goals](#) achievement?
- Have you been assured some kind of fixed returns?
- Did you assume or were told that capital or your last day's profits will be protected?
- Your planner must have done a risk analysis of the amount of equity you should hold in your overall [asset allocation](#)?
- Were you made aware that markets have fallen more than 10% more than 40 times in the last 38 years?
- Were you told that you will make money every year in equity in the short run?

If the answer is yes to any one of the questions above you need to check again your priorities, your expectations with equity investments and [understanding of equity](#) investments.

**So, if the answer is NO... then your fear is just an emotional outcome.**

How to use these market corrections?

## Use this correction as we do in a **fire drill**.

A fire safety drill is an activity where, the participants, assume that the event (fire in this case) has happened. They act what they should be doing when there is a fire in the building.

The steps to follow, check the equipment (extinguisher or sand buckets), signs for the safe exit, place of assembly are all reassessed to know one thing... **the readiness** if the fire strikes.

## Can you take market corrections as a fire drill activity?

Yes ...

**Just visit following things again a few things if you are UNCOMFORTABLE with the CORRECTIONS:**

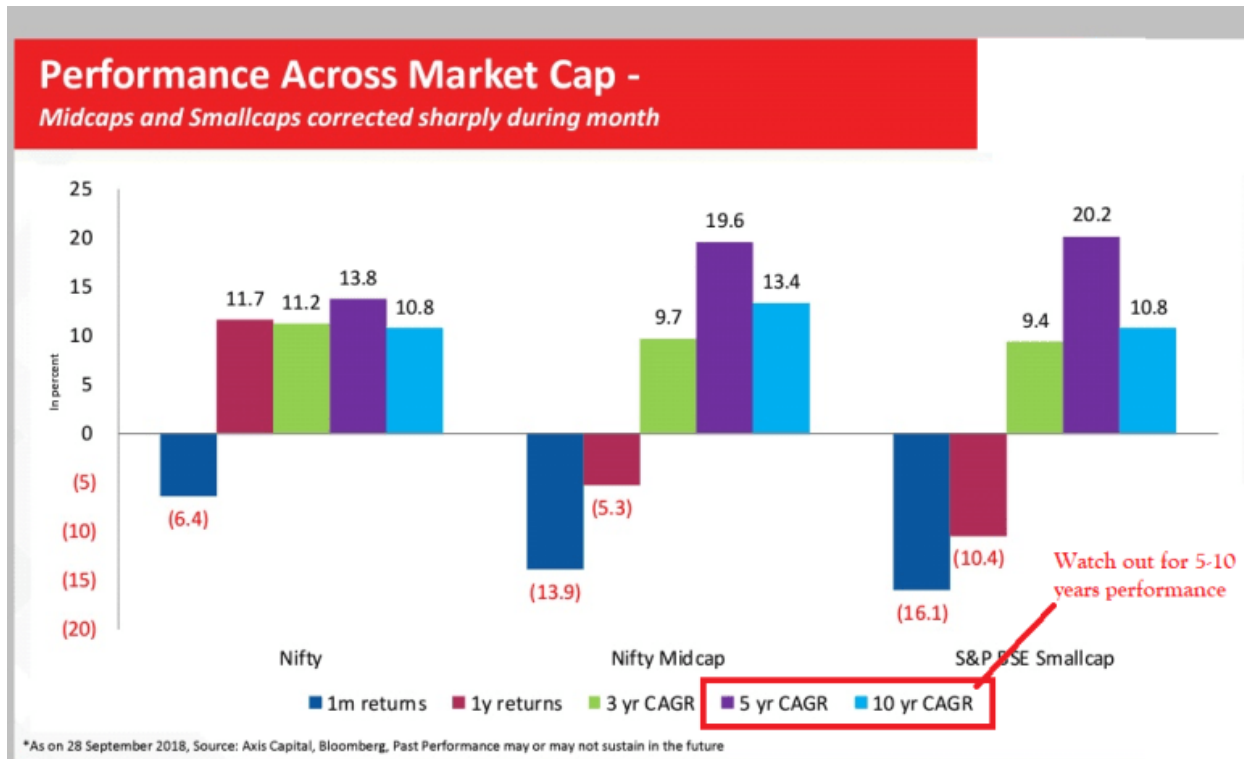
- Did you do a goal planning exercise? If not, do you even know why are you investing?
- If you know equity is for long-term plans (5 years plus), why are you in the state of shock?
- Have you have invested FD monies in equity or hybrid or debt fund thinking they are same?
- Are you handling equity only for returns? Think again... yes, you are at a right place but you need to deal it just like you do with a long FD or Property... Buy and Sit Tight.
- Were you risk minimizing strategies were in place? Were they implemented? I am talking about Diversification, Risk Assesment & Asset Allocation?
- Are you in a pressure to perform well in your investments? If you have missed a bus in past, there is no way catching it by running fast. You can make your own bus!

Correction is a time when you should execute the drill in real life scenario. It's a forced drill, but make the best use of it.

### **This drill can help you to:**

- Know your appetite for equity.
- Know how equity works in real life.
- Plan if you are still investing like a dart game.

Websites and blogs will be full of reasons like currency, scam, CAD etc or steps to minimize the panic or how to deal with the situation. But is it even worth taking tension when returns are out of your control in the short run?



*My suggestion would be to revisit your priorities.*

If equity is giving you sleepless night or anxiety, you have not understood it or you are not ready for it. You are taking more risk than you can handle. And, before you point a finger at me... I am 90% equity & 10% Debt invested still enjoying my sleep.



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