

### Implications

Demonetization has various short and

While we are depositing our money in banks, we can withdraw only tiny sums of money to meet our daily cash requirements only, as the government has imposed strict limits on withdrawals. As a result our saving accounts are thriving and we have a bank balance as never before. **It is likely that this money will be lying idle in your accounts for two months, four months, six months or may be more and you'll be earning a meagre interest of around 4% on your money.** The interest that you get is not even sufficient to cover the impact of inflation. This will result in diminishing the value of your money over time.

You don't want to invest this money in long term assets like gold, real estate or equity mutual funds, because this money is for your routine requirements and you don't want to risk the principal.

### **So what can you do to earn more?**

The most common option is investing in a Fixed Deposit. The banks are facing liquidity comfort as a result of huge deposits, therefore all major banks of the country have cut their Fixed Deposit rates.

So, now you'll be earning lower interest rates on FD's as well, plus your liquidity requirement is also not met.



Harish has a decade of experience spread over Equity Research and Fund Management. He is currently managing Kotak 50, Kotak Infrastructure & Economic Reform Fund and Kotak Classic Equity. Prior to joining Kotak Mutual Fund,





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