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Survey of Foreign Liabilities and Assets of Mutual Fund Companies, 2018-19

Today, the Reserve Bank released the results of the 2018-19 round of the *Survey of Foreign Liabilities and Assets of the Mutual Fund (MF) Companies* on its website¹. The survey covers 44 Indian MF companies and their Asset Management Companies (AMCs), which held/acquired foreign assets and/or liabilities during 2018-19 and/or in the preceding year ([Annex](#) and [Schedule 4](#)). Information on the stock of external assets and liabilities of AMCs were obtained from the *annual return on foreign liabilities and assets*.

Highlights:
I. Mutual Fund Companies:

- Foreign liabilities of MF companies (US \$ 13.5 billion) in the form of non-residents' investments in the units substantially exceeded their foreign assets in the form of overseas equity investments (US \$ 0.7 billion) in March 2019 with both foreign liabilities and foreign assets recording increases during 2018-19 (Table 1).
- The UAE, the UK and the USA were the largest investors together accounting for one-third of the MF units held by non-residents (Table 2 and Table 3).
- MF units held by non-residents in Mauritius and Singapore declined after the amendment of *Double Taxation Avoidance Agreement (DTAA)* with these countries for withdrawal of capital gains exemption in a phased manner, effective April 2017 (Table 2).
- The USA (44.6 per cent share in total foreign assets) and Luxembourg (41.1 per cent) remained the preferred investment destinations for MF companies (Table 4).

II. Asset Management Companies:

- Foreign liabilities of AMCs (US \$ 3.3 billion) exceeded foreign assets (US \$ 0.1 billion) substantially in March 2019 (Table 5).
- Net foreign liabilities of AMCs increased by 68 per cent during the year, mainly on account of equity valuation gains after stock exchange listing (Table 5).
- Non-residents in the UK held over half of the foreign liabilities of AMCs in March 2019; AMCs' equity liabilities to non-residents in Japan, Mauritius and Hong

¹ The results of the previous survey round for the year 2017-18 were released *vide* [press release dated August 24, 2018](#).

Kong declined during the year due to capital repatriation and reduction in market value of their investment (Table 6).

- Overseas assets of AMC's were largely held in Guernsey, Mauritius and Singapore (Table 7).

Press Release : 2019-2020/719

Ajit Prasad
Director

Item	End-March 2018 (R)		End-March 2019 (P)		% Growth (₹ terms)
	₹ crore	US\$ million	₹ crore	US\$ million	
(1)	(2)	(3)	(4)	(5)	(6)
Foreign Assets	3,434	528	4,499	650	31.0
(a) Equity Securities	3,409	524	4,482	648	31.5
(b) Debt Securities	0		0		
(c) Other Foreign Assets	25	4	17	2	-32.0
Foreign Liabilities	85,847	13,198	93,541	13,523	9.0
Market Value of Units	85,670	13,171	93,340	13,494	9.0
Other Foreign Liabilities	177	27	201	29	13.6
Net Liabilities	82,413	12,670	89,042	12,873	8.0
Face Value of Units	31,869	4,900	35,051	5,067	10.0

Country	End-March 2018	End-March 2019	% Share in 2019	Annual Variation	
				Absolute	per cent
(1)	(2)	(3)	(4)	(5)	(6)
United Arab Emirates	5,859	5,769	16.5	-90	-1.5
United Kingdom	3,051	3,458	9.9	407	13.3
United States of America	2,374	2,797	8.0	423	17.8
Singapore	2,499	2,084	5.9	-415	-16.6
Hong Kong	894	818	2.3	-76	-8.5
Oman	630	715	2.0	85	13.5
Mauritius	932	530	1.5	-402	-43.1
Qatar	319	526	1.5	207	64.9
Saudi Arabia	464	504	1.4	40	8.6
Kuwait	376	470	1.3	94	25.0
Others*	14,473	17,381	49.6	2,908	20.1
Of which: India	8,366	10,432	29.8	2,066	24.7
Total	31,869	35,051	100.0	3,182	10.0

*Others (comprised 241 countries) includes non-resident Indians (NRIs), who use their Indian permanent address.

