

*Survey of India's Foreign Liabilities & Assets for the Mutual Fund Companies (2009-2011)**

This article presents an overview of the foreign assets and liabilities of the mutual fund companies (MFs) in India based on surveys conducted by the Reserve Bank with March 2009 to March 2011 as the reference period. The results cover the responses of 44 MFs for March 2011 which held/acquired foreign assets and/or liabilities and 38 of these companies were common during the entire reference period. The changes in foreign liabilities and assets of MFs are analysed in detail along with the country-wise exposures. It was found that the overseas portfolios of MFs witnessed considerable fluctuations during this period, which was coterminous with global financial crisis. It was also found that in March 2011, foreign liabilities of MFs were over five times their foreign assets which were largely in terms of investment in equity securities.

Section I

Introduction

The Reserve Bank collects information on cross-border liabilities and assets of Indian resident companies on a regular basis, which is used as an input for compilation of India's Balance of Payments (BoP) statistics, International Investment Position (IIP), Co-ordinated Direct Investment Survey (CDIS) and Co-ordinated Portfolio Investment Survey (CPIS) as per international standards. Foreign liabilities and assets of corporations arise on account of foreign direct investment (FDI), portfolio investment, other investments, which include trade credit, loan, etc. The first Census on Foreign Liabilities and Assets (FLA) was conducted by the Reserve Bank with end-June 1948 as the reference period. Since 1997, FLA information was being collected through annual surveys, before the

move to census basis reporting since March 2011. These details also provide analytical inputs on the extent to which the economy can withstand unexpected shocks in capital flows and show the level of confidence international investors place in the economy.

This article presents the salient features of the FLA data relating to mutual fund companies (MFs) and asset management companies (AMCs) associated with MFs for the reference period March 2009 to March 2011. Section II and III discuss the foreign liabilities and assets of MFs and AMCs, respectively. Section IV covers the reinvested earnings of the AMCs and conclusions are presented in Section V.

Scope & Coverage

The information on foreign liabilities and assets analysed here has been collected under the FLA schedule (for information on the stock of external assets and liabilities of AMCs) and Schedule 4 (for information regarding MF units issued to non-residents, unpaid dividend, redemption of units issued to non-residents and MFs' overseas investment). Format of both the schedules are given in Annex I. In terms of coverage, 38 MFs reported for March 2009 which rose to 44 for March 2011 and 38 companies were common in all the three years. As all 44 MFs in the survey frame for March 2011 responded (List in Annex II), it was complete enumeration.

Developments in the Mutual Fund sector

A mutual fund is a professionally managed collective investment scheme that pools money from multiple investors and invests typically in instruments such as, stocks, bonds, short-term money market instruments, other mutual funds, other securities, and/or commodities such as precious metals. The investors are issued units in proportion to their investment. MFs trade (buy and sell) instruments in accordance with their investment objective and the income earned

* Prepared in the External Liabilities and Assets Statistics Division of the Department of Statistics and Information Management (DSIM). The previous study in the series with reference period 2006-2009 was published in May 2011 issue of the RBI Bulletin.

through these investments and the capital appreciation realised are shared by its unit holders in proportion to the number of units held by them.

MFs in India are a significant source of investment in both government and corporate securities market. The foundation of the MF industry in India dates back to 1963 when Unit Trust of India (UTI) introduced mutual fund. Over the period, a number of players entered the market including private and foreign companies. Banks too have established mutual funds. As a part of the opening up of the financial sector, permission was given to private sector funds, including foreign fund management companies (most of them entering through joint ventures with Indian promoters), to enter the MF industry in 1993. All MFs are required to be established as trusts under the Indian Trusts Act, 1882 and the Securities and Exchange Board of India (SEBI) regulates their functioning. MFs dealing exclusively with money market instruments are required to be registered with the Reserve Bank.

The actual fund management activity of an MF is generally conducted by a separate AMC. At present, Indian AMCs which launch off-shore funds abroad have to obtain SEBI's approval for such schemes. The minimum net worth of an AMC or its affiliate must be ₹50 million to act as a manager in any other fund.

Section II

Mutual Fund Companies: Foreign Liabilities & Assets

In India, MFs are allowed to issue the units of different schemes to non-residents, which are their foreign liabilities, with two broad components: (i) issue of units to non-residents which can be classified further

based on face value as well as market value, and (ii) other foreign liabilities arising out of unpaid income/dividend to non-residents, sale proceeds pending repatriation, *etc.* In addition to investment in MF units abroad and investment in foreign equity and debt instruments, foreign assets of MFs include balances held abroad, dividend receivable from abroad, *etc.*, which are classified as 'Other Foreign Assets' in the survey schedule.

Foreign assets of MFs increased sharply from ₹40.6 billion in March 2009 to ₹55.4 billion in March 2010, mainly on account of significant enhancement in the aggregate ceiling for their overseas investment during this period. The ratio of foreign assets of the MFs to their foreign liabilities increased from 15.4 per cent at March 2009 to 27.2 per cent in March 2010 as lesser units issued to non-residents during 2009-10 (Table 1). Due to lower investment in equity securities compared

