



# THE SAVING PLUS VIEW

Volume - 6 Issue-106

FEB. 2015

Pgs : 4

MONTHLY

www.miconline.co.in

FOR PRIVATE CIRCULATION

## Features Pg. No.

- Performance of Schemes 1
- Article on Don't Time the market 2
- Past 35 yrs. Avg Return @ 16.65% Equity 2
- No negative return in Equity over 15 yrs. 2
- Compounding Best Tool 3
- SIP Table : Wealth Creation 3
- Suggested Schemes 3
- ELSS V/s PPF : Tax Savings 4
- FD's Rate Details 4

**Service Area Representative of MICPL for Clients**

### WESTERN SUBURBS

BORIVALI  
MALAD / KANDIVALI MOB.: 98203 25220  
GOREGAON / ANDHERI TEL.: 2843 2022  
MOB.: 99209 03079  
JOGESHWAR/ANDHERI TEL.: 98923 43457  
SANTACRUZ (EAST/WEST) TEL.: 98923 43457  
MOB.: 98338 84576  
MAHIM, SHIVAJI PARK, TEL.: 2447 4043  
DADAR MOB.: 98209 65319  
VASAI/VIRAR/NALASOPARA MOB.: 90046 93334  
MOB.: 90969 81475

### CENTRAL SUBURBS

DOMBIVLI, KALYAN MOB.: 98208 20274  
BHANDUP / MULUND MOB.: 9819789239  
GHATKOPAR TEL.: 98694 20081  
MOB.: 98338 84571  
THANE TEL.: 2532 9267  
MOB.: 98195 98586  
THANE TEL.: 98694 20081  
MOB.: 98338 84571  
CHEMBUR / KURLA TEL.: 2523 3429  
MOB.: 98194 92697  
WADALA/DADAR TEL.: 24146954  
MOB.: 9820553664

**On the spot Brokerage plus Collection of forms.**

## The Scheme in Depth Analysis with Ranking From Two Renewed Agencies

Scheme	Nav(Rs)	1 Yr	3 Yr	5 Yr	Rating	Risk Grade	Return Grade	Dividend Option
<b>EQUITY : Large Cap</b>								
AXIS Equity	19.39	44.16	27.13	14.01	5 Star	Avg.	High	Yearly
Kotak Select Focus	22.33	60.66	30.33	15.66	4 Star	Avg.	Ab Avg.	Yearly
BNP Paribas Equity	64.73	51.50	27.60	15.40	5 Star	Avg.	High	Yearly
ICICI Pru Top 100	235.79	40.10	23.70	13.90	5 Star	Avg.	High	Yearly
Birla SL Frontline	157.19	47.50	27.60	14.00	4 Star	Avg.	High	Yearly
<b>ELSS TAX SAVING SCHEMES PERFORMANCE</b>								
Axis Long Term Equity	29.06	68.66	37.00	23.75	5 Star	Avg.	High	Yearly
BNP Paribas Long Term Equity	28.17	56.80	30.41	16.60	5 Star	Avg.	High	Qtrly
Reliance Tax Saver	47.50	93.60	37.70	20.60	5 Star	Hlgh	High	Qtrly
<b>REGULAR MONTHLY AND QUATERLY DIVIDEND SCHEME PERFORMANCE</b>								
BNP Dividend Yield	32.71	52.80	23.95	16.08	5 Star	Low	High	Monthly
ICICI Pru Balanced Adtg.	24.62	30.13	23.51	14.83	4 Star	Low	Ab Avg.	Monthly
SBI Balanced	91.32	46.20	26.20	13.50	4 Star	Avg.	Ab. Avg.	Quarterly
TATA Balance	66.76	53.70	26.1	16.6	4 Star	Avg.	Ab. Avg.	Monthly
<b>SMALL AND MIDCAP SCHEME PERFORMANCE</b>								
AXIS Midcap	25.04	81.60	39.70	----	4 Star	High	High	Yearly
BNP Paribas Midcap	22.78	69.78	40.16	22.24	5 Star	High	High	Yearly
UTI Midcap	75.88	91.33	41.70	21.10	4 Star	High	High	Yearly
ICICI Pru Discovery	108.31	79.50	37.20	20.6	5 Star	High	High	Yearly
<b>MIP SCHEMES PERFORMANCES</b>								
Birla MIP 25	28.40	27.55	16.43	11.14	3 Star	Low	High	Monthly
ICICI Pru MIP	29.62	23.02	14.54	10.54	3 Star	Low	Ab. Avg	Monthly
BNP Paribas MIP	21.37	17.80	12.10	8.50	3 Star	Low	Ab. Avg.	Moثنly

**NOTE :** (1) Nav Value as on 12th Jan. '2015 (2) Returns are trailing and annualized(CAGR) (3) Dividend shown is subject to surplus available from time to time. The pattern of dividend is shown here of the scheme, this can't be taken as a guarantee or assured pattern of the dividend income for future

**Beware & Be cautious : MR. SUBHASH & MR. RAJU** who were working with us, are no more associated with our company from last 2-3 years. This is in public interest of our clients, that we won't be responsible for any such dealing done through them. They were the office runner boys only in our company. For any query on Mutual Fund, FD's, Bonds, Contact on the number mentioned in this newsletter or visit us on our new website : [www.miconline.co.in](http://www.miconline.co.in). For all other areas, contact at office numbers.