Country	End-March 2018	End-March 2019	% Share in 2019	Annual Variation	
				Absolute	per cent
(1)	(2)	(3)	(4)	(5)	(6)
United Arab Emirates	14,315	14,979	16.0	664	4.6
United States of America	7,704	8,989	9.6	1,285	16.7
United Kingdom	7,072	7,751	8.3	679	9.6
Singapore	6,897	5,683	6.1	-1,214	-17.6
Mauritius	5,649	3,831	4.1	-1,818	-32.2
Oman	1,679	1,898	2.0	219	13.0
Hong Kong	1,836	1,839	2.0	3	0.2
Qatar	827	1,431	1.5	604	73.0
Saudi Arabia	1,229	1,331	1.4	102	8.3
Kuwait	1,070	1,316	1.4	246	23.0
Others*	37,391	44,292	47.5	6,901	18.5
Of which: India	21,472	26,840	28.8	5,368	25.0
Total	85,670	93,340	100.0	7,670	9.0

*Others (comprised 241 countries) includes non-resident Indians (NRIs), who use their Indian permanent address.

Country	End-March 2018	End-March 2019	% Share in 2019	Variation	
				Absolute	per cent
(1)	(2)	(3)	(4)	(5)	(6)
United States of America	1,191	1,997	44.6	806	67.7
Luxembourg	1,431	1,840	41.1	409	28.6
Cayman Islands	151	112	2.5	-39	-25.8
Japan	64	104	2.3	40	62.5
Taiwan	37	54	1.2	17	45.9
Switzerland	67	54	1.2	-13	-19.4
Ireland	30	43	1.0	13	43.3
Bermuda	0	41	0.9	41	0.0
Korea, Republic of	63	34	0.8	-29	-46.0
China	0	31	0.7	31	0.0
Others	374	172	3.8	-202	-54.0
Total	3,409	4,482	100.0	1,073	31.5

Table 5: Foreign Liabilities and Assets of Asset Management Companies

Item	End-March 2018 (R)		End-March 2019 (P)		% Growth (₹ terms)
	₹ crore	US\$ million	₹ crore	US\$ million	
Foreign Liabilities*	13,931	2,142	22,979	3,322	64.9
(a) Equity and other capital	13,418	2,063	21,142	3,056	57.6
(b) Portfolio investment	506	78	1,833	265	262.3
(c) Other Investment	7	-	4	-	-42.9
Foreign Assets	615	95	631	91	2.6
(a) Equity and other capital	590	91	599	87	1.5
(b) Portfolio investment	-	-	-	-	-
(c) Other Investment	25	4	32	5	28.0
Net Liabilities	13,316	2,047	22,348	3,231	67.8

Source: Annual Census on Foreign Liabilities and Assets, RBI

Note: - Nil/negligible

Table 6: Foreign Liabilities of AMCs in Equity and Other Capital – Major Countries
Amount in ₹ crore

Country	End-March			Variation	
	2018 (R)	2019 (P)	% Share in 2019	Absolute	per cent
United Kingdom*	1,823	11,003	52.0	9,180	503.6
Japan	6,475	5,586	26.4	-889	-13.7
Canada	1,568	1,848	8.7	280	17.9
Mauritius	2,256	1,369	6.5	-887	-39.3
France	377	506	2.4	129	34.2
Hong Kong	382	232	1.1	-150	-39.3
Korea, Republic Of	176	219	1.0	43	24.4
Singapore	178	186	0.9	8	4.5
United States of America	105	106	0.5	1	0.4
Netherlands	78	87	0.4	9	11.5
Total	13,418	21,142	100.0	7,724	57.6

Source: Annual Census on Foreign Liabilities and Assets, RBI

* certain shares held were listed on stock exchanges during the reference year.

Note: R: Revised; P: Provisional.

Table 7: Foreign Assets of AMCs in Equity and Other Capital – Major Countries
Amount in ₹ crore

Country	End-March			Variation	
	2018 (R)	2019 (P)	% Share in 2019	Absolute	per cent
Guernsey	363	368	61.4	5	1.4
Mauritius	145	137	22.9	-8	-5.5
Singapore	66	68	11.4	2	3.0
United Arab Emirates	5	6	1.0	1	20.0
United States of America	11	20	3.3	9	81.8
Total	590	599	100.0	9	1.5

Source: Annual Census on Foreign Liabilities and Assets, RBI

Note: R: Revised; P: Provisional