

AMFI



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UPDATE

A Newsletter of The Association of Mutual Funds in India

April - June 2007 Vol. VII Issue I

FROM THE CHAIRMAN'S DESK

The new fiscal 2007-08 has begun well for the Mutual Fund Industry, with more new schemes launched and the Assets Under Management registering more than 50 per cent growth over the year, crossing the Rs. 4 lakh crore mark.

The industry is now faced with a new challenge and that is to adjust itself to the mandatory provision of accepting investment only from those with a PAN card. It is encouraging that many fund houses have taken the initiative to facilitate the investors to obtain PAN. Members are requested to take steps to create awareness about PAN and to provide support and assistance to the investors, so that the momentum created by the members to reach out to the retail investors is not only sustained but augmented further.

We welcome the Government's new initiative of allowing Public Sector Undertakings (PSUs) to invest their surplus funds in Public Sector Mutual Funds. We do hope this is only the beginning and going forward, this facility will be extended to all Mutual Funds registered under SEBI regulations so that the PSUs will have the opportunity and choice to invest in any Mutual Fund scheme that meets with their requirement and risk-return profile.

Yours truly,

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

A P Kurian
Chairman

August 10, 2007

SEBI UPDATE

Circulars issued by SEBI.

Investment in ADRs /GDRs / Foreign Securities and Overseas ETFs by Mutual Funds

SEBI has vide its circular number SEBI/IMD/CIR No. 3/ 93334/07 dated May 14, 2007, intimated that pursuant to the enhancement of overseas investment limits by RBI, Mutual Funds can invest in ADRs / GDRs / Foreign Securities within the overall limit of US\$ 4 Bn. This will be with a sub-ceiling for individual Mutual Funds which should not exceed 10 % of the net assets managed by them as on March 31, of each relevant year and subject to a maximum of US\$ 200 Mn. per Mutual Fund. All other conditions mentioned in the earlier circulars remain unchanged.

Filing Fees for Offer Documents and deployment of funds in short term deposits

SEBI has vide its circular number SEBI/IMD/CIR No.4/95754/07 dated June 11, 2007 notified the amendments to the Securities and Exchange Board of India (Mutual Funds) Regulations 1996 pertaining to the Second Schedule in Paragraph 1, for item D viz. Filing Fees for Offer Documents @ 0.03 per cent of the amount raised in the new fund offer subject to a minimum of rupees one lakh and a maximum of rupees one crore. It has also notified the revision of fees in items A, B, and C of the said schedule. It has further notified the substitution of paragraph 8, of the Seventh Schedule with the following: 'Pending deployment of funds of a scheme, a mutual fund may invest them in short term deposits of schedule commercial banks, subject to such guidelines as may be specified by Board.'

Mandatory requirement of Permanent Account Number (PAN) for all transactions in the securities market

As reported in the previous update, SEBI vide its circular number MRD/DoP/CIR/-05/2007 dated April 27, 2007 had stipulated that copy of the PAN Card was required to be submitted for all transactions in the securities market effective July 2, 2007. On AMFI taking up the matter with them, SEBI vide its letter number MRD Policy /PAN/AT/97151/2007 dated June 25, 2007 has clarified that in the absence of PAN, all applications for investment until December 31, 2007 should be accompanied with the evidence of having applied for PAN. Only those

investing in micro-pension schemes, have been exempted.

PAN as the sole identification number for all transactions in the securities market.

SEBI has vide its circular number MRD/DoP/Cir-08/2007 dated June 25, 2007 reiterated that PAN will be the sole identification number for all transactions in the securities market. In view of this it has been decided to discontinue with the requirement of Unique Identification Number (UIN) under the SEBI (Central Database of Market Participants Regulations), 2005 (MAPPIN regulations) / circulars.

Extension of Time for uploading of NAVs of Fund of Fund Schemes.

SEBI vide its circular number SEBI/IMD/CIR/No. 5/96576/2007 dated June 25, 2007 has extended the time limit for uploading the NAVs for Fund of Fund schemes to 10 a.m. of the following business day.