Chart 1: Foreign Assets & Liabilities of Mutual fund Companies as at end-March

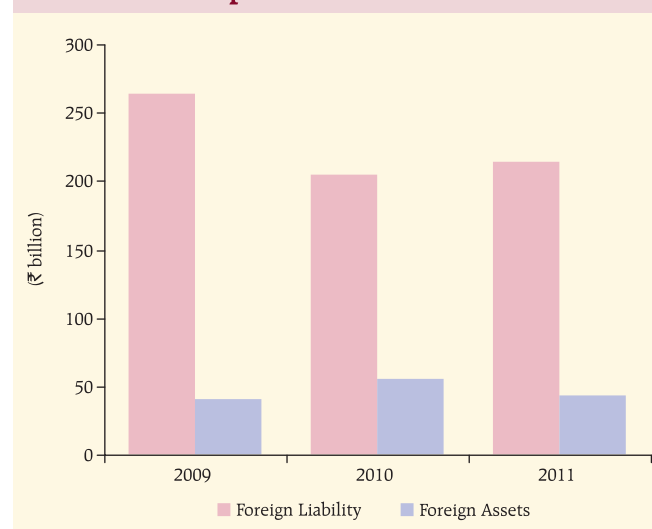


Table 1: Mutual Fund Companies – Foreign Liabilities and Assets

Category	End-March			Variation			
				Absolute		Per cent	
	2009	2010	2011	2009-10	2010-11	2009-10	2010-11
1	2	3	4	5	6	7	8
Foreign Liabilities*	263,465	203,908	213,883	-59,557	9,975	-22.6	4.9
Foreign Assets	40,588	55,419	42,904	14,831	-12,516	36.5	-22.6

* Based on Face Value

Table 2: Mutual Fund Companies – Non-Resident Holding

(₹ million)							
Non-resident holding	End-March			Variation			
				Absolute		Per cent	
	2009	2010	2011	2009-10	2010-11	2009-10	2010-11
1	2	3	4	5	6	7	8
Face value of units	263,135	202,894	213,125	-60,242	10,231	-22.9	5.0
Market Value of units	311,135	361,626	405,212	50,490	43,586	16.2	12.1
Other foreign liabilities	329	1,014	757	684	-256	207.8	-25.3

with 2009-10, this ratio witnessed a substantial decline to 20.1 per cent by March 2011. Also, the assets declined by 22.6 per cent to ₹42.9 billion in March 2011 reflecting the impact of global economic slowdown, especially the meltdown in the stock markets. On the other hand, foreign liabilities of MFs (sum of 'units issued to non-residents' and 'other foreign liabilities') declined from ₹263.5 billion in March 2009 to ₹203.9 billion as at end-March 2010 and but rose thereafter to ₹213.9 billion in March 2011. Chart 1 presents the trend in foreign liabilities and assets of MFs during the reference period.

Non-resident Holding

Units issued to non-residents constitute the dominant component of foreign liabilities of MFs (99.6 per cent in March 2011). The liabilities based on face value declined from ₹263.1 billion in March 2009 to ₹202.9 billion in March 2010 before increasing to ₹213.1 billion in March 2011 whereas the liabilities based on market value increased gradually from ₹311.1 billion in March 2009 to ₹361.6 billion in March 2010 and further to ₹405.2 billion in March 2011 (Table 2). The higher growth in market value terms is partly attributable to the stock market recovery after the meltdown in 2008-09.

Country-wise Distribution of Units issued to Non-residents

(i) **Based on Face Value:** The country-wise distribution of MFs' foreign liabilities, based on face value of units issued to non-residents, shows that the share of United Arab Emirates (UAE) declined from 15.0 per cent of the total foreign liabilities to 13.3 per cent in March 2010 and thereafter rose to 14.5 per

cent in March 2011 (Table 3). The share for the USA which was 2.2 per cent in March 2009, increased to 6.5 per cent by March 2011. However, Hong Kong's share which increased sharply from 1.6 per cent in March 2009 to 9.7 per cent in March 2010, declined to 1.9 per cent by March 2011. MFs' overseas liabilities were also high for the UK (4.2 per cent) and Singapore (2.7 per cent) in March 2011. The category 'Others' include the responses in which the country contribution was very small or country details were not given or Indian addresses were given for NRI investment. The share of 'Others' was as high as 65.3 per cent in total foreign liabilities of MFs.

Table 3: Mutual Fund Companies – Country-wise Foreign Liabilities at Face Value

(per cent)			
Country	End-March		
	2009	2010	2011
1	2	3	4
United Arab Emirates (UAE)	15.0	13.3	14.5
United States of America (USA)	2.2	5.5	6.5
United Kingdom (UK)	1.5	3.5	4.2
Singapore	1.1	1.4	2.7
Hong Kong	1.6	9.7	1.9
Canada	0.5	0.8	1.3
Oman	0.4	0.9	1.2
Mauritius	1.0	1.0	1.0
Australia	0.1	0.3	0.9
Bahrain	0.1	0.4	0.6
Others*	76.4	63.1	65.3
Total #	100.0	100.0	100.0

* Includes cases where the country-wise contribution was very small or investing country was not specified or Indian address was given.

Sum of components may not exactly match the total due to rounding off.

These footnotes are also applicable for remaining tables.

Table 4: Mutual Fund Companies – Country-wise Foreign Liabilities at Market Value

Country	(per cent)		
	End-March		
	2009	2010	2011
1	2	3	4
United Arab Emirates (UAE)	13.5	11.7	12.0
United States of America (USA)	2.2	5.7	7.1
Canada	3.4	5.5	5.6
United Kingdom (UK)	1.6	3.3	3.8
Hong Kong	1.4	7.6	3.4
Mauritius	1.9	3.1	2.3
Singapore	1.0	1.3	2.3
Oman	0.4	0.9	1.1
Australia	0.1	0.3	0.7
Bahrain	0.1	0.4	0.6
Others*	74.3	60.2	61.1
Total #	100.0	100.0	100.0

(ii) **Based on Market Value:** The country-wise classification of foreign liabilities on account of units issued to non-residents indicates that, as per market value also, UAE held major share of the foreign liabilities during the survey period (12.0 per cent in March, 2011) whereas the share of the USA increased from 2.2 per cent in March 2009 to 7.1 per cent in March 2011 followed by Canada (5.6 per cent in March 2011) and the UK (3.8 per cent in March 2011). The share of Hong Kong increased sharply from 1.4 per cent to 7.6 per cent during 2009-10 but declined thereafter to 3.4 per cent by March 2011. The share of 'Others' category (which has the same coverage as in the case of liabilities based on face value) was about 61.1 per cent of the total foreign liabilities (Table 4).

