

AMFI



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UPDATE

A Newsletter of the Association of Mutual Funds in India

April - June 2005 Vol : V Issue : I

FROM THE CHAIRMAN'S DESK

The first quarter of the new fiscal has continued the trend witnessed in the previous year, with as many as 27 new schemes launched during the quarter.

There is a perceptible shift towards equity with AUM under equity schemes moving upwards to 26 per cent from 14 per cent a year ago. While this is encouraging, the overall growth of the industry remains sluggish. Members need to focus on adding new accounts and reach out to the retail segment. These are continuing challenges for the Industry. While efforts are being made by members to set up new branches, franchisees, channel partners etc, there is an urgent need to put this in a fast track mode.

AMFI, on its part is continuing its efforts through IICM to conduct AMFI certification tests in different cities, thus building up the agent distributor network. For instance, in the first half of calendar 2005, 155 written tests were conducted at 66 locations. This is in addition to the daily online testing offered through the six NSE testing centers. Together they have cleared more than 8,000 candidates during this period. Thus a countrywide net work of agent distributors is being built up to enable the members to intensify their efforts to bring in more retail clientele.

Yours truly,

A handwritten signature in black ink, appearing to read 'A. P. Kurian', with a horizontal line underneath.

A. P. Kurian
Chairman

1st August, 2005

SEBI UPDATE

Circulars issued by SEBI.

Minimum Number of Investors in Scheme(s)/Plan(s) of Mutual Funds

Circular number SEBI/IMD/CIR No. 1/42529/05 dated June 14, 2005.

SEBI has vide the above referred circular, clarified that the 20/25 rule will be applicable at the Portfolio level. The circular has also spelt out the modalities for determining the breach of the 25 % limit by an investor.

Sebi (Central Database Of Market Participants) Regulations, 2003

Circular number MAPIN/Cir-13/2005 dated July 1, 2005

SEBI has advised that pending final view, on the report of the Committee on Unique Identification Number (UIN) under SEBI (Central Database of Market Participants) Regulations 2003 (MAPIN), it has decided to suspend all fresh registrations for obtaining UIN and the requirement to obtain / quote UIN under the MAPIN Regulations / Circulars with effect from July 1, 2005.

GENERAL MEMBERSHIP MEETING

A General Membership meeting of AMFI Members was held on July 7, 2005

to discuss various issues relating to the Industry.

COMMITTEES / WORKING GROUPS

NEW COMMITTEES AND WORKING GROUPS

Technical Working group: AMFI has constituted a working group to revamp the AMFI website. Mr. George Cherian of JM Financial Mutual Fund is the Convener of the group. Mr. Kalyan Prasanth of Pru ICICI, Mr. Raghvendra Nath of Birla Mutual Fund and Mr. Prashant Pandit of Principal are its members.

Working group on simplification of Offer Document and Key Information Memorandum

: The AMFI working group constituted earlier to simplify the Key Information Memorandum has now been requested to suggest ways of simplifying the Offer Document and Key Information Memorandum. Mr. Lalit Vermani of Birla Mutual Fund is the Convenor of the group and Ms. Kashmira Mathew of HSBC, Mr. Rana Ranjan of DSP, Mr. Sanjay Lakra of JM and Ms. Sudha Pillay of UTI MF are its members.

AMFI ON OTHER COMMITTEES

Chairman AMFI was nominated on the RBI working group on Liquidity of State

Government Securities. The group has since submitted its report to the RBI.

INVESTOR AWARENESS PROGRAMME

Chairman AMFI presided over an Investor Awareness Programme organised by Geojit Financial Services Ltd. at Ahmedabad on June 28, 2005 and spoke on 'Investment Avenues'.

During the quarter the members have conducted around 475 investor awareness / investor meet programmes at about 100 different locations.

CONFERENCES AND SEMINARS

Chairman AMFI delivered the key note address at the "Mutual Fund Financial Advisors Update Meet" organised by Wise Intermediary Services Pvt. Ltd. at Bangalore, on June 13, 2005 and interacted with the Financial Advisors.