Bimonthly Compliance Test Report (CTRs)

SEBI has vide its circular number SEBI/IMD/CIR/No. 6/98057/07 dated July 5, 2007 made it necessary to report to SEBI, only exceptional items in the Compliance Test Report on a bimonthly basis instead of filing a complete CTR. The AMCs will now have to report only those points where it has not complied with the regulations / guidelines.

Members are requested to take note of these circulars for due compliance.

MEETING WITH SEBI

During the quarter, Chairman AMFI along with the members of the AMFI Board met with Chairman SEBI on July 11, 2007. Chairman AMFI also had several meetings with SEBI officials during the quarter to discuss issues pertaining to the industry.

COMMITTEES / WORKING GROUPS

NEW COMMITTEES AND WORKING GROUPS

Working group to study the proposed SEBI regulations on Certification of Associated Persons in the securities markets.

AMFI constituted a working group to study the proposed SEBI regulations on certification of Associated Persons in the securities markets and give comments. Mr. Krishnamurthy Vijayan of JP Morgan is the convener of the group. The other members are Mr. Jaideep Bhattacharya of UTI

MF, Mr. R Srinivas of SBI MF and Mr. Saubrah Sonthalia of AIG Global Investment Group MF. Based on the report of the working group, AMFI submitted its comments to SEBI on the subject.

INVESTOR AWARENESS PROGRAMME

During the quarter the members have conducted around 375 investor awareness / investor meet programmes at 120 places.

CONFERENCES AND SEMINARS

Chairman AMFI participated in the panel discussion on 'Asset Management: New Trends in products and management techniques in India'. at the First Paris EUROPLACE International Financial Forum, which was held at Mumbai on May 16, 2007.

Chairman AMFI with the Principal Officers of the Asset Management Companies and the Registrar & Transfer Agents attended a meeting convened by Financial Intelligence Unit, (FIU) Government of India, at New Delhi on May 24, 2007 to discuss the implementation of the Suspicious Transactions Report (STR).

Chairman AMFI was the Chief guest and delivered the Keynote address at the Investor Awareness Programme organized by Wise Intermediary Services Pvt. Ltd. at Bangalore on May 27, 2007. This was followed by an interactive session with the participants and a press conference.

Chairman AMFI was invited to speak at the Inaugural session of the CII's Mutual Funds Summit 2007 held at Mumbai on June 20, 2007. The theme of the summit was 'Indian Mutual Fund Industry- emerging Opportunities & Challenges'. Chairman AMFI addressed the gathering and spoke on 'Overview of the Mutual Fund Industry Today'. Mr. U K Sinha, CMD UTI MF outlined the objectives of the summit. Mr. U K Sinha also chaired the session on 'Mutual Fund Industry- Opportunities & Enablers' Mr. Vikrant Gugnani of Reliance MF participated in the panel discussion. Mr. Ved Prakash Chaturvedi MD, TATA MF chaired the session on 'Mutual Fund Industry Challenges of growing the market' the other participants in the panel discussion were Mr. Ajay Bagga CEO Lotus MF and Mr. Sandesh Kirkire, CEO Kotak MF. Mr. Mukul Gupta, CEO Birla Sun Life MF chaired the session on 'Mutual Fund Industry- Key Enablers'.

Chairman AMFI, participated in the 26th meeting of the RBI Technical Advisory Committee on Money, Foreign Exchange and Government

Securities Markets on July 9, 2007 at Mumbai.

AMFI CERTIFICATION AND REGISTRATION PROGRAMME

During the quarter 3,284 candidates have passed the online test at the NSE centers and 2,054 were successful in the written test held across 60 cities. As at the end of June 2007, the number of candidates who have successfully cleared the test has crossed the 1 Lac mark and stood at 1,00,963. Of these 59,797 have registered with AMFI as agent distributors. The details of the AMFI registered Mutual Fund Agent Distributors are available on the AMFI website.