Overseas Investment

Foreign Assets of MFs have been classified according to investment in equity securities, debt securities and other foreign assets. Over 99 per cent of Overseas assets of MFs were held in equity investments which surged from ₹40.4 billion in March 2009 to ₹55.4 billion in March 2010 before declining to ₹42.7 billion in March 2011 (Table 5). No MF reported overseas investment in debt instruments.

Country-wise Distribution of Overseas Portfolio Assets

The country-wise classification of foreign portfolio assets of MFs indicates that Luxembourg accounted for major share of the foreign assets during the reference period. The share of foreign assets in Luxembourg declined from 57.0 per cent to 46.2 per cent during 2009-10 before moving to 49.6 per cent by March 2011. This was followed by the USA (18.8 per cent) and Hong Kong (6.8 per cent). The share of foreign assets to Japan surged from Nil in March 2009 and March 2010 to 3.2 per cent by March 2011. The category 'Others' (which has the same meaning as in the case of liabilities based on face value) had around 8.1 per cent share in the total foreign liabilities (Table 6).

Section III

Asset Management Companies: Foreign Liabilities and Assets

Asset management refers to professional management of investments that guides gaining of assets (stocks, bonds, gold, and real estate), their use and disposal, and management of any costs and risks associated with the assets, in order to maximise the

Table 5: Mutual Fund Companies – Foreign Assets

Non-resident holding	(₹ million)						
	End-March			Variation			
	2009	2010	2011	Absolute		Per cent	
				2009-10	2010-11	2009-10	2010-11
1	2	3	4	5	6	7	8
Equity securities	40,383	55,365	42,739	14,982	-12,626	37.1	-22.8
Debt securities	0	0	0	0	0	0	0
Other Foreign Assets	205	54	165	-151	110	-73.6	203.2

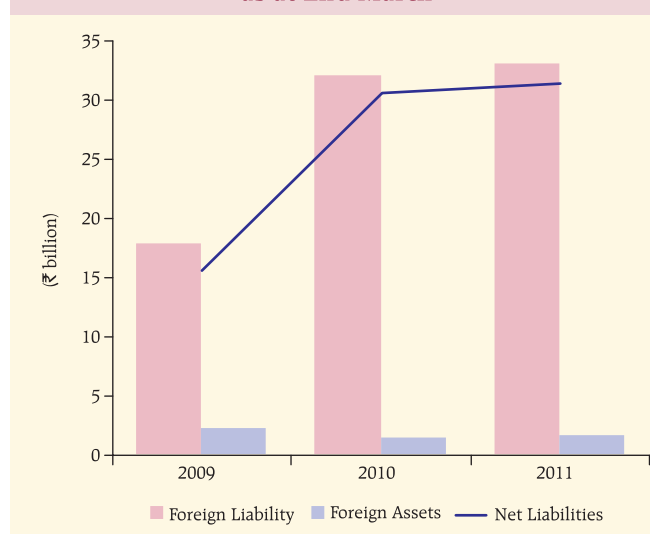
**Table 6: Mutual Fund Companies –
Portfolio Assets held Abroad**

(₹ million)							
Country	End-March			Variation			
				Absolute		Percent	
	2009	2010	2011	2009-10	2010-11	2009-10	2010-11
1	2	3	4	5	6	7	8
Luxembourg	23,017 (57.0)	25,602 (46.2)	21,206 (49.6)	2,585	-4,396	11.2	-17.2
United States of America	5,018 (12.4)	11,818 (21.3)	8,030 (18.8)	6,800	-3,787	135.5	-32.0
Hong Kong	2,483 (6.1)	3,430 (6.2)	2,910 (6.8)	947	-520	38.1	-15.2
Switzerland	3,114 (7.7)	2,042 (3.7)	1,992 (4.7)	-1,072	-50	-34.4	-2.4
South Korea	1,083 (2.7)	1,463 (2.6)	1,454 (3.4)	380	-10	35.1	-0.7
Japan	0 (0)	2 (0)	1,378 (3.2)	2	1,376	504.8	**
United Kingdom	167 (0.4)	2,660 (4.8)	918 (2.1)	2,494	-1,742	1,496.0	-65.5
Australia	191 (0.5)	528 (1.0)	811 (1.9)	336	283	175.7	53.6
Taiwan	665 (1.6)	883 (1.6)	572 (1.3)	218	-311	32.9	-35.2
Others*	4,645 (11.5)	6,938 (13.0)	3,468 (8.1)	2,293	-3,470	49.4	-50.0
Total #	40,383	55,365	42,739	14,982	-12,626	37.1	-22.8

** nil or negligible denominator

Figures in parentheses are percentage share to total.

return on assets and make most of the assets' potential throughout their life. An Asset Management Company (AMC) is a firm that invests pooled funds of retail investors in various assets in line with the stated investment objectives. AMCs undertake the fund management activity of MFs. Against a fee, AMCs provide more diversification, liquidity and professional management consulting service than is normally available to individual investors. They collect money

**Chart 2: Foreign Liability & Assets of AMCs
as at End March**

from investors by way of floating various schemes and attempt to achieve portfolio diversification by investing in such securities that are not highly correlated with each other.

