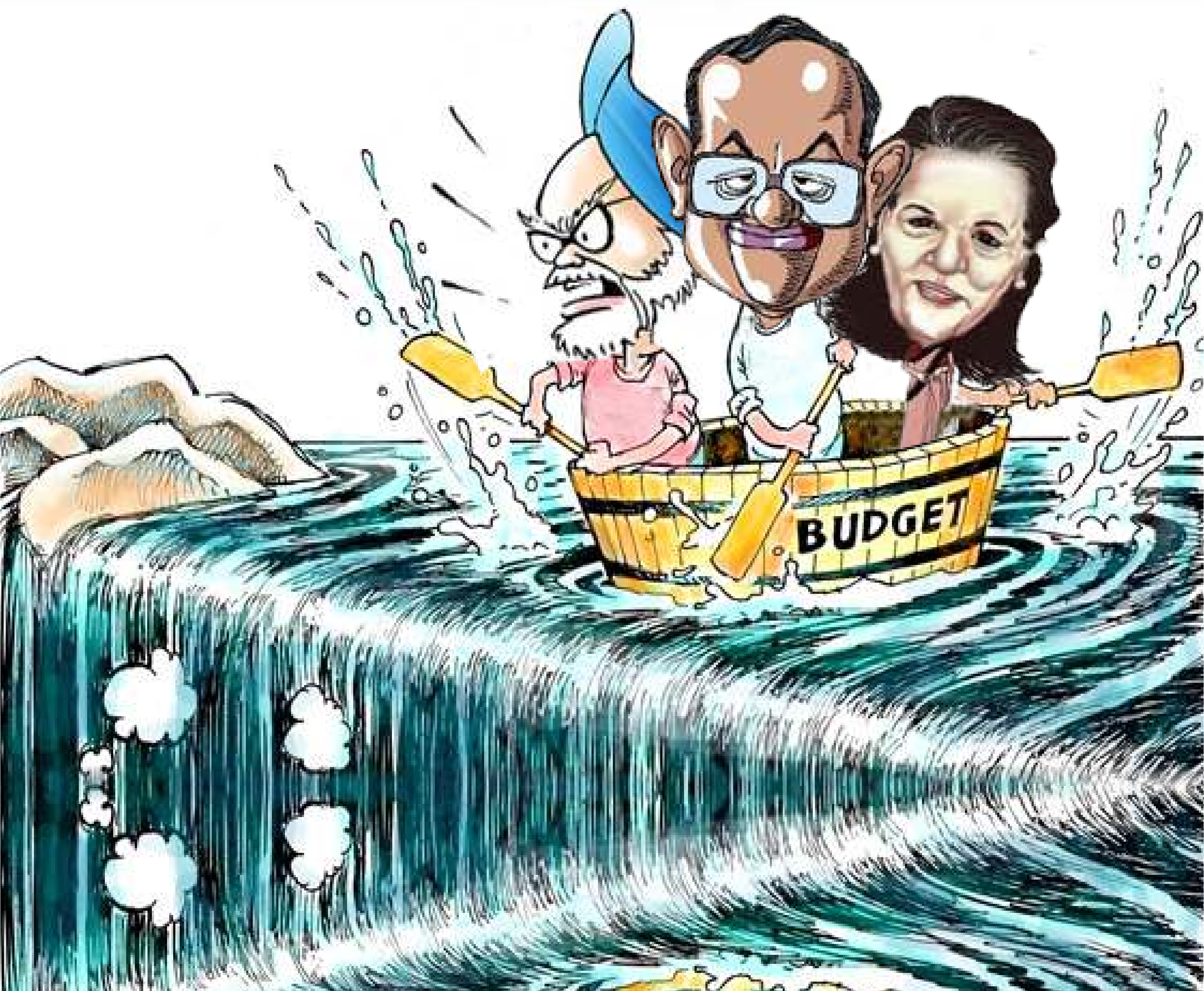
ARIHANT's VALUE Plus

www.arihantcapital.com

Monthly Newsletter (For private circulation only) Issue : March, 2013

Rub-a-dub-dub...



ARI - Movers & Shakers

INDIAN INDICES

Indices	Feb-13	Jan-13	Change %
SENSEX	18861.54	19895.00	-5.19
S&P CNX NIFTY	5693.05	6035.75	-5.68
BANK NIFTY	11487.35	12708.60	-9.61
CNX MIDCAP	7540.35	8363.70	-9.84
S&P CNX 500	4477.50	4795.30	-6.63
CNX IT	7106.65	6778.00	4.85
CNX REALTY	257.15	294.80	-12.77
CNX INFRA	2299.90	2561.55	-10.21

(Source: BSE & NSE)