MUTUAL FUND INDUSTRY

First quarter April - June 2007 (Tables 1 to 6)

161 new Schemes were launched in the quarter and a sum of Rs. 38,653 crores was mobilised - Rs. 32,182 crores under Income Schemes, Rs. 6,335 crores under Equity Schemes and Rs. 136 crores under Gold Exchange Traded Funds. (Table 2.1)

- Total Funds mobilized for the quarter stood at Rs. 7,89,854 crores as against Rs. 4,14,116 crores for the corresponding quarter last year representing an increase of 91 %. (Table 2.3)
- Redemptions at Rs. 7,38,404 crores were 104 % higher than the redemptions of Rs. 3,62,063 crores in the corresponding quarter last year. (Table 3)
- On a net basis, there was an inflow of Rs. 51,450 crores during the quarter as against an inflow of Rs. 52,053 crores in the corresponding quarter last year. (Table 3)
- Data on Fund of Funds is given in Table 4.
- The Assets Under Management as on June 30, 2007 stood at Rs. 4,00,842 crores as against Rs. 2,65,534 crores as at the end of the previous year, registering an increase of 51% over the year.
- Table 5 gives the Type and Category wise composition of the Assets Under Management.
- Table 6 gives data on Assets Under Management for each of the Asset Management Companies.

MUTUAL FUND DATA FOR THE QUARTER APRIL - JUNE 2007

TABLE - 1

(Rs. in Crores)

	CATEGORY	SALES - ALL SCHEMES			REDEMPTIONS ALL SCHEMES	TOTAL ASSETS UNDER MANAGEMENT AS ON 30.06.2007	
		From New Schemes #		From Existing Schemes	Total for the Quarter		
		No.	Amount	Amount			
A	BANK SPONSORED						
	I JOINT VENTURES - PREDOMINANTLY INDIAN (1)	-	-	23,956	23,956	22,185	20,273
		1	302	10,610	10,912	9,346	13,634
	II OTHERS (3)	4	725	48,557	49,282	47,730	41,925
		1	375	31,076	31,451	26,657	33,119
	TOTAL(I+II)	4	725	72,513	73,238	69,915	62,198
		2	677	41,686	42,363	36,003	46,753
B	INSTITUTIONS (1)	6	1,146	33,845	34,991	35,406	9,222
		1	304	17,204	17,508	14,855	7,557
C	PRIVATE SECTOR						
	I INDIAN (11)	47	12,277	206,253	218,530	198,192	113,003
		17	6,488	91,780	98,268	88,788	54,943
	II FOREIGN (2) \$	8	2,415	27,448	29,863	26,597	27,570
		-	-	-	-	-	-
	III JOINT VENTURES - PREDOMINANTLY INDIAN (5)	53	11,360	263,519	274,879	265,095	120,922
		8	3,414	139,683	143,097	128,035	85,155
	IV JOINT VENTURES - PREDOMINANTLY FOREIGN (9) @	44	10,730	147,623	158,353	143,199	67,927
		17	8,092	104,788	112,880	94,382	71,126
	TOTAL(I+II+III)	152	36,782	644,843	681,625	633,083	329,422
		42	17,994	336,251	354,245	311,205	211,224
	GRAND TOTAL (A+B+C)	162	38,653	751,201	789,854	738,404	400,842
		45	18,975	395,141	414,116	362,063	265,534

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.
4. \$ There has been an increase in the number of AMCs to 2 following the inclusion of a new AMC - AIG Global Asset Management Company (India) Pvt. Ltd.
5. @ There has been an increase in the number of AMCs to 9 following the inclusion of a new AMC - JPMorgan Asset Management (India) Pvt. Ltd.

TABLE - 2
SALES DURING THE QUARTER APRIL - JUNE 2007 - TYPE AND CATEGORY WISE

2.1 *New Schemes Launched (Allotment Completed)

(Rs. in Crores)

	Open End		Close End		TOTAL	
	No. of Schemes	Amount	No. of Schemes	Amount	No. of Schemes	Amount
INCOME	20	5,166	128	27,016	148	32,182
	1	44	36	11,191	37	11,235
GROWTH	8	4,178	5	2,157	13	6,335
	6	6,292	1	1,435	7	7,727
BALANCED	-	-	-	-	-	-
	-	-	-	-	-	-
LIQUID / MONEY MARKET	-	-	-	-	-	-
	1	13	-	-	1	13
GILT	-	-	-	-	-	-
	-	-	-	-	-	-
ELSS	-	-	-	-	-	-
	-	-	-	-	-	-
GOLD ETFs	1	136	-	-	1	136
	-	-	-	-	-	-
OTHER ETFs	-	-	-	-	-	-
	-	-	-	-	-	-
TOTAL	29	9,480	133	29,173	162	38,653
	8	6,349	37	12,626	45	18,975

