R.N.I. Maheng/2005/15179 PRICE Rs. 1/- Only Postal regd. No. : MH/MR/South-39/2012-14

Publishing Date : 1st of Every Month Date of Posting : 10th-11th of Every Month Office of Posting : Mumbai PC Stg.

THE SAVING PLUS VIEW

Volume - 6 Issue - 93 | MAR. 2013 Pgs : 4 | MONTHLY | www.miconline.co.in FOR PRIVATE CIRCULATION

Features Pg. No.

COMPANY FIXED DEPOSIT LIST

SHRIRAM TRANSPORT FINANCE COMPANY LTD. - STRAIGHT BOND

Non Cumulative Option					Cumulative			
Period in Months	Yearly % p.a.	Half Yearly % p.a.	Quarterly % p.a.	Monthly % p.a.	Yield p.a.	Maturity value for Rs. 1000 as per system	After Rounding	Maturity value for Rs. 10000 as per system
12 M	9.75	9.52	9.41	9.34	9.75	1097.50	1098	10975
24 M	10.25	10.00	9.88	9.80	10.78	1215.60	1216	12156
36 M	10.75	10.47	10.34	10.25	11.94	1358.20	1358	13582
48 M	10.75	10.47	10.34	10.25	12.60	1504.00	1504	15040
60 M	10.75	10.47	10.34	10.25	13.32	1666.00	1666	16660

Note : 0.50% Extra for Senior Citizen

Area Representative

THANE	TEL.: 2532 9267	MOB : 98195 98586
THANE	TEL.: 98694 20081	MOB.: 98338 84571
BHANDUP / MULUND	TEL.: 97020 99951	MOB.: 97020 99951
BHANDUP / MULUND	TEL.: 2564 9396	MOB.: 98197 89239
GHATKOPAR	TEL.: 25061651	MOB.: 98338 84573
CHEMBUR / KURLA	TEL.: 2523 3429	MOB.: 98194 92697
VASAI/VIRAR/NALASOPARA	TEL.: 94233 54260	MOB.: 90969 81475
BORIVALI	TEL : 2862 2042	MOB.: 98203 25220
MALAD / KANDIVALI	TEL.: 2862 2042	MOB.: 98203 25220
MALAD	TEL.: 2862 2042	MOB.: 98203 25220
GOREGAON	TEL.: 2843 2022	MOB.: 99209 03079
ANDHERI (EAST) / POWAI	TEL: 2925 4336	MOB.: 98338 84574
SANTACRUZ (EAST/WEST)	TEL.: 98923 43457	MOB.: 98338 84576
KHAR	TEL.: 98923 43457	MOB.: 98338 84576
MAHIM, SHIVAJI PARK, DADAR	TEL.: 2447 4043	MOB.: 98209 65319
DOMBIVLI, KALYAN	TEL. 9833820274	MOB.: 98208 20274

On the spot Brokerage plus Collection of forms.

Godrej Properties Ltd. Renewals & shareholders

Period	Interest P.A.
1 Year	9.00 %
2 Year	9.50 %
3 Year	10.50 %
Min. Amt.	10,000

BIL Care Ltd : Extra 0.25% for S.C./S.H.

Period	Interest P.A
1 Year	11.00%
2 Year	11.50%
3 Year	12.00 %
Min. Amt.	20,000

Mahindra & Mahindra Financial Services Ltd. - Crisil (0.25 for SC)

Period	Half Yearly Interest P.A.	Yearly Interest P.A.	Quarterly Interest P.A.
1 Year	09.00 %	09.25%	08.90
2 Year	09.75 %	10.00%	09.65
3 Year	10.00 %	10.25%	09.90
4 & 5 Yrs.	09.50%	09.75%	09.40
Min. Amt.	25,000	10,000	50,000

Jaypee Infratech & Jaypee Associates Ltd.

Period	Interest P.A.
1 Year	12.00 %
2 Year	12.25 %
3 Year	12.50 %
Min. Amt.	20,000

Note : Jai Prakash Associates only Shareholders can apply (Minimum 50 shares) **For further details please refer the application form.**

DHFL LTD. -DEWAN HOUSING FINANCE LTD.