BSE-SECTORAL INDICES

Indices	Feb-13	Jan-13	Change %
AUTO	10458.61	10993.92	-4.87
BANKEX	13203.87	14580.25	-9.44
CD	7172.11	7581.50	-5.40
CG	9184.50	10495.60	-12.49
FMCG	5669.10	5921.90	-4.27
HC	7810.33	8016.90	-2.58
IT	6754.33	6393.60	5.64
METAL	9067.95	10606.10	-14.50
OIL&GAS	8648.06	9359.15	-7.60
PSU	6862.42	7661.75	-10.43
REALTY	2010.35	2238.57	-10.19
TECk	3897.06	3798.40	2.60

(Source: BSE)

GLOBAL INDICES

Indices	Feb-13	Jan-13	Change %
DOW JONES	14052.33	13866.00	1.34
NASDAQ	2738.58	2738.00	0.02
HANG SANG	23020.27	23729.00	-2.99
FTSE	6360.81	6276.00	1.35
NIKKEI	11559.36	11138.00	3.78

(Source: Telequote software)

COMMODITIES and FOREX

Particular	Feb-13	Jan-13	Change %
MCX GOLD	29570.00	29871.00	-1.01
MCX SILVER	53267.00	57849.00	-7.92
MCX CRUDE OIL	5076.00	5202.00	-2.42
MCX-SX USDINR	54.35	53.21	2.14

(Source: Telequote software)

FII ACTIVITY (₹ in cr)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Feb 2013	78,888.30	54,449.10	24,439.30
Total for 2013 *	156,746.80	110,248.70	46,498.20

(Source: SEBI)

MF ACTIVITY (₹ in cr)

Date	Gross Purchases	Gross Sales	Net Pur/Sales
Total for Feb 2013	10,286.10	11,134.20	-847.90
Total for 2013 *	22,296.50	28,356.80	-6,060.30

* Till Feb 2013

(Source: SEBI)

Market Commentary

After a positive start of 2013 in January, a volatile February 2013 had a brunt on the equity markets with frontline indices declining over 5% and the broader market performance turning even worse as midcaps took a strong beating on the back of negative global news and Budget woes. The BSE Sensex declined 5.19% during the month to end at 18861.54 while broader CNX Nifty down 5.68% to end the month at 5693.05. On the sectoral front, only the IT (up 5.64%) and Teck (up 2.60%) sectors closed positive, while Metal (down 14.50%), CG (down 12.49%), Realty (down10.19%), Bankex (down 9.44%), Oil & Gas (down 7.60%), CD (down 5.40%) and Auto (down 4.87%) witnessed negative returns.

Foreign institutional investors (FIIs) purchased equities worth Rs 24,439.30 crore in February, 2013 while the domestic mutual fund houses sold Rs 847.90 crores over the same period. February 2013 was an eventful month with Union Budget 2013-2014 being the most dominant event of the month.

Budget, Budget, Budget...

In the Railways Budget for 2013-14, Mr Bansal raised freight charges while leaving passenger fares untouched. While Mr. Bansal did not hike the passenger fares, he indirectly touched passenger fares by effecting marginal increases in charges in areas like superfast trains, reservation fees, clerkage charge, cancellation charge and tatkal ticket charges. While on one hand the passengers would not bear immediate brunt due to no increase in passengers fares, but hike in freight would definitely stoke inflation as most companies would pass on the increase to consumers.

Coming to the Union Budget, the Finance Minister had a daunting task of walking on a tightrope ahead of him in presenting the Union Budget 2013-2014 trying to find the right balance between populism and fiscal prudence. While the Budget was indeed a balanced one without any big bang announcements or major fireworks to upset the electorate, it turned out to be a dampener in the Dalal Street circle considering the high expectations that had been built up, which weren't met. The result was immediate, post the Budget announcement the BSE Sensex fell to three month low, falling 300 points, adding to the already negative sentiments.

Averting the possibility of a country rating downgrade, the

FM tactfully managed to contain fiscal deficit to 5.2% of GDP in FY13 and promised a fiscal deficit limit of 4.8% for the next year. This containment of fiscal deficit came as a double-edged sword with the Q3FY13 GDP being recorded at a dismal 4.5%. On the other hand, the FM succumbed to political pressure by raising the projection in expenditure by 16.4% yoy in FY14 increasing the risk of fiscal slippage, a move that did not go very well with the markets. No significant measures were taken for controlling the mounting current account deficit that turned as a major disappointment.

The FM played safe by not tinkering with personal tax rates despite levying an affluence surcharge on individuals and corporates with income above a specified limit. Further, excise duty and service tax were retained more or less at the same levels. Inititiatives in capital markets included STT reduction to Rs 1,000 per crore in equity derivatives segment. Raising income limit from Rs 10 lakhs to Rs 12 lakhs and extension of benefits of Rajiv Gandhi Equity Savings Scheme upto three successive years were also seen as positive for the markets. On the other hand, introduction of CTT of Rs 10 per lakh in commodity derivatives excluding agricultural commodities will discourage the use of commodities as a hedging instrument. The proposal to treat Tax Residency Certificate as a necessary but not a sufficient condition for claiming the benefits of tax treaties hurt market sentiments. Thought the government clarified the issue later, it failed to boost sentiments.

