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OUTLOOK MONEY
MAKE EVERY RUPEE COUNT

also operationalise new players such as fund managers and the central recordkeeping agency. Eventually, more transparent, higher-choice and, possibly, higher-return retirement savings might be possible. This Bill, too, has been approved by a Parliamentary panel and is likely to go through in the monsoon session.

DISINVESTMENT

There should be further disinvestment in public-sector companies, which would help ease the worsening fiscal position. It appears there is a list of around 20 companies in which the government would like to sell stakes of 5-10 per cent. The process for some has already begun. For the individual, there may be some good stocks going in a while that he can pick up. But it is unclear whether there is enough time to take the process through.

BANKING

An amendment of the Banking Regulation Act, too, is on the cards. The idea is to give foreign shareholders voting rights in proportion to their equity holding instead of limiting it to the current 10 per cent. That is unlikely to change much for the individual since the number of banks where they can exercise these rights are limited. Also possible is the go-ahead to merge the associate banks of State Bank of India into it.

Even if the reforms blocked by the Left can go through now, it will be for a price since whoever supports the government will demand his pound of flesh. And on contentious issues, the government itself may not want to rock the boat with general elections at most nine months away.

ABHIJIT MITRA WITH DEEPTI BHASKARAN

GOLD FLAKES

Now, invest in gold, bit by bit

Enrolling in a typical mutual fund's (MF) systematic investment plan (SIP) is easy as you simply have to fill up a form and give a bank mandate to your MF. To do the same in a gold exchange-traded fund (ETF), you could invest on a fixed date every month yourself through the stock exchanges. But there's a chance you might forget sometimes. Besides, you would need the services of a broker as gold ETFs are listed on stock exchanges and can be bought and sold only in demat form. Different brokers have different mechanisms to facilitate a monthly contribution to stockmarkets. What do you do?

NEW SHINE

Kotak Securities now offers a product that will enable you to invest, systematically and much like an SIP, in a bouquet of direct equities, MFs and gold ETF (only Kotak Gold ETF). It has launched two new options called Auto Invest-Gold and Auto Invest-Gold (Moderate Profile) in its existing product called Auto Invest. All you need to do is open a trading and a demat account with Kotak Securities and have a bank account with either ICICI Bank, HDFC Bank, Citibank, Axis Bank or Kotak Mahindra Bank.

The relationship manager assigned to you will evaluate your risk profile and suggest a portfolio with a combination of direct equities, MFs and gold and suggest an appropriate portfolio within one of its seven options. Once you give standing instructions to your bank for electronic clearing system, you're all set.

Every month, a fixed amount will get transferred to Kotak Securities, who will then invest these proceeds into funds and stocks that fit your profile. You can view your portfolio on www.kotaksecurities.com. Also, a relationship manager will keep you informed of market conditions and any possible changes that need to be made on your portfolio allocation, at regular periods.

COST

All you need to pay is the entry load (at present 2.25 per cent) when buying an MF or the firm's brokerage costs (0.59 per cent) if you are buying gold ETFs or direct equity. The trading account can be opened free of cost and opening a demat account costs Rs 240 per year.

Minimum investment will be the value of one unit of Kotal Gold ETF.

SHOULD YOU BUY?

What sets this product apart is the fact that other than facilitating SIPs in gold ETFs, it offers funds with a track record; new fund offers (NFO) are not offered. Says Prashant Prabhakaran, senior vice-president, Kotak Securities: "We want schemes to have a certain track record that we can show to our customers."

In a market that's driven by commission on NFOs, this is a welcome change. Besides, with gold returning around 18 per cent as against equities losing around 40 per cent so far this year, there's a case to have gold in your portfolio and systematic investment towards this would be ideal.

KAYEZAD E. ADAJANIA