

**AMFI**

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# UPDATE

A Newsletter of The Association of Mutual Funds in India

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## *From the Chairman's Desk*

The new fiscal year has started with an encouraging note for the mutual fund industry. The first quarter data presented in this Update reveals an impressive growth in the mobilisation by mutual funds. The first quarter also witnessed the launch of innovative products like sector funds, gilt funds, income funds with periodic payment facility, umbrella funds and cheque writing facility for money market mutual funds. There is growing evidence of investor interest in mutual funds and it augers well for the industry.

This Update covers the data for last quarter of the previous fiscal as well as data for the year gone by. It includes the first quarter data of the current fiscal. This has been made possible because of the co-operation and support extended by the members and we look forward to their timely transmission of data to us. Let us help each other to come out with the Update on time.

Yours,

A. P. Kurian

July 28, 1999

## COMMITTEE UPDATE - A JOINT EFFORT

### Committee on Training and Testing Programme for mutual fund Employees and Intermediaries

To enable the employees of the mutual fund to have a holistic understanding of the working of mutual funds in all its relevant aspects and also update their knowledge base, AMFI proposes to develop a training and testing programme in association with National Stock Exchange. This programme will also have a separate module for intermediaries engaged in selling mutual fund products. A committee has been set up to formulate the programme with Mr. Ajai Kaul of Alliance Capital as Chairman and Mr. Ajay Srinivasan of Prudential ICICI, Mr. D. C. Anjaria a Consultant and Mr. Ashish Chauhan of NSE as members.

## VALUATION OF SECURITIES UPDATE

### Committee on Valuation of Non-Traded and Thinly Traded Equities

In order to further refine the existing guidelines as well as to develop a uniform methodology for valuation of non-traded and thinly traded equities, AMFI has constituted a committee with Mr. K. N. Atmaramani of Tata Mutual fund as the Chairman and Mr. Madhava Kumar of Unit Trust of India, Mr. V. Ramanan of LIC Mutual fund, Mr. Rajat Jain of SBI Mutual fund and Mr. Clifford D'souza of Morgan Stanley as members. The Committee has presented its report which is being finalised.

## TRAINING PROGRAMME

The second phase of the training programme was conducted in 14 centres covering 680 agents. Thus in all 29 training programmes covering 13 cities have been conducted for a total of 1500 agents and intermediaries.

This programme will now be conducted as per the requirements of individual members and/or the distributing companies. Mutual funds and marketing intermediaries are requested to avail of this facility and contact AMFI.

## NEWS UPDATE

On the invitation of the Investment Company Institute (ICI) which is the trade body of all mutual

funds in United States, the Chairman of AMFI attended its Annual Membership meeting at Washington DC in May 1999 which was found extremely useful from the standpoint of understanding the latest developments in the mutual fund industry as well as establishing professional relationship with mutual funds and the trade bodies.

Chairman AMFI presented a paper on the Indian Mutual fund industry at the seminar organised by the Malabar Chamber of Commerce at Calicut. The Forum of Free Enterprises had organised a seminar on mutual fund industry which was well attended. Chairman AMFI and Mr. K. N. Atmaramani of Tata Mutual Funds presented a paper each on development of Indian mutual fund industry and technical aspects of mutual fund respectively, while Mr. Kanu Doshi, a tax consultant presented a paper on latest developments on tax matters relating to the mutual fund industry.

The West India Council of Indo American Chamber of Commerce in association with AMFI organised a breakfast meeting on July 15, 1999 in Mumbai which was addressed by Mr. Donald A. Stewart, Chairman and Chief Executive Officer, Sun Life Assurance Company of Canada. He spoke on "Convergence of Asset Management, Pension Funds and Life Insurance -Experience in North America- Relevance for India". The programme was well attended.

## AMFI WEBSITE

During the first quarter, AMFI website was visited by about 3200 people, half of whom were from outside India.

## MUTUAL FUND INDUSTRY DATA

### A) Fourth Quarter - January - March 1999

The fourth quarter - January- March' 1999 data are presented in Tables 1, 2 and 3. The following are the highlights:

- 8 new schemes were launched - 3 income schemes, 2 growth schemes, 1 liquid scheme and 2 Equity Linked Savings Schemes which together collected Rs.513 crores.
- Existing schemes mobilised Rs. 4,296 crores. Thus the total mobilisation during the quarter

was Rs. 4,809 crores under 277 schemes which was slightly lower than Rs.5,021 crores of the previous quarter.