During the month, the Reserve Bank of India set the stage for entry of new banks in the private sector by unveiling the much-awaited final guidelines. As per the guidelines, anybody having a 10-year track record and 5 billion rupees in equity capital can set up a bank. However, with the RBI having sole discretion on approvals and the rule necessitating 25 percent of branches in unbanked rural regions, very few names are expected to pass the muster.

Moody's downgraded UK's rating from its AAA status, joining the list of other European countries with grim growth prospects. Overall, the Eurozone is expected to contract in 2013.

On the macro-economic front, the wholesale price index (WPI) inflation cooled down sharply to 6.62% for the month of January 2013, its lowest level in three years while the consumer price inflation increased to 10.79% in January 2013. The index of industrial production (IIP) contracted at 0.6% for the month of December, its second consecutive decline owing to a slowdown in manufacturing and mining activities.

Going ahead, we believe that the Budget will indeed promote an investment cycle in the economy. Though an increase in unchecked expenditure is a cause of concern, but on a larger front, the FM has tried to tie all lose ends and worked on the arithmetic pretty well. How will the economy respond to these initiatives, is however a point that will come in limelight soon.

Key News and Events in Feb 2013

- January inflation eases to 6.62%:

  The wholesale price index (WPI), India's inflation eased at 6.62% for the month of January 2013, its lowest level in three years, as compared to 7.18% for the previous month and 7.24% during the corresponding month of the previous year. A slower rise in fuel and manufactured goods prices was one of the key reasons for the same.

- December IIP at -0.6% against -0.1% in November:

  India's annual Index of Industrial Production (IIP) for the month of December contracted at -0.6% versus -0.1% in the month of November. The manufacturing sector output contracted at -0.7% versus a growth of 0.3% in November. This is the worst output growth since September, 2012.

- Trade deficit widened to $20 billion in January:

  India's trade deficit widened to $20 billion in January, the second highest ever monthly gap, as exports remained weak while imports rose, putting further pressure on the country's current account deficit. After contracting for eight consecutive months, exports increased marginally by 0.82% to $25.58 billion in January. Imports increased by 6.12% to $45.58 billion, leaving monthly trade deficit of $20 billion. Exports between April and January fell 4.9 % to $ 239.7 billion.

- India Oct-Dec GDP growth 4.5% vs 6.0% year ago:

  India's gross domestic product growth slowed down to a 15 quarter low of 4.5% in Oct-Dec 2012 from 5.3% a quarter ago. The GDP had grown 6% in the corresponding period a year ago. This is the lowest growth since 3.5% in the last quarter of 2008-09.

Auto Sales Registered growth in Feb 2013

Auto sector volume numbers for Feb 2013 have witnessed another dismal performance, in line with the current weakness since the beginning of FY13. Based on our interaction with auto dealers / channel checks, we believe that volume growth post April 2013 (Baisakhi festival) will be critical, with respect to overall industry pricing scenario and with respect to valuations of listed auto OEM's. A continuing slowdown post April 2013 might put further pressure on stock prices in terms of earning downgrades and / or lower valuation multiples. Lack of considerable fiscal and monetary push factors over FY14, combined with continuing challenging domestic conditions (especially

from expected high fuel prices) make us "cautious" on near term prospects for the sector.

Fy14 Budget Is "Overall Neutral" For The Auto Sector In Our Opinion: We believe that the FY14 Union Budget is an "overall neutral" to the auto sector. The hike in excise duty on SUV's is a negative, but it allays the original concerns about a substantial tax on diesel vehicles which had been proposed by the Kirit Parikh committee. The agricultural sector has received a moderate amount of sops, (such as the increase in farm credit target to Rs. 7 lakh crores, and 22% growth in allocations to Ministry of Agriculture) which is moderately positive for tractors, and two - wheelers. Hike in import duty for CBU luxury vehicles and motorcycles is a negative for the luxury vehicle industry.

Company Performance Section: After high billing in the previous month, Hero sales growth was weak in February 2013. Bajaj's domestic numbers (2W + 3W) have fallen below 2 lakh units for the month, for the first time in almost 2 years. Exports continue a decent performance. TVS Motors continues to come under competition pressure in all segments in which it operates, overall growth continues to be in the -5% to -10% band. Its Scooter portfolio has come under the strongest attack. Dzire's numbers continue to be robust, but the all petrol "Mini segment" is a drag on overall volumes. "Ertiga's" numbers, have slowed a bit over the past 3 months (sub 6000 units per month). No meaningful pickup in Maruti's exports yet. Tata Motors domestic business is the biggetst disappointment of the season. The M&HCV cycle is at one of the weakest in recent years. Tata's passenger vehicles have also come under severe competition. M&M's SUV growth has slowed marginally to about 20% over the last 3 month period, compared to 30% + growth for the first 6 months of the year. M&M's tractor numbers still show no signs of recovery. Leyland's sub 3.5T LCV continues to perform well, but its "heavy" portfolio continues to suffer the effects of industry slowdown. The "global 2W pack" has performed relatively well, with Honda 2W growing by 10%, and averaging a 15% growth over last 3 months. Yamaha's scooter sales have also pushed up its overall domestic growth rate. The "global 4W pack" has had another weak month, Hyundai's domestic numbers have also registered negative growth. Renault India continues its impressive performance, the Duster has sold 5,590 units.

