

AMFI

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UPDATE

A Newsletter of The Association of Mutual Funds in India

July - September 2006 Vol. VI Issue II

FROM THE CHAIRMAN'S DESK

Over the years, the Indian Mutual Fund Industry has progressed dimensionally and directionally. It is one of the steady and fast growing segments of the Indian economy. More importantly, the industry conforms to the best international standards and in some areas, we are privileged to set standards and benchmarks. Slowly and surely, the industry is gaining recognition as an appropriate investment vehicle among the households.

In enhancing this recognition and in positioning mutual funds as one of the suitable avenues for wealth creation, AMFI has taken a new initiative of a communication campaign through print media during the quarter. A three part advertisement campaign, highlighting the unique features of mutual funds - strength of diversification, potential for growth and expert advice has been launched from mid-September 2006 in 28 newspapers covering 8 languages. We are indeed encouraged by the response received from individuals across the country and we have so far sent over 22,000 copies of AMFI booklet 'Making Mutual Funds work for you - The Investor's Concise Guide'. With the support and active involvement of all our members, we shall continue our efforts to spread the message of mutual funds.

Yours truly,

A.P. Kurian
Chairman

November 6, 2006

SEBI UPDATE

Circulars issued by SEBI.

Uniform cut-off timings for applicability of Net Asset Value (NAV) of Mutual Fund scheme(s)/plan(s).

SEBI has vide its circular number SEBI/IMD/CIR No. 11/78450/06 dated October 11, 2006 issued guidelines stipulating cut off timings for the applicability of the Net Asset Value (NAV) in respect of sale and repurchase transactions of units.

These guidelines have been made effective from October 16, 2006.

Members are requested to take note of the same for due compliance.

Meetings with SEBI

Chairman AMFI along with some of the Directors of AMFI had a discussion on industry issues with Dr. T C Nair, Member SEBI on September 12, 2006. Chairman AMFI had several meetings with Member, ED and other officials of SEBI on several matters.

ANNUAL GENERAL MEETING

The 11th Annual General Meeting of AMFI members was held on September 29, 2006 at Hotel Taj Mahal, Mumbai. The meeting was attended by 24 out of 30 members. In keeping with the tradition, the Annual General Meeting was followed by the address of Dr. T C Nair, Member SEBI. Mr. R K Nair Executive Director SEBI, was present on the occasion. This was followed

by an interactive session of the members with the SEBI officials.

GENERAL MEMBERSHIP MEETINGS

A General Membership meeting of AMFI members was held on September 11, 2006 to discuss issues relating to the Reserve Bank of India's proposal to withdraw the Daylight Facility in RBI Account of Mutual Funds.

A General Membership meeting of AMFI members was also held on October 19, 2006 to discuss issues relating to the implementation of Prevention of Money Laundering Act (PMLA) and creation of a common identification number for investors in Mutual Funds.

AMFI organized a meeting of Principal Officers of the Mutual Funds on October 27, 2006 to review the process and systems followed by Mutual Funds in respect of reporting of suspicious transactions under the PMLA. The meeting presided over by Chairman AMFI, was attended by all members and the Additional Director, Financial Intelligence Unit (FIU) Government of India, who conveyed his concerns and clarified many issues.

COMMITTEES / WORKING GROUPS NEW COMMITTEES AND WORKING GROUPS

Working group on Customer Identification under PMLA

A working group has been constituted to lay down the procedure for creation of a

common identification number for investors in Mutual Funds as well as putting in place an arrangement with CDSL Ventures Ltd. for this purpose. The members of the group are Mr. Ramamoorthy Rajagopal (convener) and Mr. Rana Rajan of DSP Merrill Lynch MF, Mr. S Venkatesh Iyer and Ms. Kashmira Mathews of HSBC MF, Mr. F Q Kolman of UTI MF, Mr. Sanjay Sapre of Franklin Templeton MF, Mr. Prashant Pereira of Reliance MF, Mr. V R Narsimhan and Mr. R Krishnan of Kotak MF, Mr. Gopal Menon of Standard Chartered MF, Mr. John Mathews of HFDC MF, Mr. Ashok Suvarna of Prudential ICICI MF and Mr. Srikar Baljekar of Fidelity MF.

INVESTOR AWARENESS PROGRAMME

During the quarter the members have conducted around 350 investor awareness / investor meet programmes at 110 different locations.

CONFERENCES AND SEMINARS

Chairman AMFI, was invited to make a special address at the 7th National Summit 'Multiplying your wealth with Mutual Funds & Investors 'Protection', organized by ASSOCHAM at Ahmedabad on August 19, 2006. Mr. Sandesh Kirkire of Kotak MF, Mr. Navneet Munot of Birla Sunlife MF, Mr. R S Srinivas of SBI MF, Mr. Shailendra Jhingan of HSBC MF and Mr. Prateek Agrawal of ABN AMRO MF presented papers in different sessions at the summit.