Period	Yearly Interest	Half Yearly Interest	Quarterly Interest	Monthly Interest
1 Year	10.75%	10.75%	10.38%	10.30%
400 days	11.01%	10.75%	10.62%	10.54%
2 years	10.75%	10.50%	10.38%	10.30%
3 years	10.75%	10.50%	10.38%	10.30%
37 to 84 months	10.75%	10.50%	10.38%	10.30%

HDFC LTD. -(PLATINUM DEPOSITS)

Period	Monthly	Quarterly	Half yearly	Yearly	Cumulative
15 months	9.05%	9.10%	9.20%	-	9.40%
33 months	9.05%	9.10%	9.20%	9.40%	9.40%

SHRIRAM TRANSPORT FINANCE CO. LTD.

Period	Yearly P.A.	Half Yearly P.A	Quarterly P.A.	Cumu-lative
1 Year	09.25%	09.05%	08.95%	10.23%
2 Years	09.75%	09.52%	09.41%	11.94%
3,4 & 5 years	10.75%	10.47%	10.34%	12.60%

HDFC LTD. -(Senior Citizen Platinum Deposit)

Period	Monthly	Quarterly	Half yearly	Yearly	Cumulative
20 months	9.45%	9.50%	9.60%	-	9.80%
40 months	9.45%	9.50%	9.60%	9.80%	9.80%

United Spirits

Period	Interest P.A.
1 Year	11.00 %
2 Year	11.50 %
Min. Amt.	25,000

United Breweries Holdings

Period	Interest P.A.
2 Year	11.50 %
3 Year	11.75 %
Min. Amt.	25,000

Godrej Industries

Period	Interest P.A.
13 months	7.75 %
2 Year	8.50 %
3 Year	9.25%
Min. Amt.	10,000

MERCHANT INVESTMENT CONSULTANCY PVT. LTD.
LUCKY MANSION, 1ST FLOOR, OPP. ABYUDAYA CO-OP. BANK LTD., 250/252, BAZAR GATE STREET, FORT, MUMBAI - 400 001.
Office Time Weekdays 10 a.m. to 6 p.m. • Saturday 10 a.m. to 4 p.m.
TEL. : (022) 6634 8150, 6633 6781, 6654 8097
6654 8098, 6654 8099 • FAX : (022) 2265 4898
E-mail : services@miconline.co.in
Website : www.miconline.co.in

ARE YOU SAVING ENOUGH TO RETIRE ?

To lead a comfortable life after you stop working, you may need to put away more in your retirement kitty

Three retirees are facing a dilemma. One is at the chemist shop, wondering if he should buy all the costly medicines his doctor has prescribed. Another is in a toy shop, weighing his options between the expensive gift his favourite granddaughter wants and the cheaper one his pocket allows. The third one is sitting in a travel agency, debating whether to holiday in Australia or take a package tour to Europe this year. How soon and how much you put away for your retirement will decide which of these you can be.

We don't want to sound alarmist, but quite a lot of Indians could be the person at the chemist shop. More than 24% of the 2,578 respondents to an online survey by economictimes.com said they were saving less than 5% of their income for retirement. Another 25% are salting away 5-10% of their income for their sunset years.

It is unlikely this will be enough to sustain their current lifestyles when they retire. Inflation is like Kahaani's Bob Biswas—a silent and ruthless killer. Even a moderate rate of 6% can be debilitating in the long term. The most worrisome aspect of inflation is that your expense structure will naturally change as you grow older. Health care, which accounts for barely 1-2% of your total expenses at the age of 25-30, will become one of your biggest expenses after retirement. Healthcare costs are rising 2-3 times faster than inflation. "In the last decade of a person's life, most of the savings go into health care. Unless one is financially prepared, one won't be able to afford quality health care," says Puneet Nanda, executive director, ICICI Prudential Life Insurance.

Even as product prices and healthcare costs shoot up, investors saving for retirement are faced with the prospect of choppy returns. Even governmentmanaged small savings schemes have become market-linked. One of every three respondents to the survey said that their biggest worry regarding retirement was the uncertainty of returns.

Start early, retire rich

The uncertainty of returns is not as big a problem as a late start. A study of 2,000 professionals by Hyderabad-based financial planning firm, Arthayantra, found that more than 90% don't start planning for retirement in the first five years of their careers. Even by the 10th year, less than 20% would have a retirement plan in place. "On an average, Indians start thinking about retirement planning when they are 35 years old, but the actual process is implemented only when they are nearing 50," says Nanda.