AMFI members were actively involved at the 'CII Mutual Fund Summit 2005' held on June 15-16, at Mumbai. Mr. P G R Prasad of SBI Mutual Fund, was the Chairman of the Organising Committee of the Summit, with Mr. S V Prasad of Birla Mutual Fund, as its Vice Chairman. Both of them along with Messers Naresh Garg of Sahara Mutual Fund and Sandeep Dasgupta of Deutsche Mutual

Fund addressed various sessions. Mr. AP Kurian, Chairman AMFI, gave an overview of the Mutual Fund Industry at the inaugural session and also chaired a session on 'At the Cross Roads of Financial Intermediation'.

MEETING WITH DELEGATION FROM BANGLADESH

A delegation from Bangladesh comprising senior officials from the Securities and Exchange Commission, Bangladesh Bank and Ministry of Finance, Government of Bangladesh had a meeting with Chairman AMFI on June 21, 2005. Chairman AMFI briefed them about the regulatory frame work within which the Indian Mutual Fund Industry operates and the present status of the Industry.

AMFI CERTIFICATION AND REGISTRATION PROGRAMME

During the quarter 2,107 candidates have passed the online test at the NSE centers and 2,845 were successful in the written test held across 64 cities. As at the end of June 2005, a total of 55,073 candidates have successfully cleared the test. Out of this 30,920 agent distributors have registered with AMFI. The details of the AMFI registered Mutual Fund Agent

Distributors are available on the AMFI website.

RENEWAL OF AMFI REGISTRATION NUMBER (ARN)

The AMFI Registration Number (ARN) allotted to AMFI registered distributors is valid for five years. The first batch of ARN holders will therefore have to renew the ARN shortly. They will be required to either reappear for the test or undergo a refresher course offered by AMFI. The procedure to be followed for renewal is being advised to the ARN holders individually.

MUTUAL FUND INDUSTRY

First quarter April – June 2005

- 27 New Schemes were launched in the quarter and a sum of Rs. 8,117 crore was mobilised - Rs. 1,922 crore under Income Schemes, Rs. 5,732 crore under Equity Schemes and Rs. 463 crore under the Liquid / Money Market Schemes. (Table 2.1)
- Total Funds mobilised for the quarter stood at Rs. 2,13,179 crore as against Rs. 2,05,431 crore for the corresponding quarter last year representing an increase of 3 %. (Table 2.3)
- Redemptions at Rs. 1,99,120 crore were 8 % higher than the redemptions of Rs. 1,84,315 crore in the corresponding quarter last year. (Table 3)
- Thus on a net basis, there was an inflow of Rs. 14,059 crore as compared with a net inflow of Rs. 21,116 crore 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 June 30, 2005 stood at Rs. 1,64,546 crore as against Rs. 1,55,845 crore as at the end of the corresponding quarter last year, registering a moderate increase of 5.58 %.
- The Assets Under Management of each Asset Management Company is given in Table 6.

MUTUAL FUND DATA FOR THE QUARTER APRIL - JUNE 2005

TABLE - 1

(Rs. in Crore)

	CATEGORY	SALES - ALL SCHEMES			REDEMPTIONS ALL SCHEMES	Total Assets Under Management As on 30.06.2005	
		From New Schemes #		From Existing Schemes	Total for the Quarter		
		No.	Amount	Amount			
A	BANK SPONSORED						
	(i) JOINT VENTURES - PREDOMINANTLY INDIAN (1)	1	48	8,209	8,257	7,761	7,189
	(ii) OTHERS (3)	1	693	14,999	15,692	15,254	23,693
		6	337	18,564	18,901	18,911	26,079
	TOTAL A (i+ii)	2	741	23,208	23,949	23,015	30,882
		6	337	18,564	18,901	18,911	26,079
B	INSTITUTIONS (2)	-	-	3,976	3,976	3,924	3,079
		1	331	6,548	6,879	6,041	7,179
C	PRIVATE SECTOR						
	(i) INDIAN (10)	11	2,751	45,662	48,413	46,596	33,245
		4	673	59,756	60,429	53,617	30,141
	(ii) JOINT VENTURES - PREDOMINANTLY INDIAN (3)	3	129	39,054	39,183	37,249	32,207
		5	639	39,334	39,973	36,152	32,022
	(iii) JOINT VENTURES - PREDOMINANTLY FOREIGN (11)	11	4,496	93,162	97,658	88,336	65,133
		-	-	79,249	79,249	69,594	60,424
	TOTAL C (i+ii+iii)	25	7,376	177,878	185,254	172,181	130,585
		9	1,312	178,339	179,651	159,363	122,587
	GRAND TOTAL (A + B + C)	27	8,117	205,062	213,179	199,120	164,546
		16	1,980	203,451	205,431	184,315	155,845