Chairman AMFI, was the Chief Guest and delivered the inaugural address at the programme organized by the Andean Institute of Management Studies, Mumbai on September 9, 2006.

Chairman AMFI, spoke at the launch function of the International Association of Registered Financial Consultants India (IARFC) on September 12, 2006 at Mumbai and spoke on 'Need for Financial Planning Professionals'.

Chairman AMFI, was a speaker at a conference titled 'Bullion : Is India ready for Global Products ?' jointly organized by Dun & Bradstreet Financial Education Solutions and the Multi Commodity Exchange of India Ltd. (MCX) at Mumbai, on September 15, 2006 and spoke on 'Investing in Gold'. Mr. Nilesh Shah, Chief Investment Officer of Prudential ICICI MF also participated in the panel discussions at the conference.

Chairman AMFI, delivered the keynote address at the Investors Awareness Programme organized by Wise Intermediary Services Pvt. Ltd. on September 27, 2006 at Mysore.

Chairman AMFI, was invited as speaker at the 2nd Annual Funds World summit organized by Terrapinn Pte Ltd. at Mumbai on October 3, 2006 and spoke on 'Examining the growth of Mutual Fund Industry in India'. Mr. Deepak Chawla of SBI MF presented a paper on 'The power of retail participation in mutual funds - The

success and challenges from an Indian Mutual Fund's perspective'. Mr. Naval B Kumar of Standard Chartered MF, Mr. Vikrant Gugnani of Reliance MF, Mr. Nikhil Johri of ABN AMRO MF and Mr. Mihir Vohra of HSBC MF participated in the panel discussion 'Assessing India's increasingly important role in the global funds industry: How can India compete on a global platform'. The session was moderated by Chairman AMFI. Mr. Waquar Naqvi of Birla Sunlife MF spoke on 'The role of mutual funds in the new Indian pension system'.

AMFI CERTIFICATION AND REGISTRATION PROGRAMME

During the quarter, 3,855 candidates have cleared the AMFI certification test, 1,983 through the online test at the NSE centers and 1,872 were successful in the written test held in 76 cities. As at the end of September 2006, a total of 86,941 candidates have cleared the test, of which 50,435 have registered with AMFI. The details of the AMFI registered Mutual Fund Agent Distributors are available on the AMFI website.

MUTUAL FUND INDUSTRY

Second quarter July - September 2006

- 72 New Schemes were launched in the quarter and a sum of Rs. 22,423 crores was mobilised - Rs. 20,807 crores under Income Schemes, Rs. 1,375 crores

under Equity Schemes and Rs. 241 crores under the Liquid / Money Market Schemes. (Table 2.1)

- Total Funds mobilised for the quarter stood at Rs. 4,11,917 crores as against Rs. 2,88,322 crores for the corresponding quarter last year representing an increase of 43 %. (Table 2.3)
- Redemptions at Rs. 4,03,976 crores were 53 % higher than the redemptions of Rs. 2,64,107 crores in the corresponding quarter last year. (Table 3)
- Thus on a net basis, there was an inflow of Rs. 7,995 crores as compared with a net inflow of Rs. 24,215 crores in the corresponding quarter last year. (Table 3)
- Data on Fund of Funds is given in Table 4.
- Category wise Assets Under Management is given in Table 5.
- The Assets Under Management as on September 30, 2006 stood at Rs. 2,91,206 crores as against Rs. 2,01,669 crores as at the end of the corresponding quarter last year, registering an increase of 44.40 %.
- The Assets Under Management of each Asset Management Company is given in Table 6.

MUTUAL FUND DATA FOR THE QUARTER JULY - SEPTEMBER 2006

TABLE - 1

(Rs. in Crore)