This delay takes away a vital ingredient out of any retirement plan—the magic of compounding. What one saves in the first few years of starting a career burgeons into a massive amount over the next 25-30 years. "If you don't start at the age of 25-30, you lose out on the wonder years of growth," cautions Sudipto Roy, business head of Principal Retirement Advisors, a new division of the Principal Group, which advises on retirement planning.

Maintain your savings rate

The other big problem is not saving enough. A 2012 study by the US-based Putnam Research Institute says that the fund selection, asset allocation and portfolio rebalancing do not impact the final portfolio as much as the quantum of savings. The study looked at the impact of all four parameters on a typical retirement plan over the past 30 years and found that an investor who simply enhanced the quantum of his savings every year would have the biggest corpus compared with investors who rejigged their portfolios to include the best performing funds or changed their asset allocation annually. "Perhaps, we obsess a little too much about which funds to choose and how to fine-tune our portfolios. It would be better to put that same effort in seeing how the quantum of those savings can be enhanced," says Dhirendra Kumar, CEO of mutual fund tracker, Value Research.

The low-profile Employee Provident Fund is the best example of how the tortoise can beat the hare in retirement planning. The scheme's design makes it an ideal retiral vehicle. Every month, 12% of your basic salary flows into the PF account, along with a matching contribution by your employer. As your salary rises, so does your contribution. This simple arrangement has the potential to make one a crorepati if one contributes to it without a break over 30-35 years. If you start putting 2,500 a month into the PF at 25 (with a matching contribution from your employer and a 10% increase in salary every year), your PF corpus will be over 2 crore by the time you retire at 60.

For the disciplined investor, the EPF can be his one-stop retirement plan. Even for the average saver, it can account for a sizeable portion of the retirement kitty, thus bringing down the overall investment required. In the table below, the total sum required at the time of retirement may appear huge and out of reach, but if you take into account the existing savings an individual will have, the amount you need to save per month will not seem too ambitious.

Arthayantra's sophisticated online financial planning software, Arthos, incorporates not only the existing PF balance but even the future contributions. "If you ignore these two factors, you will have a disproportionately high retirement requirement," says Nitin Vyakaranam, CEO, Arthayantra.

You should ideally be saving to cover 80-90% of your current expenses if you want a comfortable life after retirement. Anything less will require lifestyle compromises (see graphic). Don't include EMIs, education and other children-related expenses in this calculation. This should just be the amount you and your spouse will need to sustain your desired lifestyle after you stop working. As mentioned earlier, the pattern of expenses will change—health care, insurance and transportation costs are likely to go up, but entertainment and clothing may come down. We assume that education and loans will no longer be a worry.

Cut costs and tax with the NPS

The only glitch is that since the EPF is entirely debt-based, its returns will not be able to match inflation. Experts say that one needs to have an exposure to equity as well so that the returns can outpace the rise in prices. The other problem is that the EPF covers less than 10% of the total workforce in the country. What about the rest of us who are self-employed or working in unorganised sectors? This is where the National Pension System (NPS) comes into the picture. Open to all citizens, the government-run scheme is managed by six private fund managers. Since their launch three years ago, some of these funds have churned out better returns than the EPF and PPF.

The outperformance of the NPS funds is chiefly because of the low charges of the scheme. The charges become critical when you are saving for the long term. Even a 0.25% difference in the charges can extrapolate into a major difference in the corpus over 25-30 years. If you invest 1 lakh a year in the NPS and your fund earns 9%, in 25 years you would have accumulated 85 lakh. However, if the charges are raised from 0.5% to 1%, the corpus will be only 78.68 lakh. Raise it further to 1.5% and the corpus deflates to 72 lakh. Mutual funds and pension plans from insurance companies charge roughly 2-2.5% a year.