44 AMCs associated with the MFs responded to the survey for 2010-11. Consistent with financial market activity during the period, foreign liabilities of AMCs increased rapidly (80.3 per cent growth) during 2009-10 but the growth moderated in 2010-11 (2.9 per cent). In sum, foreign liabilities of AMCs increased from ₹17.8 billion in March 2009 to ₹32.9 billion by March 2011 (Table 7). On the other hand, their foreign assets declined from ₹2.3 billion in March 2009 to ₹1.5 billion in March 2010 before rising marginally to ₹1.5 billion by March 2011. Due to large surge in foreign liabilities of AMCs, their net liabilities more than doubled from ₹15.5 billion in March 2009 to ₹31.4 billion in March 2011.

Table 7: Asset Management Companies – Foreign Liabilities and Assets

(₹ million)							
Mutual Fund Company	End-March			Variation			
				Absolute		Per cent	
	2009	2010	2011	2009-10	2010-11	2009-10	2010-11
1	2	3	4	5	6	7	8
Foreign Liabilities	17,754	32,004	32,948	14,250	944	80.3	2.9
Foreign Assets	2,254	1,315	1,527	-939	212	-41.7	16.1
Net Liabilities	15,500	30,689	31,421	15,189	732	98.0	2.4

(a) Country-wise foreign liabilities

Singapore replaced Mauritius as the country with largest share in total foreign liabilities of the AMC's during the reference period and accounted for over one-fourth of such liabilities. Foreign liabilities of AMC's to Singapore spurted from nearly ₹1.0 billion in March 2009 to ₹8.5 billion by March 2011 whereas it declined from ₹8.5 billion in March 2009 to ₹5.3 billion in March 2011 for Mauritius. In March 2011, the shares of Singapore (25.9 per cent), Mauritius (16.1 per cent), USA (8.2 per cent) and Japan (7.1 per cent) in such liabilities were high. Japan and Luxembourg accounted for foreign liabilities from 2010 onwards. The category 'Others' includes cases where individual country-wise contribution was very small or the country of the investor was not given (Table 8).

(b) Country-wise foreign assets

The share of Singapore in foreign assets of AMC's increased rapidly and it accounted for more than half of such portfolio in March 2011. Guernsey (16.6 per cent), Mauritius (8.7 per cent), UAE (7.9 per cent), UK (4.4 per cent) and Malaysia (4.1 per cent) were other countries with significant shares in such assets (Table 9).

Section IV***Reinvested Earnings of AMC's***

Reinvested earning is the Foreign Direct investor's share in resident company's retained earnings, which is the difference (positive or negative) between a company's net profit/loss and its distributed dividends. Reinvested earnings are included in the balance of

Table 8: Asset Management Companies – Country-wise Distribution of Foreign Liabilities

(₹ million)

Country	End-March			Variation			
				Absolute		Percent	
	2009	2010	2011	2009-10	2010-11	2009-10	2010-11
1	2	3	4	5	6	7	8
Singapore	918 (5.2)	7,907 (24.7)	8,532 (25.9)	6,989	625	761.7	7.9
Mauritius	8,480 (47.8)	4,187 (13.1)	5,314 (16.1)	-4,293	1,127	-50.6	26.9
U.S.A.	1,314 (7.4)	2,528 (7.9)	2,706 (8.2)	1,213	178	92.3	7.0
Japan	0 (0)	208 (0.7)	2,348 (7.1)	208	2,139	**	1,026.7
Luxembourg	0 (0)	3,378 (10.6)	2,057 (6.2)	3,378	-1,321	**	-39.1
United Kingdom	224 (1.3)	1,680 (5.2)	2,016 (6.1)	1,456	336	649.4	20.0
China (Mainland) Peoples Rep.	2,454 (13.8)	2,185 (6.8)	1,940 (5.9)	-269	-245	-10.9	-11.2
Canada	105 (0.6)	703 (2.2)	1,691 (5.1)	598	988	571.3	140.7
South Korea	2,363 (13.3)	1,303 (4.1)	1,223 (3.7)	-1,060	-80	-44.9	-6.2
France	304 (1.7)	937 (2.9)	1,027 (3.1)	632	90	208.0	9.7
Others	1,592 (9.0)	6,989 (21.8)	4,094 (12.4)	5,397	-2,895	339.0	-41.4
Grand Total	17,754	32,004	32,948	14,250	944	80.3	2.9

Figures in parentheses are percentage share to total. ** nil or negligible denominator.

Table 9: Asset Management Companies – Country-wise Distribution of Foreign Assets

(₹ million)							
Country	End-March			Variation			
				Absolute		Percent	
	2009	2010	2011	2009-10	2010-11	2009-10	2010-11
1	2	3	4	5	6	7	8
Singapore	669 (29.7)	700 (53.3)	785 (51.4)	31	85	4.6	12.1
Guernsey	369 (16.4)	233 (17.7)	254 (16.6)	-136	21	-36.9	9.0
Mauritius	29 (1.3)	72 (5.4)	133 (8.7)	43	62	148.6	86.1
United Arab Emirates	0 (0)	0 (0)	121 (7.9)	0	121	**	**
United Kingdom	44 (1.9)	78 (5.9)	66 (4.4)	35	-12	79.2	-15.0
Malaysia	0 (0)	145 (11)	62 (4.1)	145	-83	**	-57.3
China(Mainland) Peoples Rep.	33 (1.4)	20 (1.5)	21 (1.4)	-12	0	-37.9	1.8
U.S.A.	80 (3.5)	0 (0)	13 (0.8)	-80	13	-100.0	**
Others	1,031 (45.7)	66 (5)	72 (4.7)	-964	6	-93.6	8.9
Total	2,254	1,315	1,527	-939	212	-41.7	16.1

Figures in parentheses are percentage share to total. ** nil or negligible denominator.

payments (BoP) statistics with the double-entry book-keeping principle by (a) including it in the financial accounts as the part of FDI to reflect the direct investor's increased investment in the foreign subsidiary, associate or branch and (b) recording as a investment income payments in the current account, representing the direct investor's income on equity investment.