FROM MANAGEMENT OF MICPL



## 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](mailto:services@miconline.co.in)  
Website : [www.miconline.co.in](http://www.miconline.co.in)

## DON'T TIME THE MARKET, SAYS EXPERTS

Timing the market is a **BAD IDEA**. Even the best **BRAINS** cant outsmart it

Inflation Eats the Wallet and Savings Day By Day

Link your Savings with Goal Based Investments : Child Education, Child Marriage, your Own Retirement

### (A) Little Drop Of **WATER MAKE AN OCEAN**

**FOR RETAIL INVESTORS**, investing in mutual funds through SIP makes sense. After all, investing a lumpsum amount at the wrong time can severely affect your returns. Instead, investing regularly in a disciplined manner, helps discipline one's investment habits. Contributing small portions to your investment portfolio, on a regular basis, lets you align your investment to your income and financial goals. We all know that little drops of water make an ocean. If you continue to invest regularly, you would be able to build a stable portfolio gradually. So why risk it all by timing the market when optimal gains can be achieved through disciplined investing.

### (B) Don't Let **EMOTIONS** cloud your **JUDGEMENT**

**MANY GREAT BULL** runs have slipped on panic. Investors, who put in their money systematically, hold on to it patiently and don't let emotions cloud their judgement, are the ones who gain in the long run. Remember, **time in the market is more important than timing the market** and SIP's in a way debar emotions from interfering in investment decisions.

### (C) Things to keep in **MIND** when you **PICK A SIP**

- Chose an amount you are comfortable investing every month
- Decide on the date of ECS before signing up
- Ensure requisite funds on SIP date
- It normally takes 30 days to register and terminate the SIP after application, so plan accordingly
- In case you are investing in two different schemes, opt for two different dates. This will help you to average out your investment in a better way

### (D) Be Patient with **SIP**

**When The Market** sees a slump, many investors discontinues their Sip fearing they might lose their money. When the market is on a roll, investors either redeem their investments or migrate to low-risk instruments such as fixed income or debt fund. SIP investments are not something that you should compare on a yearly basis. It works in the long-run, ideally over 10-15 years, when the market goes through many cycles, which they usually do.

### (E) SIP your way to **FINANCIAL WELLNESS**

**As An Investor**, your focus should be on earning more and not timing the market. So invest in equity through SIP as per your financial goals and not market conditions. Patience and prudence with your investments will help you reach your financial goals early. All you need to do is a pick a fund with a good track record and invest in it regularly and gradually through SIP. SIP works best as a long term strategy and does not make your stomach churn when the market is in a fit fall place

### (F) Start Your **SIP** today Because

- Makes you a disciplined investor
- Can be started with amount as small as Rs.1000/-
- Keeps you away from timing the market
- Helps you build a meaningful corpus(Wealth) gradually
- Helps you better tackle volatility by capturing both highs & lows of the market and balances risk by rupee cost averaging

### (G) **IN PAST 35 YEARS BSE MARKET HAS GIVEN 16.65 % RETURNS**

- INSPITE OF two wars
  - INSPITE OF major financial scandals
  - INSPITE OF assassination of two prime ministers
  - INSPITE OF 10 different governments
  - INSPITE OF three recessionary periods
  - INSPITE OF an unfair share of natural calamities and disasters
  - INSPITE OF global crisis like DotCom Bubble of year 2000
  - INSPITE OF Sub prime crisis of year 2008
- NO NEGATIVE RETURN IS BEEN OBSERVED IN EQUITY SCHEMS FOR INVESTMENTS PERIOD OF 12 YEARS AND ABOVE

### (H) **POWER OF COMPOUNDING**

**Albert Einstein** once noted that the most powerful force in the universe was the principle of compounding. In investing, this manifests itself through something called compound interest. Put in its simplest terms, the phrase compound interest means that you begin to earn interest income on your interest income, resulting in your money growing at an ever-accelerating rate.