	CATEGORY	SALES - ALL SCHEMES				REDEMPTIONS ALL SCHEMES		TOTAL ASSETS UNDER MANAGEMENT AS ON 30.09.2006	
		From New Schemes #		From Existing Schemes	Total for the Quarter	Total for the Year to Date	Total for the Quarter		Total for the Year to Date
		No.	Amount	Amount					
A	BANK SPONSORED								
	I JOINT VENTURES - PREDOMINANTLY INDIAN (1)	-	-	11,105	11,105	22,017	10,947	20,293	15,101
		2	3,070	11,810	14,880	23,137	11,816	19,577	10,704
		-	-	31,489	31,489	62,940	29,480	56,137	37,574
	II OTHERS (3)	-	-	22,848	22,848	38,540	21,684	36,938	27,043
	TOTAL(I+II)	-	-	42,594	42,594	84,957	40,427	76,430	52,675
		2	3,070	34,658	37,728	61,677	33,500	56,515	37,747
B	INSTITUTIONS (1)	3	906	28,443	29,349	46,857	26,792	41,647	10,277
		-	-	8,425	8,425	12,401	7,760	11,684	4,238
C	PRIVATE SECTOR								
	I INDIAN (10)	29	12,281	85,166	97,447	195,715	92,906	181,694	63,092
		14	5,062	74,838	79,900	128,313	71,499	118,095	45,151
	II JOINT VENTURES - PREDOMINANTLY INDIAN (5)	15	4,445	119,628	124,073	267,170	126,570	254,605	88,224
		4	1,229	43,727	44,956	84,139	43,368	80,617	37,311
	III JOINT VENTURES - PREDOMINANTLY FOREIGN (9)	25	4,791	113,717	118,508	231,388	117,281	211,663	76,938
		6	3,557	113,756	117,313	213,577	107,980	196,370	77,222
	TOTAL(I+II+III)	69	21,517	318,511	340,028	694,273	336,757	647,962	228,254
		24	9,848	232,321	242,169	426,029	222,847	395,082	159,684
	GRAND TOTAL (A+B+C)	72	22,423	389,548	411,971	826,087	403,976	766,039	291,206
		26	12,918	275,404	288,322	500,107	264,107	463,281	201,669

Notes:

- 1 Data is provisional & hence subject to revision.
- 2 # Only New Schemes where allotment is completed.
- 3 Figures in RED denote figures for the corresponding period of the previous year.

TABLE - 2

SALES DURING THE QUARTER JULY - SEPTEMBER 2006 - TYPE AND CATEGORY WISE

2.1 * New Schemes Launched (Allotment Completed)

(Rs. in Crore)

	Open End		Close End		TOTAL	
	No. of Schemes	Amount	No. of Schemes	Amount	No. of Schemes	Amount
INCOME	2	1,475	64	19,332	66	20,807
	5	1,504	8	2,424	13	3,928
GROWTH	1	651	3	724	4	1,375
	11	8,316	-	-	11	8,316
BALANCED	-	-	-	-	-	-
	-	-	1	4	1	4
LIQUID/MONEY MARKET	2	241	-	-	2	241
	-	-	-	-	-	-
GILT	-	-	-	-	-	-
	-	-	-	-	-	-
ELSS	-	-	-	-	-	-
	1	670	-	-	1	670
TOTAL	5	2,367	67	20,056	72	22,423
	17	10,490	9	2,428	26	12,918

2.2 Existing Schemes

(Rs. in Crore)

	Open End		Close End		TOTAL	
	No. of Schemes	Amount	No. of Schemes	Amount	No. of Schemes	Amount
INCOME	129	21,654	58	^3,804	187	25,458
	128	42,478	26	^1,079	154	43,557
GROWTH	198	11,028	5	5	203	11,033
	157	11,556	1	-	158	11,556
BALANCED	34	731	2	-	36	731
	34	1,119	1	-	35	1,119
LIQUID/MONEY MARKET	48	351,523	-	-	48	351,523
	41	218,273	-	-	41	218,273
GILT	28	475	-	-	28	475
	29	616	-	-	29	616
ELSS	26	328	9	-	35	328
	21	283	11	-	32	283
TOTAL	463	385,739	74	3,809	537	389,548
	410	274,325	39	1,079	449	275,404

Notes : 1. The change in number of existing schemes is because of the maturity and reclassification of some of the existing schemes.

2. ^ Amount mobilised by new plans launched under existing scheme

2.3 Total of all Schemes

(Rs. in Crore)

	Open End		Close End		TOTAL	
	No. of Schemes	Amount	No. of Schemes	Amount	No. of Schemes	Amount
INCOME	131	23,129	122	23,136	253	46,265
	133	43,982	34	3,503	167	47,485
GROWTH	199	11,679	8	729	207	12,408
	168	19,872	1	-	169	19,872
BALANCED	34	731	2	-	36	731
	34	1,119	2	4	36	1,123
LIQUID/MONEY MARKET	50	351,764	-	-	50	351,764
	41	218,273	-	-	41	218,273
GILT	28	475	-	-	28	475
	29	616	-	-	29	616
ELSS	26	328	9	-	35	328
	22	953	11	-	33	953
TOTAL	468	388,106	141	23,865	609	411,971
	427	284,815	48	3,507	475	288,322