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 APRIL - JUNE 2005 - 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	40	13	1,882	15	1,922
GROWTH	11	5,732	-	-	11	5,732
BALANCED	-	-	-	-	-	-
LIQUID / MONEY MARKET	1	463	-	-	1	463
GILT	-	-	-	-	-	-
ELSS	-	-	-	-	-	-
TOTAL	14	6,235	13	1,882	27	8,117

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	128	36,827	22	^ 1,387	150	38,214
GROWTH	148	8,949	2	-	150	8,949
BALANCED	34	485	1	-	35	485
LIQUID / MONEY MARKET	40	156,546	-	-	40	156,546
GILT	30	664	-	-	30	664
ELSS	21	204	13	-	34	204
TOTAL	401	203,675	38	1,387	439	205,062

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

^ 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	130	36,867	35	3,269	165	40,136
GROWTH	159	14,681	2	-	161	14,681
BALANCED	34	485	1	-	35	485
LIQUID / MONEY MARKET	41	157,009	-	-	41	157,009
GILT	30	664	-	-	30	664
ELSS	21	204	13	-	34	204
TOTAL	415	209,910	51	3,269	466	213,179

*NEW SCHEMES :

OPEN END INCOME : JM Fixed Maturity Plan QSG5 and Reliance Regular Savings Fund

OPEN END GROWTH : ABN Amro Opportunities Fund, Chola Global Advantage Fund, Fidelity Equity Fund, HSBC Midcap Equity Fund, ING Vysya Mid Cap Fund, Principal Junior Cap Fund, Prudential ICICI Blended Plan A, Prudential ICICI Blended Plan B, Tata Midcap Fund, Tata Service Industries Fund and UTI Dividend Yield Fund

OPEN END LIQUID : Reliance Liquidity Fund

CLOSED END INCOME : Birla Fixed Term Debt Fund Series 1 - 18 Months, Birla Fixed Term Debt Fund Series 1 - 36 Months, Birla Fixed Term Debt Fund - Series 2 - 18 Months, Chola Fixed Maturity Plan Series 1 (Quarterly Plan -I), Franklin Templeton Fixed Tenure Fund Series - 60 Month Plan, Grindlays Fixed Maturity Plan, Grindlays Fixed Maturity Plan 8th Plan, Grindlays Fixed Maturity Plan 12th Plan, Magnum Debt Fund 60 Days, Reliance Fixed Maturity Fund Series 2, Reliance Fixed Maturity Fund Monthly Plan 2 -Series 2, Reliance Fixed Maturity Fund Annual Plan 1 -Series 2 and Reliance Fixed Maturity Fund Annual Plan 2 -Series 2.

TABLE - 3
REDEMPTIONS / REPURCHASES DURING THE QUARTER APRIL - JUNE 2005
TYPE AND CATEGORY WISE

(Rs. in Crore)

	Open End	Close End	Total	Net Inflow/(Outflow)
INCOME	32,815	3,625	36,440	3,696
GROWTH	8,700	4	8,704	5,977
BALANCED	487	-	487	(2)
LIQUID/MONEY MARKET	152,427	-	152,427	4,582
GILT	980	-	980	(316)
ELSS	27	55	82	122
TOTAL	195,436	3,684	199,120	14,059

TABLE - 4
DATA ON FUND OF FUNDS FOR THE QUARTER APRIL - JUNE 2005

(Rs. in Crore)

	No. of Schemes	Sales	Redemptions	Assets Under Management as on 30.06.2005
Fund of Funds	12	82	231	814

Note: Fund of Funds 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 and tables 5 and 6. Data on Fund of Funds is given for information only.

