

Money from nothing

If you are looking for an easy read to comprehend the complex subject of wealth creation, bestselling author Ashwin Sanghi's new book could have something for you

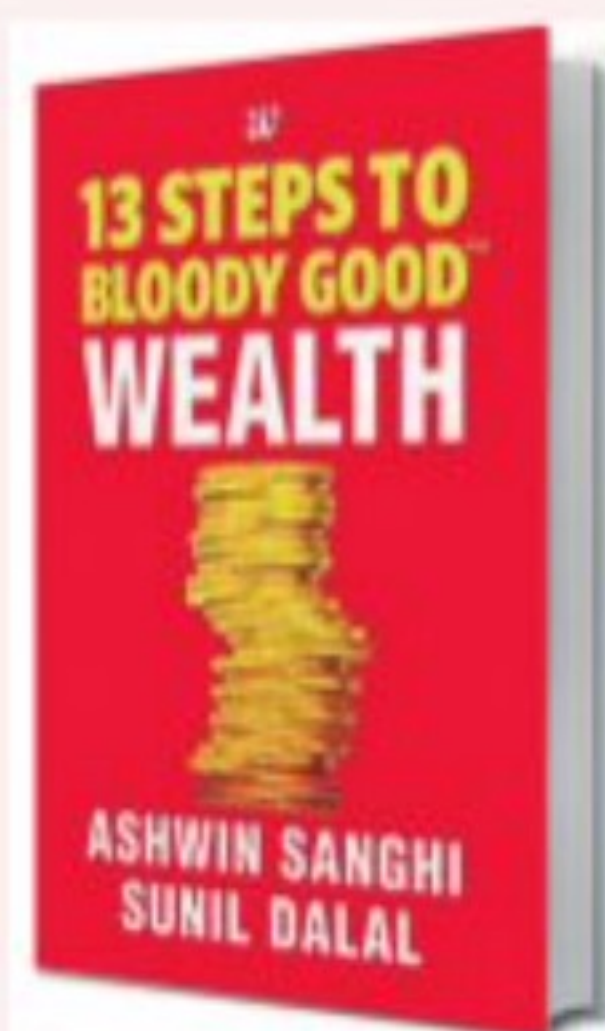
Kunal Doley

AFTER OFFERING a refreshing and logical view on the oft-misunderstood subject of 'luck' (*13 Steps to Bloody Good Luck*, published in November 2014), bestselling author Ashwin Sanghi is back with his second book in the *13 Steps* series. This time, he dwells on the complex yet fascinating subject of wealth creation—particularly on how to 'become wealthy' even if you're not blessed with the proverbial silver spoon.

There are a few deviations from the past though. Firstly, for this new book, Sanghi has roped in serial entrepre-

neur Sunil Dalal, with whom he has been friends since their days at Cathedral & John Connon School and St Xavier's College, Mumbai, as a co-author. In fact, the 'I' that you read in the book is mostly Dalal's point of view and he manages to bring out several practical nuggets of wisdom from the decades that he spent managing and growing wealth without being a part of the banking and finance ecosystem—Dalal is the chairman and MD of UniDEL, a family-owned industrial automation group.

Secondly, after driving away triskaidekaphobia (the fear of number 13) in his first book, Sanghi and Dalal



**13 STEPS TO
BLOODY GOOD
WEALTH**

Ashwin Sanghi &
Sunil Dalal

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actually offer a '14th step' (think of it as a 'no-claim bonus' that you receive on a car insurance policy, a "bonus chapter for your persistence") in this latest offering. But more on that later.

Coming back to the 13 steps, the authors have attempted to break the myths surrounding wealth creation through some easy and simple solutions. First things first, write the authors, define what wealth means to you, whether it's a basic need or an aspira-

tional one, whether you need it for financial independence or for planning your retirement. Once you've done that, make a plan and quantify your goals (for this, the authors have given a simple formula to create a target net worth based on your age and income).

Then, budget all your expenses (for this, the authors urge readers to use the 'Li Ka-shing' model of budget allocation, made famous by the legendary Hong-Kong based billionaire) and create additional income streams (like doing something in your spare time—"such 'side' activities can be the stepping stone to an entrepreneurial career," they write). The authors also tell you to harness the power of compounding and to build assets, not expenses—so the next time you feel tempted to buy Apple's latest iPhone, keep in mind that buying the device does not increase your net worth, but possibly investing in Apple stocks would.

Sanghi and Dalal give very practical

suggestions, interspersed with interesting anecdotes and case studies, on how to beat inflation, master the 'wealth trinity' (risk, return and time), have an asset allocation strategy, understand asset classes and know the good debts from the bad ones, among others.

The bonus 14th chapter comes in the form of stories of those who "made it", like the rickshaw-puller, who pulled in millions (Mahashay Dharampal Gulati, the founder of the ₹500-crore spice-maker MDH) and the drug distributor, who gave up distributing (Dilip Shangvi, the founder of pharmaceuticals conglomerate Sun Pharma).

What works in this book's favour is its simplicity and the way it's written—free of jargon that is traditionally associated with a financial advisory publication. After reading this book, even if you don't become a Warren Buffett or a homegrown Karsanbhai Patel (founder of the ₹2,500-crore Nirma group), you'll end up becoming wiser—money-wise.