On its part, the government is also trying to push investors to save more for their retirement. The 2011 budget introduced a new Section 80CCD(2). Under this, up to 10% of an employee's basic salary put in the NPS is tax-deductible. This is over and above the tax deduction under Section 80C. This means a person with an annual basic salary of 5 lakh (nearly 40,000 a month) can get an additional deduction of 50,000 if his employer puts this money on his behalf in the NPS. Assuming that he will have other income (bonus, special allowance, interest, etc), which puts him in the 20-30% tax bracket, the NPS investment under Section 80CCD(2) will reduce his tax liability by almost 10,000-15,000. Tax filing portal Taxspanner.com and online mutual fund distributor Fundsindia.com are advising corporates on how to incorporate Section 80CCD(2) into their compensation packages.

How Much Will You Need ? The Additional Investment Required Will Depend On Your Existing Savings

START YOUR SIP TODAY TO LEAD BETTER AND COMFORT LIFE FOR RETIREMENT

Corpus Required	7.62Cr	5.70Cr	4.26Cr	3.18Cr	2.38Cr	1.77Cr
Monthly Exp at 60 yrs	3.84 Lacs	2.87 Lacs	2.15 Lacs	1.6 Lacs	1.2 Lacs	89,542
If Current Expenses :Rs.50,000 / Month || Inflation : 6% || Retirement Age :60yrs || Life Expectancy :80 Yrs						
HOW MUCH YOU NEED TO SAVE PER MONTH						
Existing Corpus / AGE	25 Years	30 Years	35 Years	40 Years	45 Years	50 Years
Nil Savings	11,737	16,139	22,433	31,838	47,111	76,454
Rs.2 Lakh	10,112	14,441	20,642	29,907	44,492	73,780
Rs.5 Lakh	7,673	11,895	17,954	27,011	41,467	69,770
Rs.10 Lakh	3,608	7,652	13,475	22,184	36,263	63,086
Rs.20 Lakh	NIL	NIL	4,516	12,529	25,416	49,718
Returns Assumed : Pre-Retirement :12% || Post - Retirement : 8 %						

MUTUAL FUND SCHEME PERFORMANCE-MONTHLY INCOME PLAN

Scheme	Birla SL MIP Wealth 25	HDFC MIP LT	SBI Magnum MIP Plan	Reliance MIP	Kotak MIP
Ranking	2	1	1	2	3
Minimum Investment Rs	Rs.5000	Rs.5000	Rs.10000	Rs.10000	Rs.5000
Latest NAV Rs/Units	20.76	26.44	23.89	25.36	18.36
3 Months	3.4%	3.1%	3.7%	2.7%	3.7%
6 Months	7.9%	6.9%	8.5%	6.2%	7.6%
1 Year	**10.5%**	**10.0%**	**14.1%**	**10.1%**	**11.6%**
2 Years	**9.5%**	**8.9%**	**10.3%**	**9.8%**	**9.9%**
Cheque Favouring	Birla SL MIP Wealth 25	HDFC MIP LT	SBI Magnum MIP Plan	Relaiance MIP	Kotak MIP

MUTUAL FUND SCHEME PERFORMANCE-LONG TERM DEBT BOND

Scheme	Kotak Bond Fund	SBI Magnum Income Fund	Birla SL Medium Term Plan	Templeton India IBA	IDFC Dynamic Bond Fund
Ranking	2	1	5	3	NR
Minimum Investment Rs	Rs.5000	Rs.2000	Rs.5000	Rs.10000	Rs.5000
Latest NAV Rs/Units	33.79	28.87	13.58	39.30	23.48
3 Months	3.6%	4.3%	2.2%	3.0%	4.5%
6 Months	6.0%	6.9%	4.5%	5.9%	7.0%
1 Year	**12.2%**	**13.1%**	**11.0%**	**11.3%**	**12.3%**
2 Years	**11.5%**	**11.7%**	**10.4%**	**11.3%**	**12.0%**
Cheque Favouring	Kotak Bond Fund	SBI Magnum Income Fund	Birla SL Medium Term Plan	Templeton India IBA	IDFC Dynamic Bond Fund