2.2 EXISTING SCHEMES

	Open End		Close End		TOTAL	
	No. of Schemes	Amount	No. of Schemes	Amount	No. of Schemes	Amount
INCOME	121	90,660	109	^ 3,716	230	94,376
	135	15,936	62	^ 1,552	197	17,488
GROWTH	194	12,818	21	18	215	12,836
	191	17,698	4	-	195	17,698
BALANCED	33	929	4	-	37	929
	34	890	2	-	36	890
LIQUID / MONEY MARKET	54	639,007	-	-	54	639,007
	45	358,366	-	-	45	358,366
GILT	28	242	-	-	28	242
	28	217	-	-	28	217
ELSS	29	644	10	-	39	644
	26	482	9	-	35	482
GOLD ETFs	1	45	-	-	1	45
	-	-	-	-	-	-
OTHER ETFs	6	3,122	-	-	6	3,122
	-	-	-	-	-	-
TOTAL	466	747,467	144	3,734	610	751,201
	459	393,589	77	1,552	536	395,141

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

	Open End		Close End		TOTAL	
	No.of Schemes	Amount	No.of Schemes	Amount	No.of Schemes	Amount
INCOME	141	95,826	237	30,732	378	126,558
	136	15,980	98	12,743	234	28,723
GROWTH	202	16,996	26	2,175	228	19,171
	197	23,990	5	1,435	202	25,425
BALANCED	33	929	4	-	37	929
	34	890	2	-	36	890
LIQUID / MONEY MARKET	54	639,007	-	-	54	639,007
	46	358,379	-	-	46	358,379
GILT	28	242	-	-	28	242
	28	217	-	-	28	217
ELSS	29	644	10	-	39	644
	26	482	9	-	35	482
GOLD ETFs	2	181	-	-	2	181
	-	-	-	-	-	-
OTHER ETFs	6	3,122	-	-	6	3,122
	-	-	-	-	-	-
TOTAL	495	756,947	277	32,907	772	789,854
	467	399,938	114	14,178	581	414,116

*NEW SCHEMES :

OPEN END INCOME : ABN Amro Flexible Short Term Plan - Series A, DSP Merrill Lynch Strategic Bond Fund, DWS Credit Opportunities Cash Fund, DWS Quarterly Interval Fund Series 1, HDFC Quarterly Interval Fund Plan B and C, ICICI Prudential Interval Fund - Monthly Interval Plan I, Quarterly Interval Plan I, Monthly Interval Plan II, Quarterly Interval Plan II, LICMF Liquid Plus Fund, Reliance Interval Fund - Quarterly Interval Fund Series I, Annual Interval Fund - Series I, Quarterly Interval Fund - Series II, Quarterly Interval Fund - Series III, Sundaram BNP Paribas Liquid Plus, Templeton Quarterly Interval Plan - Plan A, B and C and UTI - Fixed Income Interval Fund - Quarterly Interval Plan Series - I.

OPEN END GROWTH : AIG India Equity Fund, DBS Chola Hedged Equity Fund, Fidelity International Opportunities Fund, JM Small & Mid Cap Fund, JP Morgan India Equity Fund, Lotus India Arbitrage Fund, Lotus India Contra Fund and OptiMix Multi Manager Equity Fund.

OPEN END GOLD ETFs: UTI Gold ETF.