- Redemptions were considerably lower at

Rs.4,364 crores as against Rs.8,984 crores of the previous quarter.

- The Assets under management at the end of March 1999 were Rs.68,472 crores.

### MUTUAL FUND DATA FOR THE FOURTH QUARTER JANUARY - MARCH, 1999

TABLE - 1

(Rs. In crores)

Category	No of Schemes Launched during the Quarter	Sales - All Schemes				Redemptions All Schemes		Assets Under Management
		From New Schemes	From Existing Schemes	Total for the Quarter	Total for the Year 98 - 99	Total for the Quarter	Total for the year 98 - 99	As on 31.3.99
A Unit Trust of India	1	1	1568	1569	11679	2185	13364	53320
B Bank Sponsored (6)	1	185	32	217	420	161	772	5481
C Institutions (3)	1	4	406	410	1312	106	512	2811
D Private Sector								
I Indian (7)	2	252	94	346	2739	328	2636	1016
II Joint Ventures - Predominantly Indian (7)	3	71	1195	1266	3019	840	2290	3040
III Joint Ventures - Predominantly Foreign (8)	-	-	1001	1001	2208	744	1458	2804
Total(I+II+III)	5	323	2290	2613	7966	1912	6384	6860
Grand total (A+B+C+D)	8	513	4296	4809	21377	4364	21032	68472

Notes:

1. Assets under management of Unit Trust of India at book value and include net income.
2. Data is provisional & hence subject to correction.
3. Figures in brackets denote number of funds.

### SALES DURING FOURTH QUARTER : JANUARY - MARCH, 1999

TABLE 2

#### 2.1 New Schemes Launched

(Rs. In crores)

	Open End		Close End		Assured Return		Total	
	No.of schemes	Amount	No.of Schemes	Amount	No.of schemes	Amount	No.of schemes	Amount
Income	-	-	3	250	-	-	3	250
Growth	2	17	-	-	-	-	2	17
Balanced	-	-	-	-	-	-	-	-
Liquid	1	240	-	-	-	-	1	240
ELSS	-	-	2	6	-	-	2	6
Total	3	257	5	256	-	-	8	513

#### 2.2 Existing Schemes

(Rs. In crores)

	Open End		Close End		Assured Return		Total	
	No.of schemes	Amount	No.of Schemes	Amount	No.of schemes	Amount	No.of schemes	Amount
Income	35	1396	33	96	29	638	97	2130
Growth	37	693	44	31	-	-	81	724
Balanced	11	77	6	-	-	-	17	77
Liquid	16	1365	-	-	-	-	16	1365
ELSS	-	-	58	-	-	-	58	-
Total	99	3531	141	127	29	638	269	4296

**2.3 Total of All Schemes****(Rs. In crores)**

	Open End		Close End		Assured Return		Total	
	No.of schemes	Amount	No.of Schemes	Amount	No.of schemes	Amount	No.of schemes	Amount
Income	35	1396	36	346	29	638	100	2380
Growth	39	710	44	31	-	-	83	741
Balanced	11	77	6	-	-	-	17	77
Liquid	17	1605	-	-	-	-	17	1605
ELSS	-	-	60	6	-	-	60	6
<b>Total</b>	<b>102</b>	<b>3788</b>	<b>146</b>	<b>383</b>	<b>29</b>	<b>638</b>	<b>277</b>	<b>4809</b>

**REDEMPTIONS/REPURCHASES DURING FOURTH QUARTER JANUARY - MARCH, 1999****TABLE 3****(Rs. In crores)**

	Open End	Close End	Assured Return	Total
Income	1711	53	73	1837
Growth	556	458	-	1014
Balanced	44	7	-	51
Liquid	1350	-	-	1350
ELSS	-	112	-	112
<b>Total</b>	<b>3661</b>	<b>630</b>	<b>73</b>	<b>4364</b>

**B) Annual Data - April 1998-March 1999**

Based on the Monthly Statistical Reports, we have compiled the annual data for 1998-99 which are presented in tables 4,5 and 6. These data are provisional and subject to variation from the audited published data which will become available only by September or so for all funds. The quarter wise data published in the earlier issues have also been revised wherever necessary.

