

**Mutual Funds**

2992. SHRI HET RAM: Will the Minister of FINANCE be pleased to state:

(a) whether many nationalised banks have started/promoted various mutual funds and allied schemes:

(b) if so, the details of such schemes, bank-wise, and the amount of balance lying under each scheme as on 31 December, 1989;

(c) whether banks are at liberty to invest the balances in such funds without adhering to stipulations for advances in favour of priority sector, weaker sections and investment in Government securities: and

(d) if so, the reasons for permitting such schemes and their effect on funds availability for above priority sectors and planned development of country?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) and (b). Reserve Bank of India (RBI) has reported that, so far, State Bank of India, Canara Bank and Indian Bank have floated mutual funds. The details of the schemes floated by the banks' mutual funds, bank-wise, and the outstanding balances under each of these schemes, as on 31.12.1989 (wherever applicable) are given in the statement attached.

(c) and (d). RBI has issued detailed guidelines for undertaking Mutual Fund business by banks. Mutual Funds provide safety and liquidity to the investors in Capital Market through the Fund instead of investing directly. Mutual Funds are not permitted to undertake direct or indirect lendings and the stipulation for advances to priority sector, weaker sections etc., as applicable to commercial banks, are not applicable to the Mutual Funds.

## STATEMENT

Sl.No.	Name of the scheme floated	Details of the Schemes and outstanding balance as on 31.12.1989
1	2	3

## SBI MUTUAL FUND

1. Magnum Regular Income Scheme, 1987  
This is a closed ended regular income scheme terminable after 5 years promising minimum return of 12% per annum. Buy back facility is provided. Not listed at Stock Exchanges. Outstanding balance—Rs. 129.11 crores.
2. Magnum Regular Income Scheme, 1989  
This is a closed ended Regular income scheme terminable after 5 years, promising minimum return of 12% per annum. Buy back facility is provided. Not listed at Stock Exchanges. Outstanding balance—Rs. 55.09 crores
3. Magnum Tax Savings Scheme 1988-89  
This is a closed ended tax benefit scheme under Sec. 80CC of Income Tax Act terminable after 5 years. Buy back facility is provided. Not listed at Stock Exchanges. Outstanding balance—Rs. 80.29 crores.

Sl.No.	Name of the scheme floated	Details of the Schemes and outstanding balance as on 31.12.1989
1	2	3
4.	Magnum Tax Saving Scheme 1990 (floated after 31.12.89)	This is a closed ended Tax benefit scheme under section 80CC of Income Tax Act. terminable after 5 years. Buy back facility is provided. Not listed at Stock Exchanges.
5.	Magnum Monthly Income scheme, 1989	This is a closed ended monthly regular income scheme terminable after 43 months which promise fixed return of 12% per annum. Buy back facility is provided. Not listed at Stock exchanges. Outstanding balance—Rs. 154.95 crores.
<b>INDIAN BANK MUTUAL FUND</b>		
1.	Ind Ratna Growth Fund Scheme, 1990 (floated after 31.12.89)	It is closed ended growth schemes terminable after 5 years which does not promise any fixed return and will be listed at Stock Exchanges, Buy-back facility provided after the lockin period of 12 months.
2.	Swarna Pushpa Monthly Income and Growth Fund Scheme, 1990.	It is a closed ended monthly income and growth fund

<i>Sl.No.</i>	<i>Name of the scheme floated</i>	<i>Details of the Schemes and outstanding balance as on 31.12.1989</i>
1	2	3
	(floated after (31.12.1989)	scheme terminable after 5 years assuring monthly return of 12% per annum to investors and providing buy-back facility after the lockin period of 12 months.
<b>CANBANK MUTUAL FUND</b>		
1.	Canstock	This is a closed ended income and growth scheme terminable after 5 years providing minimum of 12.5% per annum with buy-back facility. Not listed at Stock Exchanges. Outstanding balance—Rs. 82.65 crores.
2.	Canglit	This is an open ended regular income scheme providing minimum return of 12.25% per annum. Not listed at Stock Exchanges. Investment is made only in public sector bonds and Government securities. Outstanding balance—Rs. 117.39 crores.
3.	Cancigo	This is an open ended regular income scheme promising

<i>Sl. No.</i>	<i>Name of the scheme floated</i>	<i>Details of the Schemes and outstanding balance as on 31.12.1989</i>
1	2	3

minimum return of 12.5% per annum. Not listed at Stock Exchanges. Outstanding balance—Rs. 198.96 crores.

4. Canshare  
Close ended growth scheme terminable after 5 years. Does not promise fixed return. Listed at Stock Exchanges. No buy-back facility is provided. Outstanding balances—Rs 17.05 crores.

5. Cangrowth  
It is closed ended growth scheme terminable after 5 years. Does not promise fixed return. Listed at Stock Exchanges. No buy-back facility is provided. Outstanding balance—Rs. 48.13 crores.

6. Candouble (floated after 31.12.89)  
It is a closed ended growth scheme terminable after 5 years promising minimum return of 12.5%. Buy-back facility after three years is provided. Expected to be listed at Stock Exchanges after one year from the date of allotment.

Sl.No.	Name of the scheme floated	Details of the Schemes and outstanding balance as on 31.12.1989
1	2	3
7.	Can 80CC (1989)	It is a closed ended after tax benefit scheme under section 80CC of Income Tax Act terminable after 3 years. Buy back facility would be provided after one year. Not listed at stock exchanges. Outstanding balance—Rs 36.50 crores.
8.	Can 80CC (1990)	It is closed ended Tax benefit scheme under section 80CC of Income Tax Act, terminable after three years.