

Mr Kunj Bansal is an engineering graduate with an MBA from NMIMS and has a wealth of experience in stock markets. He started his career with UTI Mutual Fund. Later he moved to set up Religare Asset Management, after which he set up Kotak – PMS. Currently he is the CIO (Chief Investment Office) at Sanlam Investment Management India.

- Q How or when was your first encounter with stock market?
- A My first encounter with stocks was during my childhood, looking at people in my family investing in stocks and having their ups and downs. And the ups and downs have continued ever since.
- Q What has been your learning from stock market over the years?
- A The biggest learning from stock market is that “learning never ends”. Every day is a new day and a new learning. **Stock market is not a gambling den and investment made judiciously after proper due diligence does give good return** if the diligence was correct. However, one cannot choose the time period for this return. Markets tests your patience and it tests it hard and long.
- Q What is your philosophy on strategies for stock market? What technique do you use and how has it changed over time?
- A The philosophy that I follow is of **fundamental, bottom up investing**. To do this, the strategy is always to do proper due diligence in a detailed way before making any investment. Anything hurried through could be dangerous even if there is a chance of missing out an opportunity. Stock market is a place where the principle “opportunity doesn’t knock twice” doesn’t apply. Here, opportunities keep knocking. One has to keep one’s eyes and ears, and also nose, open. For me, over a period of time, the weightage of subjective factors such as the promoters’ background and the management’s capability in diligence process has been going up.
- Q How do you decide when to sell the stock?
- A There are few very simple ways of deciding the sell timing. It starts with **valuations going unreasonably high**. If one is not able to decide on that, one should look at the weight of any investment in one’s portfolio and if it has become disproportionately high, a pro-rata sell decision can be taken. In case of cutting losses, if the basic premise of investing does not exist anymore, it is time to sell.
- Q How many market cycles have you seen? How was your experience during that time?
- A I have been in market for the last 18 years. In that period, market has approximately gone through 4 big cycles and a number of smaller cycles. The bearish period of market is a really difficult time when no

strategy seems to work and one only keeps losing money. As I have said earlier, that is the real test of one's investing abilities and patience.

- Q What makes a successful analyst different from others?
 - A I believe that one who doesn't get waivered by too much of short term thinking and by the opinion of every other participant turns out to be more successful over a longer period of time.

- Q What are major misconceptions that people have about stock market in general?
 - A **People** look at the market in extremes. In bullish times, they **feel that it is an easy money making machine**. In bearish times, they feel that all equity is a dud investment or a gamble. Other misconceptions people have are that **property and gold are better investments, which is not necessarily true**.

- Q What do you expect from newcomers to the stock markets? What are the qualities that new participants, especially students, should possess for being successful in the stock markets? How should one go about acquiring those qualities?
 - A Reading about market veterans both in India and abroad is the first starting point. This should be followed by developing one's own investing style instead of blindly trying to copy others. Humility, willingness to learn from one's own and others' mistakes are amongst so many qualities that helps one in the market.