MUTUAL FUND SCHEME PERFORMANCE-TAX SAVING ELSS SCHEMES

Scheme	SBI Magnum Tax Scheme	ICICI Prudential Tax Plan	Canara Robeco Equity Tax	Reliance Tax Saver	DSPBR Tax Saver
Ranking	3	2	1	2	2
Minimum Investment Rs	Rs.500	Rs.500	Rs.500	Rs.500	Rs.500
Latest NAV Rs/Units	65.38	155.45	29.22	23.50	18.52
3 Months	2.2%	4.3%	3.5%	0.1%	4.6%
6 Months	8.7%	13.3%	11.4%	9.2%	14.2%
1 Year	**13.6%**	**14.2%**	**13.1%**	**12.9%**	**17.4%**
2 Years	**8.5%**	**8.9%**	**10.2%**	**11.4%**	**8.9%**
3 Years	6.4%	9.5%	10.5%	10.3%	8.8%
Cheque	SBI Magnum Tax Scheme	ICICI Prudential Tax Plan	Canara Robeco Equity Tax Saver	Reliance Tax Saver	DSPBR Tax Saver

MUTUAL FUND SCHEME PERFORMANCE EQUITY SCHEME

Scheme	SBI Emerging Business Fund	DSPBR Small & Midcap Fund	ICICI Prudential Discovery Fund	Religare Mid & Small Cap Fund	HDFC MidCap Opportunities Fund
Ranking	1	2	2	NR	1
Minimum Investment Rs	Rs.2000	Rs.5000	Rs.5000	Rs.5000	Rs.5000
Latest NAV Rs/Units	58.51	18.77	56.19	17.17	18.09
3 Months	6.8%	-0.6%	4.5%	3.2%	2.7%
6 Months	19.3%	10.8%	12.1%	16.6%	9.7%
1 Year	**31.6%**	**13.5%**	**18.2%**	**20.7%**	**14.3%**
2 Years	**28.7**	**9.9%**	**11.6%**	**16.0%**	**14.3%**
Cheque Favouring	SBI Emerging Business Fund	DSPBR Small & Midcap Fund	ICICI Prudential Discovery Fund	Religare Mid & Small Cap Fund	HDFC MidCap Opportunities Fund

NOTE : NR stands for Not Ranked and Mutual Fund Investments are subject to market risk, please read investment document carefully before investing.
Returns & NAV : 10/2/2013

SIPs best bet for those who don't have time to monitor markets

SIP for Every Dream

Systematic Investment Plan (SIP) is a smart financial planning tool that helps you to create wealth, by investing small sums of money every month, over a period of time. Systematic Investment Plan (SIP) is a planned approach to investments and an investment technique that allows you to provide for the future by investing small amounts of money in Mutual Fund Schemes.

Many a times it be comes difficult for retail investor to analyze day-to-day movements and volatility of the stock market. To address this problem and to generate better returns the concept of rupee-cost averaging came into the picture Generally speaking, rupee cost averaging is the process of making regular monthly investment over a period time at various market levels and this, to a large extent, will help the investor reduce the risk of timing the market.

Traditional SIP vs flexi-SIP

At present, the most popular rupee-cost averaging method to invest in mutual fund schemes is called systematic investment plan (SIP). Of late another variant of the SIP called the flexi-SIP, is also gaining popularity.

Traditional SIPs allow investor to invest regularly say monthly or quarterly Flexi-Sips, on the other hand give investors the flexibility to decide how much they want to invest each month. It gives flexibility to invest more less or even decide the levels at which to invest in the market to generate better returns. So the investor can invest the amount depending upon how the investor perceives the market situation.

Investors cant alter the SIP amount under the conventional mode frequently but with the help of flexi-sIP they can invest the amount as the market situation warrants.

Pros and cons

Flexi-Sips can be beneficial to those who are undecided about the actual amount contribution towards Sips be cause savings may fluctuate from time to time and at times it may become difficult for the investor to make periodic payments. In such situations, as per their liquidity, fiexi-SIPs can be helpful for the investor. However, it is not advisable to those investors who are not able to time the market or not able to understand the behaviour of the market regularly ideally, Flexi-SIP is not advisable for salaried persons be cause it not only disturbs the investment discipline but may also become an obstacle to other periodical payments. Traditional SIP option better for those investors who are not able to track the market properly and regularly, and it is bneficial to all class people no matter how the markets behave. Traditional SIPs or rupee-costaveraging will help them to do regular and disciplined investments. The concept of rupee-costAveraging works at the time of buying and also at the time of selling ones mutual fund units or any other securities.