During 1998-99, 40 new schemes were launched which together mobilised Rs.9,657 crores

accounting for 45% of the total mobilisation of Rs. 21,377 crores, up by 14% over the previous year's mobilisation of Rs.18,701 crores. About 64% of the funds mobilised during the year was under the income schemes.

Total redemption was as high as Rs.21,032 crores indicating that on a net basis there was hardly any addition to the total assets under management which at the end of March 1999 were Rs.68,472 crores marginally lower than Rs.68,984 crores at the end of March 1998.

**ANNUAL SALES :- APRIL '98 - MARCH '99****TABLE 4****4.1 New Schemes Launched****(Rs. In crores)**

	Open End		Close End		Assured Return		Total	
	Nos.	Amount	Nos.	Amount	Nos.	Amount	Nos.	Amount
Income	5	443	7	1053	7	5566	19	7062
Growth	9	985	2	115	-	-	11	1100
Balanced	-	-	-	-	-	-	-	-
Liquid	6	1084	-	-	-	-	6	1084
Money Market	2	405	-	-	-	-	2	405
ELSS	-	-	2	6	-	-	2	6
<b>Total</b>	<b>22</b>	<b>2917</b>	<b>11</b>	<b>1174</b>	<b>7</b>	<b>5566</b>	<b>40</b>	<b>9657</b>

**4.2 All Schemes****(Rs. In crores)**

	Open End		Close End		Assured Return		Total	
	Nos.	Amount	Nos.	Amount	Nos.	Amount	Nos.	Amount
Income	35	6901	36	1264	29	5573	100	13738
Growth	39	1705	44	218	-	-	83	1923
Balanced	11	161	6	-	-	-	17	161
Liquid	11	3464	-	-	-	-	11	3464
Money Market	6	2083	-	-	-	-	6	2083
ELSS	-	-	60	8	-	-	60	8
<b>Total</b>	<b>102</b>	<b>14314</b>	<b>146</b>	<b>1490</b>	<b>29</b>	<b>5573</b>	<b>277</b>	<b>21377</b>

**ANNUAL REDEMPTION :- APRIL '98 - MARCH '99**

**TABLE 5**

**Rs. In crores**

	Open End	Close End	Assured Return	Total
Income	8673	2254	1977	12904
Growth	1323	1349	-	2672
Balanced	218	30	-	248
Liquid	3043	-	-	3043
Money Market	1704	-	-	1704
ELSS	-	461	-	461
<b>Total</b>	<b>14961</b>	<b>4094</b>	<b>1977</b>	<b>21032</b>

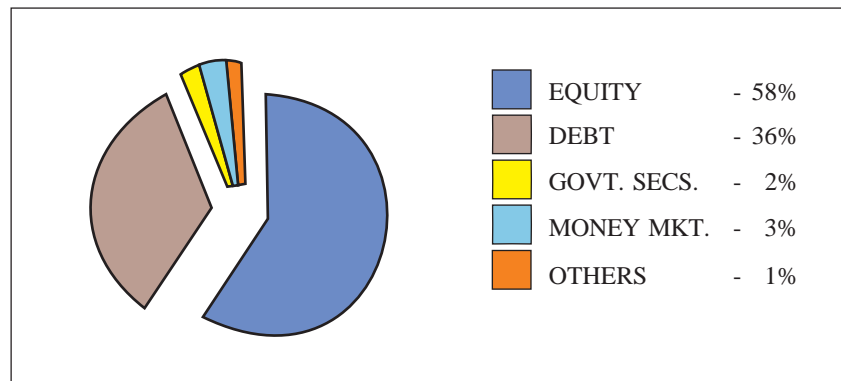
**TOTAL ASSETS UNDER MANAGEMENT AS AT THE END OF MARCH, 1999**

**TABLE 6**

**(Rs. In crores)**

	Open End		Close End		Assured Return		Total	
	No.of schemes	Amount	No.of Schemes	Amount	No.of schemes	Amount	No.of schemes	Amount
Income	35	29905	36	3674	29	14793	100	48372
Growth	39	5732	44	8890	-	-	83	14622
Balanced	11	511	6	1398	-	-	17	1909
Liquid	11	612	-	-	-	-	11	612
Money Market	6	480	-	-	-	-	6	480
ELSS	-	-	60	2477	-	-	60	2477
<b>Total</b>	<b>102</b>	<b>37240</b>	<b>146</b>	<b>16439</b>	<b>29</b>	<b>14793</b>	<b>277</b>	<b>68472</b>

Asset wise classification of total assets under management is shown in the Pie Chart below :



**C) First Quarter of the current fiscal - April - June 1999.**

Tables 7, 8 and 9 present the relevant data.