TABLE - 5
ASSETS UNDER MANAGEMENT AS ON JUNE 30, 2005
TYPE AND CATEGORY WISE

(Rs. in Crore)

	Open End	Close End	Total	% to Total
INCOME	42,338	7,549	49,887	30
	57,714	1,717	59,431	38
GROWTH	40,666	1,795	42,461	26
	20,690	1,179	21,869	14
BALANCED	4,373	694	5,067	3
	3,644	738	4,382	3
LIQUID/MONEY MARKET	60,875	-	60,875	37
	63,015	-	63,015	40
GILT	4,317	-	4,317	3
	5,746	-	5,746	4
ELSS	918	1,021	1,939	1
	439	963	1,402	1
TOTAL	153,487	11,059	164,546	100
	151,248	4,597	155,845	100

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

TABLE - 6
ASSETS UNDER MANAGEMENT AS ON JUNE 30, 2005

(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 Ltd.	7,189
		TOTAL A (i)	7,189
		OTHERS	
	(ii)		
	1	BOB Asset Management Co. Ltd.	152
	2	Canbank Investment Management Services Ltd.	1,565
	3	UTI Asset Management Company Pvt. Ltd.	21,976
		TOTAL A (ii)	23,693
		TOTAL A (i+ii)	30,882
B		INSTITUTIONS	
	1	GIC Asset Management Co. Ltd.	121
	2	Jeevan Bima Sahayog Asset Management Co. Ltd.	2,958
		TOTAL B	3,079
C		PRIVATE SECTOR	
	(i)	INDIAN	
	1	Benchmark Asset Management Co. Pvt. Ltd.	620
	2	Cholamandalam Asset Management Co. Ltd.	1,005
	3	Credit Capital Asset Management Co. Ltd.	171
	4	Escorts Asset Management Ltd.	121
	5	J.M. Financial Asset Management Pvt. Ltd.	3,780
	6	Kotak Mahindra Asset Management Co. Ltd.	6,325
	7	Reliance Capital Asset Management Ltd.	9,908
	8	Sahara Asset Management Co. Pvt. Ltd.	565
	9	Sundaram Asset Management Company Ltd.	2,036
	10	Tata Asset Management Private Ltd.	8,714
		TOTAL C (i)	33,245
	(ii)	JOINT VENTURES - PREDOMINANTLY INDIAN	
	1	Birla Sun Life Asset Management Co. Ltd.	10,027
	2	DSP Merrill Lynch Fund Managers Ltd.	6,472
	3	HDFC Asset Management Co. Ltd.	15,708
		TOTAL C (ii)	32,207
	(iii)	JOINT VENTURES - PREDOMINANTLY FOREIGN	
	1	ABN AMRO Asset Management (India) Ltd.	1,580
	2	Alliance Capital Asset Management (India) Pvt. Ltd.	1,431
	3	Deutsche Asset Management (India) Pvt. Ltd.	2,367
	4	Fidelity Fund Management (India) Pvt. Ltd.	1,628
	5	Franklin Templeton Asset Management (India) Pvt. Ltd.	16,255
	6	HSBC Asset Management (India) Private Ltd.	7,251
	7	ING Investment Management (India) Pvt. Ltd.	2,073
	8	Morgan Stanley Investment Management Pvt. Ltd.	1,687
	9	Principal Pnb Asset Management Co. Pvt. Ltd.	6,265
	10	Prudential ICICI Asset Management Co. Ltd.	17,042
	11	Standard Chartered Asset Mgmt Co. Pvt. Ltd.	7,554
		TOTAL C (iii)	65,133
		TOTAL C (i+ii+iii)	130,585
		TOTAL (A+B+C)	164,546

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