*NEW SCHEMES :
 OPEN END INCOME : DSP Merrill Lynch Liquid Plus Fund and Fidelity Short Term Income Fund
 OPEN END GROWTH : JM Arbitrage Advantage Fund.
 OPEN END LIQUID : JM Money Manager Fund and Taurus Liquid Fund
 CLOSE END INCOME : ABN AMRO Fixed Term Plan Series 2 Quarterly Plan E, ABN AMRO Fixed Term Plan Series 3 Quarterly Plan A, ABN AMRO Fixed Term Plan Series 3 Quarterly Plan B, ABN AMRO Fixed Term Plan Series 3 Yearly Plan, ABN AMRO FTP Series 3 Quarterly Plan C, ABN AMRO FTP Series 3 Quarterly Plan D, Birla Fixed Term Plan Quarterly Series 3, Birla Fixed Term Plan Series L, Cholaf FMP Series 4 (Quarterly Plan III), Cholaf FMP Series 4 (Quarterly Plan - I), Cholaf FMP Series 4 (Quarterly Plan - II), DSP Merrill Lynch Fixed Term, Plan Series 1D, DWS Fixed Term Fund 12, DWS Fixed Term Fund 16, DWS Fixed Term Series 14, DWS FTF Series 13, DWS FTF Series 15, Franklin Templeton Fixed Tenure Fund Series VI 60 Months Plan, HDFC FMP 13M August 2006(1), HDFC FMP 13M July 2006 (1), HDFC FMP 26M August 2006(1), HDFC FMP 3M August 2006 (1), HDFC FMP 3M July 2006 (1) and HDFC FMP 6M July 2006 (1). HSBC Fixed Term Series 14, HSBC FT Series 15, ING Vysya Fixed Maturity Fund Series XI, ING Vysya Fixed Maturity Fund Series XV, ING Vysya Fixed Maturity Series XIV, JM FMP Series III- Monthly Plan, JM FMP Series III - Quarterly Plan FMP Q2, Quarterly Plan FMP Q1, Kotak FMP 3M Series 2, Kotak FMP 3M Series 3, Kotak FMP 3M Series 4, Kotak FMP Series 26, Kotak Twin Advantage Series III, LIC MF FMP, LIC MF FMP Series VIII, LIC MF FMP Series X, Principal Pnb Fixed Duration Fund 3 Year Plan Series I, Principal Pnb Fixed Duration Fund 91 Day Series IV, Principal Pnb Fixed Maturity Plan 460 days Series II, Principal Pnb FMP 91 Days Series IV, Prudential ICICI Fixed Maturity Plan Series 30 - 13 Months Plan, Prudential ICICI Fixed Maturity Plan Series 32 - 3 Months Plan A, Prudential ICICI FMP Series 32 - 3 Months Plan C, Prudential ICICI Hybrid FMP 13 Months Plan, Reliance Fixed Horizon Fund I Annual Plan Series II, Reliance Fixed Horizon Fund I Quarterly Plan Series I, Reliance Fixed Horizon Fund Plan - A Series IV, Reliance Fixed Horizon Fund Plan A Series V, Reliance Fixed Horizon Fund Plan A Series VI, Reliance Fixed Horizon Fund Plan Annual Plan I Series I, Reliance Fixed Horizon Fund Plan B Series IV, Reliance Fixed Horizon Fund Plan B Series V, Reliance Fixed Horizon Fund Plan C Series I, Standard Chartered Fixed Maturity 6th Plan, Standard Chartered FM 9th Plan, Sundaram BNP Paribas FTP Series IX, Tata Fixed Horizon Fund Series 5 Scheme D, Tata Fixed Horizon Fund Series 5 Scheme E, Tata Fixed Horizon Fund Series 6 Scheme A and Tata Fixed Horizon Fund Series 6 Scheme G.
 CLOSE END GROWTH : ING Vysya CUB, Tata Capital Builder Fund and Tata Equity Management Fund.

TABLE - 3
REDEMPTIONS / REPURCHASES DURING THE QUARTER JULY - SEPTEMBER 2006

	Open End	Close End	TOTAL	(Rs. in Crore) Net Inflow/ (Outflow)
INCOME	17,853	11,013	28,866	17,399
	41,010	3,386	44,396	3,089
GROWTH	12,559	24	12,583	(175)
	12,489	2	12,491	7,381
BALANCED	581	-	581	150
	793	-	793	330
LIQUID/MONEY MARKET	360,950	-	360,950	(9,186)
	205,296	-	205,296	12,977
GILT	958	-	958	(483)
	1,058	-	1,058	(442)
ELSS	19	19	38	290
	33	40	73	880
TOTAL	392,920	11,056	403,976	7,995
	260,679	3,428	264,107	24,215

Table - 4
DATA ON FUND OF FUNDS FOR THE QUARTER JULY - SEPTEMBER 2006

	No. of Schemes	Sales	Redemptions	(Rs. In Crore) Assets under Management as on 30.09.2006
Fund of Funds	19 *	583 *	304	1674
	11	102	267	755

Notes:1. Fund of Funds (FOF) is a scheme wherein the assets are invested in the existing schemes of mutual funds and hence, the figures indicated herein are included in tables 1 to 3 and tables 5 and 6. Data on Fund of Funds is given for information only.