## DO YOU KNOW?

At the Rate of 15% Compounding what will be the value of RS 1/-	After 5 years RS 2/-	After 10 years RS 4/-	After 15 years RS 8/-	After 30 years RS 64/-
---	----------------------	-----------------------	-----------------------	------------------------

(I) Baby Step to a **Big Wallet**

**The Other Fascinating** beauty of SIP's is that it can help you accumulate a meaningful corpus(Wealth) over the years without pinching your wallet. For instance, if you started investing Rs.5,000 each month in BSE200 in 1999, the current value of your investment will be around Rs.36,96,697 ,with a compound annual growth rate (CAGR) return of 16 percent. Now isn't that a MAGICAL figure ? Mutual Fund is a relative investment product so the job of the fund manager is to beat market returns over the years. Even if the fund manager manages to outperform the benchmark , say by 5 percent and your scheme delivers 21 percent CAGR return , the value of your investment now would be over Rs.59,00,000

(J) How to Start **SIP**

**When You Invest** through SIP's, you have the flexibility to opt for Electronic Clearing Services (ECS) , which gives you the freedom of investing on a monthly or quarterly basis.

All Mutual Funds(MF's) have predetermined dates of any given month on which an investor can make regular investments in SIP's. For Instance,if you receive yur salary on the first of every month, you can choose the seventh or tenth of every month as your SIP's date.

But if you get your salary,say by the end of the month, the first of the following month could be an ideal date. All fund house provide direct debit facility with major banks.

**To start your SIP,you need to fill up a common application form along with an ECS mandate form.With the common application form you open an account with the fund house,which is called FOLIO / ACCOUNT number.With the ECS form you give your mandate to your bank to debit your account for the SIP amount you have chosen**

(K) Worth every **PENNY**

What Rs.1000/-,Rs.2000/-,Rs.5000/-,Rs.1000/-,Rs.20000/- invested per month would end up as over period of 5 years,10 years,15 years,20 years at the rate of 8% CAGR,12% CAGR,15% CAGR

**SIP INVESTMENT..... WEALTH CREATION MACHINE**

SIP FOR LONG TERM CAN GIVE YOU THE MAXIMUM RETURN

Value Of SIP done for 5 Yrs (CAGR)					Value Of SIP done for 10 Yrs (CAGR)				
SIP AMOUNT	TOTAL INVST	8%	12%	15%	SIP AMOUNT	TOTAL INVST	8%	12%	15%
1000	60000	73,414	81,104	87,342	1000	1,20,000	1,81,284	2,24,036	2,63,018
2000	1,20,000	1,46,828	1,62,208	1,74,684	2000	2,40,000	3,62,568	4,48,072	5,26,036
5000	3,00,000	3,67,070	4,05,520	4,36,710	5000	6,00,000	9,06,420	11,20,180	13,15,090
10000	6,00,000	7,34,140	8,11,040	8,73,420	10000	12,00,000	18,12,840	22,40,360	26,30,180
20,000	12,00,000	14,68,280	16,22,080	17,46,840	20,000	24,00,000	36,25,680	44,80,720	52,60,360
Value Of SIP done for 15 Yrs (CAGR)					Suggested Schemes for SIP & Regular Investment				
SIP AMOUNT	TOTAL INVST	8%	12%	15%	<b>Large Cap</b> : Axis Equity, BNP Equity, ICICI Pru Focussed Bluechip, Birla Sun Life Frontline				
1000	1,80,000	3,39,778	4,75,932	6,16,366	<b>Diversified</b> : Kotak Select Focus, ICICI Pru Dynamic, Birla SL Dividend Yield, UTI Opportunities, IDFC Premier Equity				
2000	3,60,000	6,79,556	9,51,864	12,32,732	<b>Midcap</b> : Axis Midcap, BNP Mid Cap, ICICI Pru Value Discovery, IDFC Sterling Equity				
5000	9,00,000	16,98,890	23,79,660	30,81,830	<b>Tax Saver</b> : Axis Long Term Equity, BNP Long Term Equity, Reliance Tax Saver, IDFC Tax Advtg.				
10000	18,00,000	33,97,780	47,59,320	61,63,660	<b>Monthly/Qtrly Dividend</b> : BNP Dividend Yield, ICICI Pru Balanced Advantage, SBI Balanced, TATA Balanced, IDFC Dynamic Equity				
20,000	36,00,000	67,95,560	95,18,640	1,23,27,320					

All this schemes are well rated by value research and morning star with good track record. More details are available on [www.miconline.co.in](http://www.miconline.co.in)

The above SIP Ready Reckoner is for illustration purpose only. The SIP amount, tenure of SIP, expected rate of return are assumed figures for the purpose of explaining the concept of advantages of SIP investments. The actual result may vary from depicted results depending on scheme selected. It should not be construed to be indicative of scheme performance in any manner.