Technical Equity Market Outlook

Markets witnessed a sharp fall in month of February 2013 due to domestic macro headwinds. On the sectoral front Metal, Capital Goods, PSU and Realty led the fall whereas Teck and IT ended on the gainers side. The Sensex closed with a net loss of 5.19% whereas the Nifty lost 5.68% vis-à-vis the previous month.

Technical Observation

On the monthly chart

- We are observing a bearish engulfing pattern, which suggests weakness going forward. The said pattern would get activated only once Nifty trades below 5671 level. The pattern would get negated only if Nifty manages to close above 6111.80 level.

On the weekly chart

- We are witnessing that prices have tested the median line of the channel. Hence going forward the median line is crucial support. Any breach of the median line would lead the prices to test the lower trendline of the channel.

On the daily chart

- After the breakdown from the head and shoulder pattern, we expect the prices to test the 200-day SMA which is at 5546.

Future Outlook:

The bearish engulfing pattern on the monthly chart clearly reflects that the undertone in the market has turned bearish. Any fall below 5671 would activate bearish implication of engulfing pattern on the monthly chart. In such scenario, Nifty is likely to test the 200-day SMA which is at 5546 level on the daily chart. On the other hand, as long as 5671 holds there is a possibility that Nifty may test the resistance levels of 5870 – 5950 , and on every gain selling is likely to emerge.

We maintain our bearish view on the markets and we are of the opinion that rallies near the mentioned resistance levels are likely to attract selling pressure. Since we are in the first stage of the fall, bottom fishing at lower levels should be avoided.

ARI - Commodity & Currency Pick

Dhaniya SELL

January to April time is indeed very spicy for agricultural activities in our country as our farmers harvest different kinds of spices grown as Rabi crops and we see mandis and markets of major growing states flooded with colorful masalas. Going with the spicy trend, we have also spiced-up our commodities section with Dhaniya (coriander), one

of the major spices that our country produces; harvesting of which is going on at present.

The current cycle of up-trend in Dhaniya started June last year and reached its peak in January this year. The NCDEX April contract has since then corrected around 15% due to ongoing harvest season. On technical charts, the correction is giving a glimpse of an ABC corrective pattern. The one month long correction from mid January to mid February can be captured as that of wave A while the one week relief rally which we saw a few days back confirms a formation of wave B with similar tops and negative candlestick formations. Presently, the rounded seed spice is probably into first leg of major corrective wave C.

Negatively positioned momentum indicators like MACD & ADX along with a band of moving averages in its negative crossover are also supporting the wave study. Volume has been under arrest declining nearly 80% since mid January 2013 while open interest has held its foot with just 19% decline in the same period. This fact indicates a continuation of correction in coming days.

We recommend Sell in NCDEX Dhaniya April contract at Rs 6,440 and on rise to Rs 6,600-6,650 with stop loss above Rs 6,800 for targets in the range of Rs 5,900-5,600.

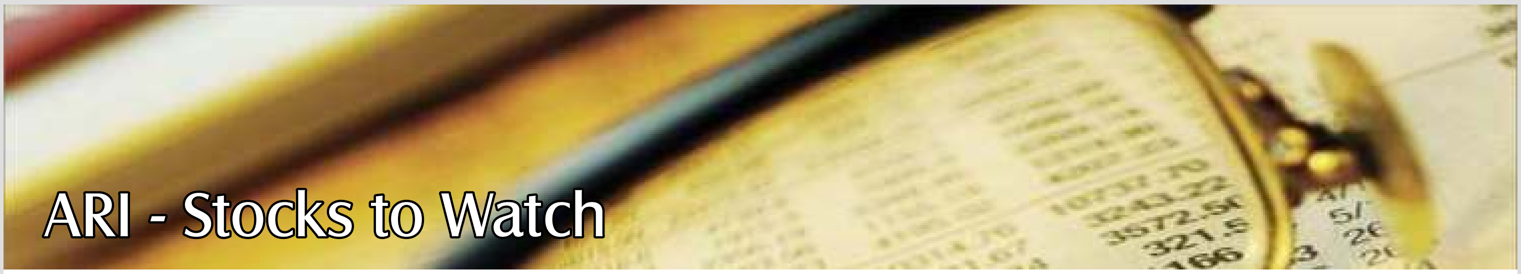
EUR-INR SELL

Fundamental

This month, Euro zone economic data will start with the Crucial ECB benchmark interest rate decision and press conference with bank Chief Mario Draghi scheduled on 7th March, which will have strong impact for the EUR-INR. On 19th March, the German ZEW Economic Sentiment may bring volatility in the pair. The German Flash Manufacturing PMI on 21st March is assumed to mark a negative sentiment for the Euro, if the data will come lower vs the previous one. The German Institute for Economic Research Business Climate on 22nd March will be closely watched. Meanwhile, despite timid improvement in leading job-market indicators over the past few months, as the US economy is struggling with Fiscal Cliff and prolonged weakness in employment conditions, it may bring some concerns for the Euro.