Reinvested earnings of the AMC's increased from ₹1,442 million in 2008-09 to ₹2,389 million in 2009-10 and further to ₹3,791 million in 2010-11 reflecting the increased profit earnings by the AMC's.

Section V

Conclusions

The global financial crisis induced considerable volatility in foreign assets and liabilities of the Indian mutual fund and asset management companies during 2009-11. Foreign assets of MFs increased sharply during 2009-10 but recorded a decline in the next year to the level of ₹42.9 billion by March 2011. On the other hand, foreign liabilities of MFs moderated during 2009-10

before recovering marginally to ₹213.9 billion by March 2011. The ratio of MFs' foreign assets to foreign liabilities increased from 15.4 per cent in March 2009 to 27.2 per cent in March 2010 before declining to 20.1 per cent by March 2011. The foreign liabilities of AMC's associated with the MFs also far exceeded their foreign assets.

Foreign liabilities of MFs are overwhelmingly on account of issue of MF Units to non-residents. Among the countries, UAE and USA accounted for the major share of liabilities, both at face value as well as at market value even as country details for a large share of investment was not received. In case of AMC's, Singapore had largest share in both foreign liabilities and assets.

Portfolio assets constituted major portion of foreign assets of MFs after liberalisation of the policies on overseas investment by MFs. Within portfolio investment, the assets were overwhelmingly in terms of equity investment, overseas mutual fund units had a small share and no MF invested in debt securities abroad.

ANNEX – I

RESERVE BANK OF INDIA

Annual Return on Foreign Liabilities and Assets(Return to be filled under A.P. (DIR Series) Circular No.45 dated March 15, 2011
to the Department of Statistics and Information Management, RBI, Mumbai)

Please read the guidelines/definitions carefully before filling-in the Return

Section I: Identification Particulars

For RBI's use

1. Name and Address of the Indian Company _____

COMPANY CODE

City: _____ Pin: _____

State: _____

2. Income-Tax allotted PAN Number of Company:

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3. Registration No given by the Registrar of Companies:

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4. Name of the Contact Person : _____ Designation: _____

Tel.No. (with STD code): _____ Fax: _____ e-mail: _____

3. Account closing date: _____ Web-site (if any): _____
(dd/mm/yy)

4. In case of change in Company Name and/or activity, specify the old and new Company Name and activity:

Old Company Name : _____ New Company Name _____

Effective Date _____

Old Activity: _____ New Activity _____

5. Nature of Business: Please tick (✓) the appropriate group of activity to which your principal line of business pertains and also mention, if possible, the NIC code in the bracket.

Industry	Revenue (%)	Industry	Revenue (%)	Industry	Revenue (%)	Industry	Revenue (%)
1. Power ()		2. Electrical & Electronics ()		3. Non - financial services ()		4. Financial Services ()	
5. Telecom ()		6. Hotels & Tourism ()		7. Metallurgical Industry & Mining ()		8. Food Processing Industry ()	
9. Transportation ()		10. Petroleum & Natural Gas ()		11. Chemicals (other than fertilizers) ()		12. Construction ()	
13. Software and ITES/BPO ()		14. Pharmaceutical ()		15. Other ()			

For RBI's use (Industry Code)

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ANNEX – I (Contd.)

7. Whether your company is listed in India [please tick (✓)]?	Yes		No	
8. Whether your company has any Foreign Collaboration? If yes, please indicate whether it is (please tick the appropriate one)	Yes		No	
(a) Technical collaboration		(b) Financial collaboration (foreign equity participation)		(c) Both

Block 1A : Total Paid up Capital of Indian Company

Item	End-March of previous FY		End-March current FY	
	Number of Shares	Amount in ₹ lakh	Number of Shares	Amount in ₹ lakh
1.0 Total Paid-up Capital [(i) + (ii)]				
(i) Ordinary/Equity Share				
(ii) Preference Share [(a) + (b)]				
(a) Participating				
(b) Non-participating				
2.0 Non-resident Equity Holdings				
1 Individuals				
2 Companies				
3 FIIs				
4 FVCIs				
5 Foreign Trusts				
6 Private Equity Funds				
7 Pension/ Provident Funds				
8 Sovereign Wealth Fund (SWF) [§]				
9 Partnership/ Proprietorship firms				
10 Financial Institutions				
11 NRIs/PIO				
12 Others (please specify)				

Note: FY: Financial Year

Block 1B : Free Reserves & Surplus and Retained Profit

Item	Amount in ₹ lakh as at the end – March of	
	Previous FY	Current FY
3.1 Free Reserves & Surplus as at the end of		
	Amount in ₹ lakh	
	During Previous FY	During Current FY
3.2 Profit (+) / Loss (-) after tax		
3.3 Dividend Declared (excluding tax on dividend)		
3.4 Retained Profit / loss (3.4 = 3.2 -3.3)		

ANNEX – I (Contd.)

Section II

FOREIGN LIABILITIES

2. Investments made under Foreign Direct Investment (FDI) scheme in India:

In case of listed companies, equity should be valued using share price on closing date of reference period, while in case of unlisted companies, Own Fund of Book Value (OFBV) Method should be used (*see the attached guidelines for details*)

Block 2A: Foreign Direct Investment in India (10% or more Equity Participation)

[Please furnish here the outstanding investments *made under the FDI Scheme in India* by Non-resident Direct investors, who were individually holding **10 per cent or more** ordinary/equity shares of your company on the reporting date]

If this block is **Non-NIL**, then please give the Name & Addresses of your subsidiary in India, if any, in BLOCK 9.