CLOSE END INCOME : ABN AMRO FTP Series 5 Quarterly Plan A, ABN Amro FTP Series 7 Quarterly Plans A, B, C and D, Series 6, ABN Amro Flexible Short Term Plan - Series B, C, D and E, Birla FTP - Quarterly Series 12, 13, 14, 15, 16, 17, 18 and 19, Birla FTP - 24 Months, Birla FTP - Series Q, V, W, Canfixed Maturity Plan 1 M SRI, 3M SRI, DBS Chola FMP - Series 7 Quarterly Plan - I, II, III, IV, DBS Chola FMP - Series 7 (12 Months Plan), DSP Merrill Lynch FTP - Series 1K, 1M and 1N, DWS FTS 29, 30, 31, 32, 36, DWS FTF Series - 33, DWS Capital Protection Oriented Fund, Franklin Templeton Fixed Tenure Fund Series VIII Plan, Franklin Templeton Capital Protection Oriented Fund, HDFC FMP 90D April 2007, 181D April 2007, 367D April 2007, 24M May 2007 - Series V, 90D May 2007 - Series V, 181D May 2007 - Series V, 367D May 2007 - Series V, 90D June 2007 - Series V, 367D June 2007 - Series V, HDFC FMP 181D June 2007 - Series V, HSBC Fixed Term Series 28, 29 and 30, ICICI Prudential FMP - Series 35- One Year Plan, Series 36 - Eighteen Months Plan A, Series 37 - 3 Months Plus Plan B, Series 38 - Three Months Plans A, B, C, and D, Series 38-One year Plan A, ING FMF - Series XXV, XXIX, ING Vysya FMF - Series XXIII, JM FMF - Series V - Quarterly Plan 1, 2, 3, 4 and 5, JM FMF Series IV 15 Months Plan 2, Kotak FMP 3M Series 15,16,17,18, 19, 20,21 and 22, Kotak FMP 12M Series 1, Kotak FMP 15M Series 3, Lotus India FMP - 1 Month - Series I, Lotus India FMP - 3 Months Series VI, VII VIII, IX, X and XI, Lotus India FMP - 375 days - Series I, Lotus India FMP - 13 Mths Series III, LIC MF FMP Series 22,23, 24, 25 and 26, Reliance Fixed Horizon Fund III Annual Plan Series V and VI, Standard Chartered FMP - Quarterly Series - 8, 9, 10, 11, 13 and 14, Standard Chartered FMP Yearly Series - 7, 8, 9 and 11, Sundaram BNP Paribas FTP Series XXVII, XXVIII, XXIX, XXX and XXXI, Sundaram BNP Paribas FMP XII, XIII, XXIV and XXVI, Tata Fixed Horizon Fund Series Scheme G and H, Tata Fixed Horizon Fund Series 9 Scheme B and C, Tata Fixed Horizon Fund Series 10 Scheme D, E, F and H, Tata Fixed Horizon Fund Series 12 Scheme A, Tata Fixed Horizon Fund Series 13 Scheme A, Templeton Fixed Horizon Fund Series II Plan A and B.

CLOSE END GROWTH : ABN AMR Sustainable Development Fund, Birla Sun Life Longterm Advantage Fund - Series 1, DSP Merrill Lynch Micro Cap Fund, HDFC Mid-Cap Opportunities Fund and Lotus India Mid Cap Fund.

TABLE - 3
REDEMPTIONS / REPURCHASES DURING THE QUARTER APRIL - JUNE 2007

(Rs. in Crore)

	Open End	Close End	TOTAL	Net Inflow/ (Outflow)
INCOME	56,692	41,562	98,254	28,304
	16,636	15,235	31,871	(3,148)
GROWTH	16,751	483	17,234	1,937
	15,783	5	15,788	9,637
BALANCED	792	38	830	99
	726	-	726	164
LIQUID / MONEY MARKET	620,396	-	620,396	18,611
	312,819	-	312,819	45,560
GILT	569	-	569	(327)
	804	-	804	(587)
ELSS	118	39	157	487
	26	29	55	427
GOLD ETFs	2	-	2	179
	-	-	-	-
OTHER ETFs	962	-	962	2,160
	-	-	-	-
TOTAL	696,282	42,122	738,404	51,450
	346,794	15,269	362,063	52,053

TABLE - 4
DATA ON FUND OF FUNDS FOR THE QUARTER APRIL - JUNE 2007

(Rs. In Crore)

	No. of Schemes	Sales	Redemptions	Assets Under Management as on 30.06.2007
Fund of Funds	33	100	401	2,077
	17	827	525	1,456

Note:1. 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 tables 5 and 6. Data on fund of funds is given for information only.