**FOR DETAILS CONTACT : Mr.Anoll Merchant / Mr.Uday Merchant +91-22 -66548097-98-99 |6634 8150 |6633 6781**

## COMPARISON TABLE OF PPF V/S ELSS TAX SAVING SCHEMES

Amount Invested	10,50,000	Value in ELSS	86,84,367 (21/1/2015)
Value in PPF	21,25,000	All FY details as on 1st April each year. (Total Units)	31,917.82

Investment For PPF				Investment in ELSS Tax Saving			
FY	Amt Invst	Interest	Closing value	Amt Invst	Units	Nav	Value on 1 <sup>st</sup> April
2000-01	70000	8283	72883	70000	3482.59	20.1	70000
2001-02	70000	16126	164409	70000	6930.69	10.1	105174
2002-03	70000	22171	256580	70000	5359.88	13.06	205997
2003-04	70000	26126	352706	70000	6092.25	11.49	251234
2004-05	70000	33816	456522	70000	2591.63	27.01	660585
2005-06	70000	42122	568644	70000	1437.96	48.68	1260569
2006-07	70000	51092	689736	70000	771.78	90.7	2418677
2007-08	70000	60779	820515	70000	871.30	80.34	2212409
2008-09	70000	71241	961756	70000	758.56	92.28	2611214
2009-10	70000	82540	1114296	70000	1212.75	57.72	1703282
2010-11	70000	94744	279040	70000	546.70	128.04	3848382
2011-12	70000	110621	1459661	70000	495.65	141.23	4314822
2012-13	70000	134610	1664271	70000	513.50	136.32	4234814
2013-14	70000	150882	1885153	70000	478.67	146.24	4612981
2014-15	70000	170098	<b>2125251</b>	70000	373.91	187.21	<b>5975335</b>

THE ABOVE LISTED SCHEMES ARE ELSS TAX SAVING SCHEMES, BEST IN THE CATEGORY, DO INVEST EARLY, AS DIVIDENDS STARTED DECLARING BY RESPECTIVE FUND HOUSES.

### List of Fixed Deposit for the Month of February 2015

Company Name	Interest Rate in (%)				Senior Citizen	Minimum Investment	Interest Mode Available
	12M	24M	36M	48M			
Mahindra & Mahindra Financial Services Ltd	8.50	9.25	9.25	9.00	0.25	10000	HQ
Bajaj Finance	9.25	9.40	9.65	9.25	0.25	10000	M/Q/H/Y
Bajaj Finance	9.75 (15M)					10000	M/Q/H/Y
DHFL - Aashray Deposit Plus	9.50	9.75	9.75	9.60	0.40	10000	M/Q/H/Y
DHFL - Swayam Sidha Deposit	9.80 (500 Days)				0.40	10000	M/Q/H/Y
DHFL - Aashray Deposit Single	9.75 (14M)					10000	M/Q/H/Y
DHFL - Aashray Deposit Trust	9.75 (13M)					10000	M/Q/H/Y
DHFL - Aashray Deposit	9.85 (40M)				0.40	10000	M/Q/H/Y
Shriram Unnati Deposit	9.25	9.25	10.25	10.25	0.25	25000	Q/H/Y
Shriram City Union Finance Ltd	9.25	9.75	10.25	10.25	0.25	25000	M/Q/H/Y
PNB Housing Finance Ltd	9.25	9.25	9.25		0.25	20000	H
LIC Housing Finance Ltd	8.90	9.00	9.20			10000	H
Gruh Finance Ltd	9.00	8.75	8.50	8.50	0.25	1000	M/Q/Y
HDFC Ltd. Regular Deposits	9.25	9.25	9.30	9.30	0.25	20000	M/Q/H/Y
HDFC Premium Deposits	15 months 9.25 22 *months 9.30						M/Q/H/Y
	30 months 9.25 44 months 9.30						M/Q/H/Y
	Capital Gain Bonds V/s 54 EC Tax Saving						
R. E. C. Ltd. - 54 EC Bonds				6.00			
NHA of India - 54 EC Bonds				6.00			

**DISCLAIMER :** 1) Investment done in Mutual Funds, Company Fixed Deposits, Bonds etc. are subject to Market Risk. Investors are required to read the offer documents and application forms carefully before investing. 2) We act as the distributor between the company and the investor, we won't be responsible for any market losses occurred in investments in mutual funds & company fixed deposits. 3) Please confirm interest rates before applying, we don't take any responsibility for change in interest rates & loss occurred due to same. 4) Company FD investments are unsecured in nature. 5) We don't promote or recommend any schemes, investors need to clarify & understand the details of every investments done by them.

Editor and Published by : Anoll Merchant 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.



#### 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

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

Note : Every care has been taken to publish the information / articles. However editor, publisher, printer will not be responsible for any error/change in rates etc. when publishing the same. Kindly read the form before advising, investing.