Name of the non-resident Company/ Individual	Type of Capital	Country of non-resident investor	Equity holding (%)	Amount in ₹ lakh as at the end of		
				March Previous FY	December Current FY	March Current FY
	1.0 Equity Capital (1.0 = 1.2-1.1)					
	1.1 Claims on Direct Investor					
	1.2 Liabilities to Direct Investor					
	2.0 Other Capital(2.0 = 2.2-2.1)					
	2.1 Claims on Direct Investor					
	2.2 Liabilities to Direct Investor					
	3.0 Disinvestments in India during the year					

Note : (i) if investor is a company, then country is the country of incorporation;
(ii) Please use different sheet using same format to report different non-resident company/individual.

Block 2B: Foreign Direct Investment in India (Less than 10% Equity Holding)

[Please furnish here the outstanding investments *made under the FDI Scheme in India* by Non-resident Direct investors, who were individually holding **less than 10 per cent** ordinary/ equity shares of your company on the reporting date]

Name of the non-resident Company/ Individual	Type of Capital	Country of non-resident investor	Equity holding (%)	Amount in ₹ lakh as at the end of		
				March Previous FY	December Current FY	March Current FY
	1.0 Equity Capital (1.0 = 1.2-1.1)					
	1.1 Claims on Direct Investor					
	1.2 Liabilities to Direct Investor					
	2.0 Other Capital(2.0 = 2.2-2.1)					
	2.1 Claims on Direct Investor					
	2.2 Liabilities to Direct Investor					
	3.0 Disinvestments in India during the year					

Note : (i) if investor is a company, then country is the country of incorporation;
(ii) Please use different sheet using same format to report different non-resident company/individual.

ANNEX – I (Contd.)

3. Portfolio and Other Liabilities to Non-residents (i.e. position with unrelated parties)

Block 3A: Portfolio Investment

Please furnish here the outstanding investments by non-resident investors made under the **Portfolio Investment Scheme in India**. In case of listed companies, equity should be valued using share price on closing date of reference period, while in case of unlisted companies, Own Fund of Book Value (OFBV) Method should be used. (see the attached guidelines for details)

Portfolio Investment	Country of non-resident investor	Amount in ₹ lakh as at the end of	
		March Previous FY	March Current FY
1.0 Equity Securities			
2.0 Debt Securities(2.0 = 2.1+2.2)			
2.1 Bonds and Notes (original maturity more than 1year)			
2.2 Money Market Instruments (original maturity upto1year)			
3.0 Disinvestments in India during the year			

Note: Data pertaining to each type of investment are to be reported consolidating the information country wise. If more countries are involved to report the data for the particular type(s) of investment, it should be reported in the same format using additional sheets separately for each country.

Block 3B: Financial Derivatives (with non-resident entities only)

Please furnish here the outstanding foreign liabilities on account of financial derivatives contract **entered into with non-residents**.

Financial Derivatives	Country of non-resident investor	Amount in ₹ lakh as at the end of	
		March Previous FY	March Current FY
(i) Notional Value			
(ii) Mark to market value			

Note: If more countries are involved to report the data for the particular type(s) of investment, it should be reported in the same format using additional sheets separately for each country.

Block 3C: Other Investments:

This is a residual category that includes all financial outstanding not considered as direct investment or portfolio investment (**outstanding liabilities with Unrelated Parties**)

Other Investment	Country of non-resident lender	Amount in ₹ lakh as at the end of	
		March Previous FY	March Current FY
4.0 Trade Credit (4.0 = 4.1+4.2)			
4.1 Short Term (4.1 = 4.1.1+4.1.2)			
4.1.1. Up to 6 Months			
4.1.2. 6 Months to 1 Year			
4.2 Long Term			
5.0 Loans (5.0 = 5.1+5.2)			
5.1 Short Term			
5.2 Long Term			

ANNEX – I (Contd.)

Other Investment	Country of non-resident lender	Amount in ₹ lakh as at the end of	
		March Previous FY	March Current FY
6.0 Other Liabilities (6.0 = 6.1+6.2)			
6.1 Short Term (Up to 1 yr.)			
6.2 Long Term			

Note : (i) Data pertaining to each type of investment are to be reported consolidating the information country wise. If more countries are involved to report the data for the particular type(s) of investment, it should be reported in the same format using additional sheets separately for each country.

(ii) At item 5.0, loan should include the ECB loan other than those taken from non-resident parent company. ECB loan taken from parent company abroad should be shown under Other Capital of Block 2A.

Section –III

FOREIGN ASSETS

- Please use the **exchange rate as at end-March/end-December** (as applicable) of reporting year while reporting the **foreign assets in ₹ lakh**.
- In case, the overseas company is listed, equity should be valued using share price on closing date of reference period, while in case of unlisted company, use Own Fund of Book Value (OFBV) method for valuation of equity (*see the attached guidelines for details*)

Block 4: Direct Investment Abroad under Overseas Direct Investment Scheme

Block 4A: Direct Investment Abroad (10 % or more Equity holding)

[Please furnish here your outstanding investments in Non-resident enterprises [Direct Investment Enterprises (DIE)], **made under the Overseas Direct Investment Scheme**, in each of which **your company hold 10 per cent or more** Equity shares on the reporting date]. *If this block is Non-NIL, then please furnish the information in BLOCK 6.*

Name of the non-resident Direct Investment Enterprise (DIE)	Type of Capital	Country of non-resident DIE	Equity holding (%)	Amount in ₹ lakh as at the end of		
				March Previous FY	December Current FY	March Current FY
	1.0 Equity Capital (1.0 = 1.1-1.2)					
	1.1 Claims on Direct Investment Enterprise					
	1.2 Liabilities to Direct Investment Enterprise					
	2.0 Other Capital(2.0 = 2.1-2.2)					
	2.1 Claims on Direct Investment Enterprise					
	2.2 Liabilities to Direct Investment Enterprise					
	3.0 Disinvestments made abroad during the year					

Note: Please use separate sheets in the above format to report for separate DIES

ANNEX – I (Contd.)