Technical:

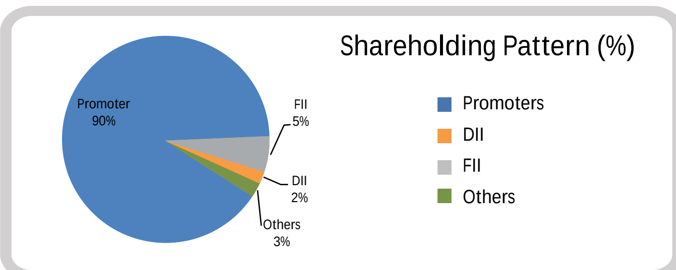
EUR-INR traded on the negative mode for February 2013 month and settled at 71.73 against previous month's settlement of 72.27. Prices are on the verge of forming rising wedge chart pattern, as per the pattern EUR-INR prices may look down. Also in the last month a high wave candle stick is witnessed on the top indicating sideways to negative for the coming month. While observing closely, we can see that there is lot of indecision witnessed on the higher levels indicating a short term reversal in the trend. However, the prices are still sustaining above the short and medium term moving averages signaling strength in the trend. The other momentum indicator like RSI (14) is showing bearish cross over along with its moving averages pointing down side. For the coming month, we expect EUR-INR prices to remain on the negative mode and recommend selling on rise of Rs 71.90-72 for the target of Rs 70.50 and then Rs 70 with stop loss above Rs 73.



ARI - Stocks to Watch

Coal India Ltd

Value Parameters	
BSE Code	533278
NSE Symbol	COALINDIA
CMP	Rs 314
Face Value	Rs 10
52 Week High/Low	Rs 386/301
Market Cap (Rs cr)	1,99,312
EPS (Rs)	25.2
PE ratio	12.5



Investment Rationale:

Coal India is largest coal producer in India with production capacity in excess of 450 mtpa.

Largest coal reserve:

CIL has access to one of the largest coal reserves in the world to the tune of 64bn tonne At current production rate of 460 mtpa, the reserves can last for more than 140 years.

Proxy to India's growth story:

CIL being the largest supplier of coal is proxy to India's growth story. With significant capacities getting added in sectors like power, we expect demand for coal to be substantial and will eventually benefit CIL.

Value added segment:

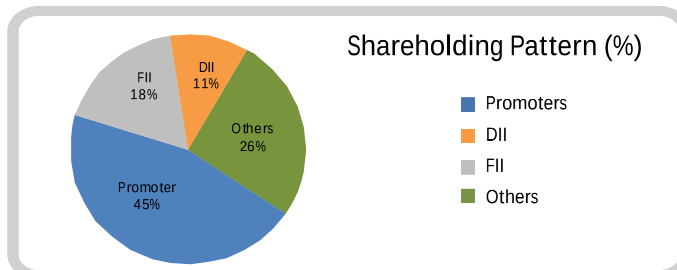
CIL is entering in value added segment of coal as it is ramping up washed coal capacities from 39mtpa to 111mtpa by FY17E. Washed coal earns superior margins over raw coal and share of washed coal is expected to increase from 4% at present to 8% by FY17E.

Valuations:

CIL has underperformed in recent times largely due to concerns surrounding volume growth and coal pricing. The government in the interim has brought up number of initiatives to ease concerns surrounding the same through price polling and PPP mechanism. The stock is currently trading at ~13x its annualised FY13 EPS of Rs 25/share, which is at ~20% discount to industry average of 16x. We maintain positive view on stock.

Reliance Industries Ltd

Value Parameters	
BSE Code	500325
NSE Symbol	RELIANCE
CMP	Rs 810
Face Value	Rs 10
52 Week High/Low	Rs 955/671
Market Cap (Rs cr)	2,61,360
EPS (Rs)	63.3
PE ratio	12.8



Investment Rationale:

RIL is one of the largest petrochemical companies in the world with presence in petrochemicals, refining, and oil & gas segments.

Negative priced in:

RIL's performance in recent times has largely been muted due to falling refining margins, declining gas production. We believe current stock price is factoring in negatives surrounding the stock and we expect things to improve here on the back of stabilizing refining margins.

Retail business:

RIL's retail business is poised for turn around. After huge investments over last seven years the business is expected to grow in excess of 20% over next five years and contribute incrementally to profitability of RIL.