When to opt

If the investor wants to grab the opportunity of the market volatility then it is advisable to opt for flexi-SIPs in mutual funds. However, if the investor is not able to time the market properly then it is advisable to go for simple rupee cost averaging or to go for conventional mode of SIP, which is the traditional mode. Ideally, the investor should continue with the regular commitment under the conventional mode of SIP be cause monitoring flexi-SIPs may not be an easy task for the common investor. So the investor has to decide there after whether he or she wants to make use of thse flexible SIP modes to take advantage of market volatility or not.

The bottomline, however is that the best way to achieve ones financial goals or to create handsome wealth is through disciplined investing.

Courtesy : Times of India, 6th Nov. 2012.

The Six Advantages of Investing in SIP Plan

1. Disciplined approach to investments.
2. No need to time the market.
3. Lighter on wallet and Bank Balance.
4. Reap benefits of starting early.
5. Harness the power of two powerful investment.
6. Rupee cost Avg. Benefit from votality.
7. Power of compounding -small investments create big, over a period.

Start Date	End Date	No. Of Month	Invested Amount	LARGE CAP FUNDS			SMALL & MID CAP FUNDS				DIVERSIFIED EQUITY			
				ICICI Prudential FOC Bluechip	HDFC Top 200	Birla SL Front Line	DSP BR Small& MidCap	IDFC Premier Equity	RELIANCE EQTY. OPP FUND	ICICI PRUDENTIAL DISCOVERY	FRANKIN Prima Plus	SBI EMERGING BUSINESS	HDFC Equity	UTI Dividend Yield
1/4/07	02/04/10	36	72,000	1,20,131	1,12,037	1,00,968	1,09,261	1,31,363	1,32,389	1,37,283	1,03,710	1,02,924	1,16,237	1,05,051
1/4/07	02/04/11	48	96,000	1,44,904	1,35,386	1,36,177	1,48,247	1,56,757	1,58,398	1,62,244	1,28,106	1,38,994	1,39,125	1,46,394
1/4/07	02/04/12	60	1,20,000	1,69,643	1,60,005	1,49,120	1,68,203	1,82,226	1,84,911	1,88,571	1,52,813	1,80,784	1,63,497	1,64,621
1/4/07	14/02/13	70	1,40,000	2,12,976	2,00,315	2,01,300	2,05,766	2,29,310	2,30,313	2,34,098	1,97,283	2,54,521	2,03,721	1,97,284

Valuation as on 14/2/2013 **Source : www.miconline.co.in / financial_calculator.htm**

ADVANTAGES TO MICPL INVESTORS

1. Transaction Confirmation : We send transaction confirmation email to our clients on all financial and non-financial transaction done through us.
2. ONLINE : Our investor have extra advantage of investing online through our website : www.micoline.co.in
3. PORTFOLIO : Our clients have another advantage of accessing there investments online an our website.
4. We also provide family user name and password and as well as invididual user name and password.
5. Mobile Application can be also downloaded from our website to access the portfolio on your mobile smartphone.
6. Regular updates are communicated through E-mails.
7. Register your E-mail ID : services@miconline.co.in and receive regular updates.

MERCHANT INVESTMENT CONSULTANCY PVT. LTD.
250/252, BAZAR GATE STREET, 1ST FLOOR, LUCKY MANSION,
NEAR APNA BAZAR, FORT, MUMBAI-400 001,
LAND MARK : 10 MINUTES FROM V. T. STATION
Tel. : 6633 6781, 6634 8150, 6654 8097, 6654 8098, 6654 8099
Fax : (022) 2265 4898 • E-mail : services@miconline.co.in
Website : www.miconline.co.in

Editor : Udoay Merchaant and PUblished by : Anoll Merchaant on behalf of Merchant Investment Consultancy Pvt. Ltd., 250/252, Bazar Gate Street, Fort, Mumbai-1, Printed at Somani Printing Press, 14-A, J. R. Boricha Marg, Sitaram Mill Compound, Lower Parel, Mumbai - 400 013.

From : MERCHANT INVESTMENT CONSULTANCY PVT. LTD.
250/252, BAZAR GATE STREET, 1ST FLOOR, LUCKY MANSION,
NEAR APNA BAZAR, FORT, MUMBAI-400 001,