Block 4B: Foreign Direct Investment Abroad (Less than 10 % Equity holding)

[Please furnish here your outstanding investments in non-resident enterprises (Direct Investment Enterprises DIE), **made under the Overseas Direct Investment Scheme**, in each of which **your company holds less than 10 per cent** Equity shares on the reporting date].

Name of the non-resident enterprises	Type of Capital	Country of non-resident enterprises	Amount in ₹ lakh as at the end of		
			March Previous FY	December Current FY	March Current FY
	1.0 Equity Capital (1.0 = 1.1-1.2)				
	1.1 Claims on non-resident Enterprise abroad				
	1.2 Liabilities to non-resident Enterprise abroad				
	2.0 Other Capital (2.0 = 2.1-2.2)				
	2.1 Claims on non-resident Enterprise abroad				
	2.2 Liabilities to non-resident Enterprise abroad				
	3.0 Disinvestments made abroad during the year				

Note: Please use separate sheets in the above format to report different non-resident fellow enterprises.

Portfolio and Other Assets Abroad (i.e., position with unrelated parties)**Block 5A: Portfolio Investment Abroad**

1. Please furnish here the outstanding investments in non-resident enterprises, **other than those made under Overseas Direct Investment Scheme** in India (i.e., other than those reported in Block 4A & 4B).
2. In case overseas companies are listed, equity should be valued using share price on closing date of reference period, while in case of unlisted companies, use Own Fund of Book Value Method (OFBV) (see the attached guidelines for details)

Portfolio Investment	Country of non-resident enterprise	Amount in ₹ lakh as at the end of		
		March Previous FY	December Current FY	March Current FY
1.0 Equity Securities				
2.0 Debt Securities (2.0=2.1+2.2)				
2.1 Bonds and Notes (original maturity more than 1year)				
2.2 Money Market Instruments (original maturity up to 1year)				
3.0 Disinvestments Abroad during the year				

Note: Data pertaining to each type of investment are to be reported consolidating the information country wise. If particular type(s) of investment spreads over more than one country, it should be reported in the above format using separate additional sheet for each country.

ANNEX – I (Contd.)

Block 5B: Financial Derivatives (with non-resident entities only)

Please furnish here the outstanding claims on non-residents on account of financial derivatives contract entered into with Non-residents.

Financial Derivatives	Country of non-resident enterprise	Amount in ₹ lakh as at the end of	
		March Previous FY	March Current FY
(i) Notional Value			
(ii) Mark to market value			

Note: If particular type(s) of investment spreads over more than one country, it should be reported in the above format using separate additional sheet for each country.

Block 5C: Other Investment (Outstanding claims on Unrelated Parties):

This is a residual category that includes all financial outstanding claims not considered as direct investment or portfolio investment.

Other Investment	Country of non-resident enterprise	Amount in ₹ lakh as at the end of	
		March Previous FY	March Current FY
4.0 Trade Credit (4.0=4.1+4.2)			
4.1 Short Term (4.1=4.1.1+4.1.2)			
4.1.1. Up to 6 Months			
4.1.2. 6 Months to 1 Year			
4.2 Long Term			
5.0 Loans (5.0=5.1+5.2)			
5.1 Short Term (Up to 1 year)			
5.2 Long Term			
6.0 Other Assets (6.0=6.1+6.2)			
6.1 Currency & Deposits			
6.2 Others			

Note: Data pertaining to each type of investment are to be reported consolidating the information country wise. If particular type(s) of investment spreads over more than one country, it should be reported in the above format using separate additional sheet for each country.

Block 6: Equity Capital, Free Reserves & Surplus of Direct Investment Enterprise Abroad

[Please report here the total equity, the equity held by your company and the total free reserves & surplus of those non-resident enterprises in each of which your company held 10 per cent or more shares on the reporting date].

If this block is Non-NIL then please make sure that you have provided the relevant information in BLOCK 4A.

Name of the DIE	Item	Currency	Amount in Foreign Currency as at the end of (in actual)	
			March Previous FY	March Current FY
	1. Total Equity of DIE			
	2. Equity of DIE held by you			

ANNEX – I (Contd.)

Name of the DIE	Item	Currency	Amount in Foreign Currency as at the end of (in actual)	
			March Previous FY	March Current FY
	3. Free Reserves & Surplus of DIE			
	4. Dividend Received by you during the year			
	5. Amount of your Profit retained by DIE during the year			

Note: If your company is a Direct Investor in more than one DIE, the data should be provided in the same format in respect of each such DIE using additional sheets.

Block 7: Contingent Foreign Liabilities

[Please report here the relevant details about the contingent foreign liabilities of **your company**]

Description of Contingent Liability	Country	Currency [#]	Amount in Foreign Currency as at the end of (in actual)	
			March Previous FY	March Current FY
(1)	(2)	(3)	(4)	(5)

Note: # Currency of denomination of the contingent foreign liability should be mentioned in Col. 3. Refer to the details on Contingent liabilities given in Annex.

Block 8: Employee Information of reporting Indian company

	As at the end-March of	
	Previous FY	Current FY
No. of Employees on Payroll		

Block 9: Name(s) & Address (es) of your subsidiary in India

Sr. Nos.	Name of Subsidiary in India*	Your Equity holding in subsidiary %	Address	Retained profit/ loss of your subsidiary in India during the current FY (Amount in ₹ lakh)

ANNEX – I (Contd.)