Petchem volumes to double:

RIL is progressively commissioning new Petchem facilities over next 4-5 years. The facilities are expected to have low operating cost and will aid in margin expansion.

Valuations:

RIL is going to reap benefit from the substantial capex it has incurred over last 7-10 years. We expect RIL's earning to grow significantly from here on. The stock is currently trading at ~13x its annualised FY13 EPS of Rs 63/share, which is at ~25% discount to industry average of 17x. We maintain positive view on stock.

ARI - Mutual Fund Update

Mutual Fund Roundup

The most anticipated event - 'BUDGET 2013-2014' – had the Indian equity markets in its grip most part of February. Owing to budget and budget expectations, the Indian equity markets remained largely volatile in February 2013 with downward bias especially towards the second half of the month. In fact Nifty dropped to its lowest levels in three months on 28 February 2013, when the markets plummeted after the Budget speech. Negative global economic indicators also added to the grim. Finally, the Sensex closed the month down 5.19% to settle at 18861 while CNX Nifty was down 5.68% shutting the month at 5693. On the sectoral front, IT (up 5.64%) and Teck (up 2.60%) closed positive, while Metal (down 14.50%), CG (down 12.49%), Realty (down 10.19%), Bankex (down 9.44%), Oil & Gas (down 7.60%), CD (down 5.40%) and Auto (down 4.87%) witnessed negative returns.

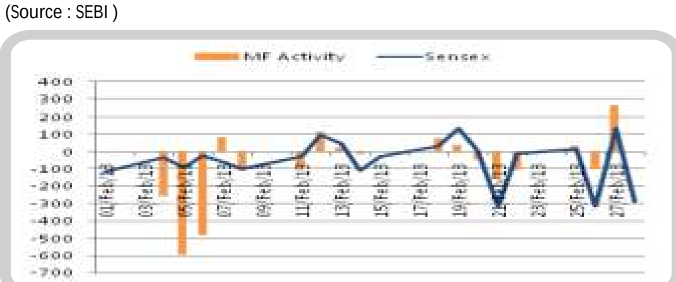
MF Activity

During the month of February 2013, the Indian mutual fund houses turned net sellers of equities to the tune of Rs 848 crore. Highest selling was recorded in the second week of the month when the fund houses made total net sales of Rs 1,366 crore of equity. Going with the regular trend, while the MFs turned net sellers, the foreign institutional investors (FIIs) were bullish and bought Rs 24,439.20 crore worth of equities over the same period.

Mutual Fund Activity in February 2013

(₹ in Crores)	Gross Purchases	Gross Sales	Net Investment
1st Week	919.90	915.50	4.40
2nd Week	2419.30	3785.60	-1366.00
3rd Week	2123.70	2097.70	26.00
4th Week	1622.90	1813.30	-190.40
5th Week	3200.30	2522.10	678.30
Total	10286.10	11134.20	-847.90

(Source : SEBI)



Movers and Shakers

Duplicating equity markets performance, the breadth of the mutual fund scheme performance was negative during the month of February 2013. In the equity diversified category, all the schemes delivered negative returns with Edelweiss Absolute Return Fund being the least hit fund with a negative return of -0.71% followed by ICICI Prudential Service Industries Fund (-2.34%).

With the markets tanking in February 2013, some schemes saw a sharp decline in their NAV, with Sahara Star Value Fund being the worst hit scheme during the month with its NAV falling down 12.65%, followed by Birla Sun Life India Reforms Fund (-11.8%).

Monthly Best Performer: All Equity Diversified Funds

Scheme Name	NAV (Rs)	Last 1-Month return (%)
Edelweiss Absolute Return Fund	12.62	-0.71
ICICI Prudential Service Industries Fund	19.19	-2.34
Axis Equity Fund	11.96	-3.47
Tata Ethical Fund	71.9	-3.59
Templeton India Equity Income Fund	22.46	-3.82

(Returns are absolute as on 28th Feb 2013)

Among the sectoral fund category, IT sector funds delivered the best performance with Franklin Infotech Fund outperforming the category, delivering a return of 4.17%, followed by SBI IT Fund (2.58%). In fact IT was the only sectoral category where the schemes delivered the positive returns. The worst performers in the sectoral category were infrastructure oriented schemes with Reliance Infrastructure Fund hitting the rock bottom with negative 14.04% returns in Feb 2013 followed by HDFC Infrastructure Fund (-12.94%)

Monthly Best Performer: All Sectoral Funds

Scheme Name	NAV (Rs)	Last 1-Month return (%)
Franklin Infotech Fund - Growth	70.85	4.17
SBI IT Fund - Direct - Growth	26.45	2.58
SBI IT Fund - Growth	26.29	2.54
ICICI Prudential Technology Fund - Growth	21.38	1.09
Birla Sun Life New Millennium - Growth	20.10	0.85

(Returns are absolute as on 28th Feb 2013)

On the debt side, PineBridge India Total Return Bond Fund - Retail - Growth with a return of 1.15%, followed by Canara Robeco Dynamic Bond Fund - Regular - Growth with a return of 0.92%.