TABLE - 5
ASSETS UNDER MANAGEMENT AS ON JUNE 30, 2007
TYPE AND CATEGORY WISE

(Rs. in Crore)

	Open End	Close End	TOTAL	% to Total
INCOME	70,180	80,733	150,913	38
	29,006	25,107	54,113	20
GROWTH	105,352	21,016	126,368	31
	80,263	6,933	87,196	33
BALANCED	9,023	1,772	10,795	3
	6,173	788	6,961	3
LIQUID / MONEY MARKET	91,201	-	91,201	23
	108,776	-	108,776	41
GILT	1,963	-	1,963	@
	2,566	-	2,566	1
ELSS	10,346	1,987	12,333	3
	4,706	1,216	5,922	2
GOLD ETFs	255	-	255	@
	-	-	-	-
OTHER ETFs	7,014	-	7,014	2
	-	-	-	-
TOTAL	295,334	105,508	400,842	100
	231,490	34,044	265,534	100

@ Less than 1 %.

TABLE - 6
Assets Under Management as on June 30, 2007

(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 Private Ltd.	20,273
	TOTAL A (i)	20,273
(ii)	OTHERS	
1	BOB Asset Management Co. Ltd.	97
2	Canbank Investment Management Services Ltd.	2,796
3	UTI Asset Management Company Private Ltd	39,032
	TOTAL A (ii)	41,925
	TOTAL A (i+ii)	62,198
B	INSTITUTIONS	
1	LIC Mutual Fund Asset Management Co. Ltd.	9,222
	TOTAL B	9,222
C	PRIVATE SECTOR	
(i)	INDIAN	
1	Benchmark Asset Management Co. Private Ltd.	7,200
2	DBS Cholamandalam Asset Management Ltd.	3,018
3	Deutsche Asset Management (India) Private Ltd.	6,910
4	Escorts Asset Management Ltd.	136
5	J.M. Financial Asset Management Private Ltd.	3,758
6	Kotak Mahindra Asset Management Co. Ltd.	16,723
7	Quantum Asset Management Co. Private Ltd.	69
8	Reliance Capital Asset Management Ltd.	59,857
9	Sahara Asset Management Co. Private Ltd.	187
10	Tata Asset Management Ltd.	14,837
11	Taurus Asset Management Co. Ltd.	308
	TOTAL C (i)	113,003
(ii)	FOREIGN	
1	AIG Global Asset Management Company (India) Private Ltd.	1,101
2	Franklin Templeton Asset Management (India) Private Ltd.	26,469
	TOTAL C (ii)	27,570
(iii)	JOINT VENTURES - PREDOMINANTLY INDIAN	
1	Birla Sun Life Asset Management Co. Ltd.	19,525
2	DSP Merrill Lynch Fund Managers Ltd.	12,753
3	HDFC Asset Management Co. Ltd.	35,630
4	ICICI Prudential Asset Management Co. Ltd.	43,614
5	Sundaram BNP Paribas Asset Management Company Ltd.	9,400
	TOTAL C (iii)	120,922
(iv)	JOINT VENTURES - PREDOMINANTLY FOREIGN	
1	ABN AMRO Asset Management (India) Ltd.	6,896
2	Fidelity Fund Management Private Ltd.	8,593
3	HSBC Asset Management (India) Private Ltd.	14,314
4	ING Investment Management (India) Private Ltd.	5,346
5	JPMorgan Asset Management (India) Private Ltd.	825
6	Lotus India Asset Management Co. Private Ltd	4,165
7	Morgan Stanley Investment Management Private Ltd.	3,291
8	Principal Pnb Asset Management Co. Private Ltd	11,551
9	Standard Chartered Asset Management Co. Private Ltd.	12,946
	TOTAL C (iv)	67,927
	TOTAL C (i+ii+iii+iv)	329,422
	TOTAL (A+B+C)	400,842

Association of Mutual Funds in India

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