SCHEDULE 4
(To be filled in by Mutual Fund Company)

Please read the **instructions** carefully before filling-in this schedule.

Identification Particulars

1. Name of the Company : _____

For RBI use

COMPANY CODE				
--------------	--	--	--	--
2. Registered Address : _____
 City : _____ State : _____
 Pin : _____

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3. Account Closing Date (dd/mm/yy) : _____
4. Contact Person : _____ Designation : _____
5. Telephone No (with std code) : _____ Fax No. : _____
6. e-mail : _____
7. If any change in Company Name then please specify the old and new company name:
 Old Company Name _____ New Company Name _____
 Effective date(dd/mm/yy)_____

ANNEX – I (Contd.)

BLOCK 1: UNITS ISSUED TO AND OUTSTANDING IN THE NAME OF NON-RESIDENTS

Amount in Rupees (lakh)					Amount in Rupees (lakh)						
Sr. No	Country of residence of unit holder		Face value as on March 31, 2010		Market value of non-resident holding as on March 31, 2010	Sr. No	Country of residence of unit holder		Face value on March 31, 2011		Market value of non-resident holding as on March 31, 2011
	Description	For RBI use	Face value of non-resident holding (a)	Unit Premium Reserve (b)*			Description	For RBI use	Face value of non-resident holding (a)	Unit Premium Reserve (b)*	
Total →						Total →					

* (b) = Allotment or Issue price of units minus Face value of units (a)

Note : (1) For the purpose of valuation, market value should relate to

- i) The mid-value of the stock market buy and sell closing rates on the reference dates (31/03/2010 & 2011) in case, stock markets were closed on the reference dates, rates prevailing on the previous working day should be used.
- ii) In case the market value is not available, net asset value per instrument on the reference dates should be used.

(2) All Schemes where non-residents (individuals, companies and associates) are eligible to participate should be covered.

It is not necessary to give scheme-wise figures. Aggregate for all such schemes should only be reported

(3) **Please use additional sheet(s) using the same format if any Block is not sufficient to report all data.**

ARTICLE

Survey of India's Foreign Liabilities & Assets for the Mutual Fund Companies (2009-2011)

ANNEX – I (Contd.)

BLOCK 2: OTHER FOREIGN LIABILITIES

(Please indicate here foreign liabilities arising out of Mutual Fund, e.g. unpaid income/dividend distribution to non-residents, sale proceeds awaiting repatriation etc.)

Sr. No	Description of the liability (please see instruction no. 3)	Country of residence of creditor		Currency of denomination		As on March 31, 2010		As on March 31, 2011	
		Description	For RBI use	Description	For RBI use	Amount in foreign currency (in actuals)	Amount in Rupees (Lakh)	Amount in foreign currency (in actuals)	Amount in Rupees (Lakh)
1	2	3	4	5	6	7	8	9	10
Give the total for Column 8 and 10 →						xxxxxxxx		xxxxxxxx	

ANNEX – I (Concl.)**BLOCK 3: OTHER FOREIGN ASSETS**

(Please indicate here the foreign assets on account of investment in equity, debt securities, mutual fund units abroad, balances held abroad, etc.)

Sr. No	Description of the assets (please see instruction no. 3)	Country of residence / location of debtor		Currency of denomination		Amount as on March 31, 2010		Amount as on March 31, 2011	
		Description	For RBI use	Description	For RBI use	Amount in foreign currency (in actuals)	Amount in Rupees (Lakh)	Amount in foreign currency (in actuals)	Amount in Rupees (Lakh)
1	2	3	4	5	6	7	8	9	10
Give the total for Column 8 and 10 →						xxxxxxx		xxxxxxx	

CERTIFICATE

We hereby certify that all the facts and figures furnished in this schedule reflect the accurate position of the company and reported after understanding all the items of all the blocks of the schedule.

Place :

Signature and Name of the Authorised person

Date :

Seal/Stamp of the Company

ANNEX – II

List of mutual fund companies which responded to FLAS in 2010-2011

1	AIG Global Investment Group Mutual Fund	23	JM Financial Mutual Fund
2	Axis Mutual Fund	24	JPMorgan Mutual Fund
3	Baroda Pioneer Mutual Fund	25	Kotak Mahindra Mutual Fund
4	Benchmark Mutual Fund	26	L&T Mutual Fund
5	Bharti AXA Mutual Fund	27	LIC NOMURA Mutual Fund
6	Birla Sun Life Mutual Fund	28	Mirae Asset Mutual Fund
7	BNP Paribas Mutual Fund	29	Morgan Stanley Mutual Fund
8	Canara Robeco Mutual Fund	30	Motilal Oswal Mutual Fund
9	Daiwa Mutual Fund	31	Peerless Mutual Fund
10	Deutsche Mutual Fund	32	Pramerica Mutual Fund
11	DSP BlackRock Mutual Fund	33	PRINCIPAL Mutual Fund
12	Edelweiss Mutual Fund	34	Quantum Mutual Fund
13	Escorts Mutual Fund	35	Reliance Mutual Fund
14	Fidelity Mutual Fund	36	Religare Mutual Fund
15	Franklin Templeton Mutual Fund	37	Sahara Mutual Fund
16	Goldman Sachs Mutual Fund	38	SBI Mutual Fund
17	HDFC Mutual Fund	39	Shriram Mutual Fund
18	HSBC Mutual Fund	40	Sundaram Mutual Fund
19	ICICI Prudential Mutual Fund	41	Tata Mutual Fund
20	IDBI Mutual Fund	42	Taurus Mutual Fund
21	IDFC Mutual Fund	43	Union KBC Mutual Fund
22	ING Mutual Fund	44	UTI Mutual Fund