Monthly Best Performer: All Debt Funds

Scheme Name	NAV (Rs)	Last 1-Month return (%)
PineBridge India Total Return Bond Fund - Retail - Growth	1483.93	1.15
Canara Robeco Dynamic Bond Fund - Regular - Growth	12.86	0.92
JPMorgan India Fixed Maturity Plan - Series 8 - Growth	10.99	0.82
IDFC Super Saver Income Fund - Investment Plan - Plan F - Growth	12.69	0.81
HDFC Fixed Maturity Plan - 370D - February 2012 (21) - 2 - Growth	11.02	0.78

(Returns are absolute as on 28th Feb 2013)

MF – Tax Saving Schemes Recommendation:

With the financial year ending, it is high time you plan your tax saving investments. At Arihant, we believe in the power of equities. History has shown that investment in equities over the long term has delivered the highest returns. Hence our recommendation to investors under the age of 45 is to put their tax saving investments in mutual fund equity linked savings schemes (ELSS) to avail the benefit of Section 80C of Income Tax deduction.

After a thorough analysis and research based on qualitative and quantitative parameters (like scheme's past performance, sharpe ratio, fund manager's track record, investment process laid out by fund house and expense ratio charged), we recommend the following tax saving schemes for investment:

Scheme Name	Latest NAV*	Launch Date	Returns (%)			
			One Year	Three Year	Five Year	Since Inception
HDFC Tax Saver Fund	228.29	13-Jun-96	2.04	5.59	5.7	20.6
Canara Robecco Equity Tax Saver	28.17	02-Feb-09	9.5	9.52	NA	28.95
Franklin India Taxshield	232.64	10-Apr-99	9.49	10.01	6.79	25.41
DSP BlackRock Tax Saver Fund	17.76	18-Jan-07	11.89	6.97	3.7	9.85
HDFC Long Term Advantage Fund	143.1	02-Jan-01	6.56	8.46	5.17	24.45
JPMorgan India Tax Adv Fund	18.53	27-Jan-09	5.66	6.48	NA	16.28
Reliance Tax Saver	22.24	22-Sep-05	6.97	8.06	6.05	11.41

NAV and Returns as on 28th Feb, 2013; Returns < 1 yr annualised, > 1 yr compounded annualised

Rajiv Gandhi Equity Savings Scheme:

In order to encourage flow of savings of the small investors in domestic capital market, the Government of India has announced a scheme named Rajiv Gandhi Equity Savings Scheme (RGESS), 2012. History has proven that equity as an asset class gives the highest returns among all asset classes over the long term.

A new section 80CCG under the Income Tax Act, 1961 on 'Deduction in respect of investment under an equity savings scheme' has been introduced to give tax benefits to 'New Retail Investors' who invest up to Rs 50,000 in 'eligible securities' and have gross total annual income less than or equal to Rs 10 lacs.

So why not take advantage of this scheme and start investing in equity markets?

How much tax deduction is offered under RGESS?

Under RGESS, you are eligible for a tax deduction on 50% of the amount invested and only investment amount upto Rs 50,000 will be eligible for availing tax benefits in RGESS. Let us say, you invest Rs 50,000 under RGESS, the amount eligible for tax deduction from your income will be Rs 25,000. Alternatively, if you invest Rs 40,000 under RGESS, the amount eligible for tax deduction will be Rs 20,000. Hence the maximum deduction you can avail is of Rs 25,000 on an investment of Rs 50,000. So if you invest Rs 1 lac in eligible securities under RGESS, the amount eligible for tax deduction will still be Rs 25,000.

This deduction of Rs 25,000 is over & above limit of Rs 1 lac currently available under Section 80C of Income Tax Act.

Who is a new retail investor?

A 'New Retail Investor' is any resident Individual

- who has not opened a demat account and has not made any transactions in the equity or derivative segment as on the date of notification of the scheme i.e., November 23, 2012, or
- who has opened a demat account as a first holder, but has not transacted in the equity or derivative segment till November 23, 2012, or
- who has a demat account as a joint holder.

What are eligible securities?

- Equity shares of companies which are included in either 'CNX-100' of NSE or BSE-100 or equities of public sector enterprises which are categorized as Maharatna, Navratna or Miniratna by the Central Government.
- Exchange traded funds and mutual fund schemes with RGESS eligible securities as underlying (note Gold ETFs do not come under eligible securities).
- Follow on public offer of BSE-100 or CNX-100 and public sector enterprises which are categorized as Maharatna, Navratna or Miniratna.
- New fund offers of eligible mutual fund schemes.
- IPOs of eligible public sector undertakings.

