

Soon all trade will be done on the Net

Kotak Securities V-P says investors taking to online trading fast

HT Correspondent
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MORE AND more people are logging onto the Internet for investing in the stock market. In the next four to five years, every second trade in India will be done on the Net, feels Kotak Securities senior vice-president E Prasanth Prabhakaran.

Talking to Hindustan Times at Hotel Fortune Landmark on Thursday, Prasanth outlined the future trends in stock broking and the company's strategy of going forward.

"Broking is going to go for a sea-change now in the Indian industry. Typically, you would have noticed, brokerage rates have dipped on the one side. On the other side, obviously for a broker to survive, he needs to give quality advice and then say I will charge you for that, and that is the way the market will function," he asserts.

To keep pace with the changing trend, Kotak is in the process of testing out the concept of advisory broking.

"The advisory model needs to get strengthened as and when the

business keeps growing, and that is the way the international market also functions. Right now we are looking at building up pockets where advisory services will be done for across the country," says Prasanth.

Kotak is also looking to expand its presence in Madhya Pradesh. At present, it has three branches at Indore, Bhopal and Jabalpur and plans to add another 12 by around September and take the number to 30 by March 2008.

"The idea is that reach is going to be crucial as and when your infrastructure keeps on improving.

Growth is possible in this business only because of the simple fact that Internet connectivity has improved."

Although an investor can open an account and access the website on the Net anywhere in the country, the branches act as sales outlets and make it easier for a client to open an account.

Kotak has also come up with some innovative products. "We are the first to launch a portal on 'how to invest,' a systematic investment plan for direct investment in equities. As far as the

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VOLUME RISE

The online equity trading in the country has risen from around two per cent of the NSE (national stock exchange) volumes in December 2004 to around 23 per cent in March 2007.



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Kotak Securities vice-president Prasanth Prabhakaran talking to Hindustan Times at Hotel Fortune Landmark on Thursday.

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broking-related range of products is concerned, I don't think anybody comes close," claims Prasanth.

Kotak has 20 per cent of market share in Internet trading and its daily volumes have grown from Rs 15-20 crore in 2004 to Rs 750-800 crore. The company has 212 branches at present and is aiming for 300 branches by March 2008.

"The trend is clear. The new set of investors is entirely moving to Internet trade," he sums up.

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