*2. Includes New Scheme - Kotak Flexi FOF Series II and OptiMix Asset Allocator Multi-Manager FOF Scheme.

TABLE - 5
ASSETS UNDER MANAGEMENT AS ON SEPTEMBER 30, 2006
TYPE AND CATEGORY WISE

	Open End	Close End	TOTAL	(Rs. in Crore) % to Total
INCOME	34,589	37,515	72,104	25
	46,402	7,731	54,133	27
GROWTH	92,594	8,590	101,184	35
	57,736	2,083	59,819	29
BALANCED	7,079	832	7,911	3
	5,432	753	6,185	3
LIQUID/MONEY MARKET	100,622	-	100,622	34
	74,058	-	74,058	37
GILT	2,133	-	2,133	1
	3,893	-	3,893	2
ELSS	5,807	1,445	7,252	2
	2,068	1,513	3581	2
TOTAL	242,824	48,382	291,206	100
	189,589	12,080	201,669	100

Figures in RED denote figures for the corresponding period of the previous year.

TABLE - 6
Assets Under Management as on SEPTEMBER 30, 2006

(Rs. in Crore)

Sr. No.	Name of the Asset Management Company	Assets Under Management
A	BANK SPONSORED	
(i)	JOINT VENTURES - PREDOMINANTLY INDIAN	
1	SBI Funds Management Pvt. Ltd.	15,101
	TOTAL A (i)	15,101
(ii)	OTHERS	
1	BOB Asset Management Co. Ltd.	200
2	Canbank Investment Management Services Ltd.	2,619
3	UTI Asset Management Co. Pvt. Ltd.	34,755
	TOTAL A (ii)	37,574
	TOTAL A (i+ii)	52,675
B	INSTITUTIONS	
1	LIC Mutual Fund Asset Management Co. Ltd.	10,277
	TOTAL B	10,277
C	PRIVATE SECTOR	
(i)	INDIAN	
1	Benchmark Asset Management Co. Pvt. Ltd.	3,882
2	DBS Cholamandalam Asset Management Ltd.	2,171
3	Escorts Asset Management Ltd.	118
4	J.M. Financial Asset Management Pvt. Ltd.	4,271
5	Kotak Mahindra Asset Management Co. Ltd.	10,949
6	Quantum Asset Management Co. Pvt. Ltd.	39
7	Reliance Capital Asset Management Ltd.	28,648
8	Sahara Asset Management Co. Pvt. Ltd.	228
9	Tata Asset Management Ltd.	12,500
10	Taurus Asset Management Co. Ltd.	286
	TOTAL C (i)	63,092
(ii)	JOINT VENTURES - PREDOMINANTLY INDIAN	
1	Birla Sun Life Asset Management Co. Ltd.	14,615
2	DSP Merrill Lynch Fund Managers Ltd.	11,467
3	HDFC Asset Management Co. Ltd.	25,639
4	Prudential ICICI Asset Management Co. Ltd.	30,210
5	Sundaram BNP Paribas Asset Management Co. Ltd.	6,293
	TOTAL C (ii)	88,224
(iii)	JOINT VENTURES - PREDOMINANTLY FOREIGN	
1	ABN AMRO Asset Management (India) Ltd.	4,618
2	Deutsche Asset Management (India) Pvt. Ltd.	5,478
3	Fidelity Fund Management Pvt. Ltd.	5,378
4	Franklin Templeton Asset Management (India) Pvt Ltd.	23,060
5	HSBC Asset Management (India) Pvt. Ltd.	9,523
6	ING Investment Management (India) Pvt. Ltd.	3,725
7	Morgan Stanley Investment Management Pvt. Ltd.	2,834
8	Principal Pnb Asset Management Co.Pvt. Ltd.	10,557
9	Standard Chartered Asset Management Co. Pvt. Ltd.	11,765
	TOTAL C (iii)	76,938
	TOTAL C (i+ii+iii)	228,254
	TOTAL (A+B+C)	291,206

Association of Mutual Funds in India

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