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'Be adventurous when investing'

Consider instruments such as forex as investment options.

Assessing and rating companies is Mr D.R Dogra's job. This CEO and MD of CARE Ratings, who can be thorough in rating companies, feels he may not have always applied the same acumen when it came to getting the stock markets right for his own investments. He shares his views on money and saving in an interview with *Business Line*.

What does money mean to you?

Money to me is only a means to an end, as it is required to keep one going while we work towards achieving our objectives in life. It hence is a necessity

MONEY TALK

until such time that we are able to address our prime responsibilities and secure our future. I think we have to learn to respect money and use it judiciously so that we make the most of what we have.

What proportion of your money is invested in - savings bank, deposits, bonds, stocks, real estate and gold?

While the proportion changes over every five years or so as I change my strategies, roughly speaking it would be a small portion in savings deposits to meet current requirements, a good part in bank deposits which gives security, some in insurance products and provident funds, bonds or debt mutual funds and in equity based mutual funds or direct equities. A small portion could be in gold. Real estate is not an investment but more a security which is looked at only periodically as a long-term or permanent investment.

One mistake on investing or saving that you regret?

Given that I have been in the financial sector all my life and look at credit rating on a daily basis, I do feel that more as a test of my acumen rather than requirements, I should have been more aggressive in the stock market. It has always been an intellectual challenge to see if I got the market right rather than the company, which we have to get right as a rating agency.

How do you plan your investments to beat inflation?

By diversifying into stock market one does get some cover against inflation. Bank deposits and debt instruments do also move up, though not to the same extent. Therefore, my idea is to proportionately save larger amounts of money to cover for inflation. Today one cannot be too sure about the stock market too for when you want to take out the money, the market can be down. Therefore, the MPS (Marginal propensity to save) has to increase continuously.

Have you been inspired by any books/ personalities in the world of investment?

I have been following with a lot of interest the work and activities of the likes of Buffet, Soros, Jim Rogers, Johan Paulson and Stephen Cowen. The admiration is not for the money they have earned or lost or given away, but for the fact that they have become scions of innovation and risk management in this uncertain world.

What's your message on saving and investing to young people just starting out on their career?

The present generation has generally grown up in a secure environment. Remember that our generation has been through different economic era, while the present one is exposed to liberalisation which has meant more opportunities and choices. They should be more adventurous and must have greater risk appetite and look towards making more dynamic choices. They should leverage the strength of the stock market and also look at commodities including forex products as investment options. It is true that risk taking ability changes as we mature and if one is under 30, they should look towards these avenues. Most treasury traders in the financial sector are less than 30-35 years in age, where reflexes are fast and risk taking ability greater.

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