To know more, visit Tax Saving page in Knowledge Centre section of our website, www.arihantcapital.com

ARI - News From Arihant

Investor Education Seminars conducted by Arihant

Arihant Capital Markets Ltd in association with BSE organised investor education seminars across North India including Gurgaon, Alwar, Kurukshetra, Panipat and in Kanpur throughout February 2013. The objective of the seminar was to enable consumers to be more informed and responsible investors and also understand the benefits of newly launched Rajiv Gandhi Equity Savings Schemes by Government of India.

Through these seminars Arihant hopes to help investors understand various investment products that are suitable for their needs and if they match their risk appetite so as to empower them to take greater responsibility for their investing decisions. Gold has become a very popular mode of savings among Indians. With an intention to help understand the role of gold in an investor's portfolio, these seminars also threw light on how much gold should an investor hold and various gold investment avenues meant for the investors and their suitability. These seminars were well attended by a diverse audience, including prospective equity investors, seasoned investors, traders and investment experts.

Investor Education Seminar at Gurgaon (22-02-2013)

Investor Education Seminar at Panipat & Kanpur (23-02-2013)

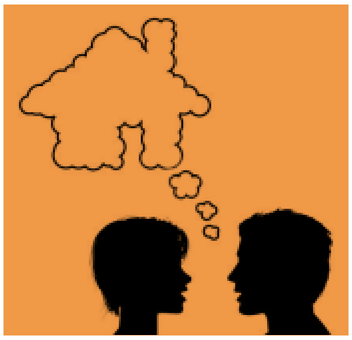
Investor Education Seminar at Kurukshetra (26-02-2013)

Investor Education Seminar at Alwar (27-02-2013)

Meet your life goals

Get your child a best education

Give your daughter a wonderful wedding



Build your dream house

Get Rs 30 lakh or more just by investing Rs 2000 per month for 20 years.

Plan properly and invest regularly to meet your goals.

For more details:
SMS: <Arihant> to 56677
Email at research@arihantcapital.com
Visit us at www.arihantcapital.com

ARIHANT capital markets ltd.

Equities & Derivatives | Commodities | Currency | Bonds | IPO | Mutual Fund Advisory | PCG | Depository | Online Trading | Financial Planning

Registered Office: E-5 Ratlam Kothi, Indore – 452001 (M.P.). BSE - INB/INF 010705532; NSE – INB/INF 230783938;
NSDL : IN-DP-NSDL-165-2000; CDSL: IN-DP-CDSL-317-2005; AMFI – ARN 15114

Regional Offices

AHMEDABAD: 079-40701700 / 40701719
ALWAR: 09352209641 / 0144-2700799 / 2700201
AMRITSAR: 0183-2560195-96 / 09872285462
BANGLORE: 080-41509992-93/ 09341690342
BARODA: 0265-232070 / 3096692 / 09898366222 / 09328257555
BEAWAR: 01462- 253953 / 54 / 09352424325
BHILWARA: 01482-220390,227070 / 09829046070
BHOPAL: 0755-4224672 / 4223672 / 09302167358
CHENNAI: 044-42725254 /25387808 / 09841160104
DIBRUGARH: 094350-31452 / 09435747381
GURGAON: 0124-4371660-61 / 3241102 / 09999355707
GWALIOR: 0751 - 4070634 / 4072127 / 09301105571
INDORE-AHINSA TOWER: 0731- 4217350 -365 / 09977250700
INDORE-LAD COLONY: 0731-4217100-101 / 09302104504
INDORE-PALASIA: 0731- 2434070-71 / 4247436 / 094066-83366
INDORE-RAJBADA: 0731-4054025, 2539971 / 09302132322
INDORE-RATLAM KOTHI: 0731-4217500 / 521 / 09329776346
INDORE-SILVER SANCHORA: 0731-4217300-306 / 09826010295
JABALPUR: 0761-4037990 / 91 / 93 / 09755005570
JAIPUR: 9828024688 / 0141-4107659
JODHPUR: 0291-3266000 / 2440004-6 / 09414128888
KOLKATA: 033-40052638,32407373 / 09830268964
KOPERGAON: 02423-224151,224161 / 09423783766
KOTA: 0744-2366255-2366355 / 09414178394
MUMBAI-BORIWALI(W): 022-42664025 / 09320444364
MUMBAI-OPERA HOUSE: 23674731-32 / 09619378273
MUMBAI-VILE PARLE: 022-42254800
NEEMUCH: 07423-224412, 226922 / 09425106124
PANIPAT: 0180-4016357-358 / 09215124767
PUNE: 020 41064921 / 020 41064901 / 09860270881
RAIPUR: 0771 – 3052034/36/37 / 93000-56436 / 09300002700
SAGAR: 07582- 244483 / 400664 / 09993833866
SECUNDRABAD: 040-66148831-33-34 / 09348849901
SURAT: 0261-3253597 / 09374718168
UJJAIN: 0734-4050201-235 / 09425092746

CONNECT WITH US

022-42254800 | www.arihantcapital.com | facebook.com/arihantcapitalmarkets | twitter.com/arihantcapital | contactus@arihantcapital.com