The first quarter witnessed the launch of as many as 18 schemes and what is noteworthy is that 11 out of 18 were growth schemes. The total collection during the quarter at Rs.8,762 crores set

a new record for the quarter - 115% more than the corresponding quarter of the previous year.

Redemption at Rs.4,362 crores was almost the same as that of the previous quarter. As a result of the larger net inflow, the asset under management increased to Rs. 77,797 crores as at the end of June 1999.

**TABLE 7 : MUTUAL FUND DATA FOR THE FIRST QUARTER APRIL - JUNE, 1999****(Rs. In crores)**

Category	No of Schemes Launched during the Quarter	Sales - All Schemes			Redemptions All Schemes	Assets Under Management
		From New Schemes	From Existing Schemes	Total for the Quarter		
					Total for the Quarter	As on 30.6.99
A Unit Trust of India	4	2812	1112	3924	1916	61000
B Bank Sponsored (6)	5	301	123	424	154	4647
C Institutions (3)	-	-	141	141	166	2671
D Private Sector						
I Indian (7)	-	-	823	823	537	1512
II Joint Ventures - Predominantly Indian (7)	5	164	1296	1460	752	3732
III Joint Ventures - Predominantly Foreign (10)	4	212	1778	1990	837	4235
Total(I+II+III)	9	376	3897	4273	2126	9479
Grand Total (A+B+C+D)	18	3489	5273	8762	4362	77797

Notes: (1) Assets under management of Unit Trust of India as per press release dated July 2, 1999. (2) Data is provisional & hence subject to correction. (3) Figures in brackets denote number of funds.

**TABLE 8 : SALES DURING FIRST QUARTER : APRIL - JUNE, 1999 - TYPE AND CATEGORY WISE****8.1 New Schemes Launched****(Rs. in crores)**

	Open End		Close End		Assured Return		Total	
	No.of schemes	Amount	No.of Schemes	Amount	No.of schemes	Amount	No.of schemes	Amount
Income	3	115	-	-	1	2700	4	2815
Growth	11	546	-	-	-	-	11	546
Balanced	2	111	-	-	-	-	2	111
Liquid	1	17	-	-	-	-	1	17
Money Market	-	-	-	-	-	-	-	-
ELSS	-	-	-	-	-	-	-	-
Total	17	789	-	-	1	2700	18	3489

**8.2 Existing Schemes****(Rs. in crores)**

	Open End		Close End		Assured Return		Total	
	No.of schemes	Amount	No.of Schemes	Amount	No.of schemes	Amount	No.of schemes	Amount
Income	34	1642	34	117	31	-	99	1759
Growth	39	468	44	95	-	-	83	563
Balanced	12	513	6	-	-	-	18	513
Liquid	11	1705	-	-	-	-	11	1705
Money Market	6	730	-	-	-	-	6	730
ELSS	-	-	60	3	-	-	60	3
Total	102	5058	144	215	31	-	277	5273

**8.3 Total of all schemes****(Rs. In crores)**

	Open End		Close End		Assured Return		Total	
	No.of schemes	Amount	No.of Schemes	Amount	No.of schemes	Amount	No.of schemes	Amount
Income	37	1757	34	117	32	2700	103	4574
Growth	50	1014	44	95	-	-	94	1109
Balanced	14	624	6	-	-	-	20	624
Liquid	12	1722	-	-	-	-	12	1722
Money Market	6	730	-	-	-	-	6	730
ELSS	-	-	60	3	-	-	60	3
Total	119	5847	144	215	32	2700	295	8762

**TABLE 9 : REDEMPTION / REPURCHASE DURING FIRST QUARTER APRIL - JUNE, 1999****(Rs. In crores)**

	Open end	Close end	Assured Return	Total
Income	567	41	15	623
Growth	495	304	-	799
Balanced	977	7	-	984
Liquid	1152	-	-	1152
Money Market	669	-	-	669
ELSS	-	135	-	135
Total	3860	487	15	4362