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 website[1]. 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 Kong declined during the year due to capital repatriation and reduction in market value of their investment (Table 6).
- Overseas assets of AMCs were largely held in Guernsey, Mauritius and Singapore (Table 7).

The Reserve Bank of India today released, on its website, the data related to the Census on Foreign Liabilities and Assets of Indian Direct Investment Companies for the year 2015-16.

The Annual Census on Foreign Liabilities and Assets (FLA) covers the Indian companies which submit information on their overseas liabilities and assets arising on account of foreign direct investment (FDI) in India, their overseas direct investment (ODI) and other investments.

In the 2015-16 round of FLA census, out of the 18,549 reporting companies, 17,008 companies had FDI/ODI in their balance sheet in March 2016. Of these, 649 companies had bi-directional direct investment, 14,383 companies received only FDI and 1,976 had only ODI. Of the 15,032 companies that reported inward direct investment, 10,794 companies were subsidiaries of foreign companies (i.e., single foreign investor holding is more than 50% of total equity), which also report information on their sales, purchase, exports and imports, for use in the compilation of Foreign Affiliates Trade Statistics (FATS) for India. Out of 2,625 ODI reporting Indian companies, 2,093 companies had 3,320 overseas subsidiaries. As some companies may still report, the results presented here are provisional.

Main Findings:

- Coverage: An overwhelming majority of the responding companies were unlisted and most of these companies received only inward FDI. Unlisted companies also had a larger share of FDI equity capital (₹ 3,926.2 billion at face value) vis-à-vis the listed companies (₹ 118.0 billion at face value) in March 2016. The share of non-financial companies in total foreign equity participation was much larger (₹ 3,461.7 billion at face value) as compared with financial companies (₹ 582.5 billion). (Tables 1, 2A and 2B)
- Inward/Outward Direct Investment: Equity participation had a much larger share (93.4 per cent) than debt in total inward FDI, which stood at ₹ 20,140.0 billion at market value in March 2016 (₹ 19,813.4 billion a year ago). Total ODI was placed at ₹ 5,790.2 billion at market value (₹ 5,637.0 billion a year ago). Under ODI too, equity participation had a large share (80.5 per cent). The ratio of outward to inward direct investment, at market value, increased marginally from 28.5 per cent to 28.7 per cent over this period. (Table 3)
- Other Investment: Other investment liabilities, which include trade credit, loans, currency & deposits and other payable with unrelated (third party) non-resident entity, stood at ₹ 12,640.8 billion in March 2016 (₹ 12,333.1

billion a year ago). Corresponding overseas assets accounted for 35.1 per cent of such liabilities. (Table 4)

- Source/Destination countries of Inward and Outward FDI: Among the source countries for FDI, Mauritius had the largest share (20.8 per cent) followed by USA (17.4 per cent), UK (15.1 per cent), Singapore (10.9 per cent) and Japan (8.0 per cent). The destination for ODI of Indian companies was largely Singapore (20.6 per cent), Mauritius (17.7 per cent), Netherlands (14.0 per cent) and USA (10.3 per cent). (Tables 5 and 6)
- Activity/Sector-wise of Inward FDI: Both manufacturing and services sectors attract foreign equity participation. Total FDI stock at market value in the manufacturing and services sectors stood at ₹ 10,006.3 billion in March 2016 (₹ 10,208.1 billion a year ago) and ₹ 8,590.8 billion (₹ 7,748.4 billion a year ago), respectively. While manufacturing sector accounted for around half of the total FDI at market prices, 'information and communication services' (20.1 per cent) and 'financial and insurance activities' (11.2 per cent) were the other major activities attracting FDI. (Tables 7 and 8)
- Sales/Purchases of Overseas Subsidiaries of Indian Companies: Total sales, including exports, of overseas subsidiaries increased by 22.5 per cent to ₹ 3,301.1 billion in 2015-16. The total value of their purchase, including imports, increased by 44.7 per cent to ₹ 3,150.7 billion in 2015-16. Their purchase-to-sales ratio was 95.4 per cent. Many companies did not report sales/purchase because of being at incipient stage or other reasons. (Table 9A and 9B)
- Exports/Imports of Overseas Subsidiaries of Indian Companies: Total exports of overseas subsidiaries increased by 0.5 per cent to ₹ 988.2 billion in 2015-16 whereas their total imports increased by 10.5 per cent to ₹ 1,188.3 billion in 2015-16. Their export-to-sales and import-to-purchase ratios stood at 29.9 per cent and 37.7 per cent, respectively, in 2015-16. (Table 9C and 9D)
- Sales/Purchases of Foreign Subsidiary Companies in India: Total sales, including exports, of foreign subsidiaries increased by 6.2 per cent to ₹ 17,078.2 billion in 2015-16 whereas their purchase, including imports, increased by 5.5 per cent to ₹ 10,812.2 billion. Their purchase to sales ratio was around 63.3 per cent. (Tables 10A and 10B)
- Exports/Imports of Foreign Subsidiary Companies in India: Total exports of foreign subsidiaries companies increased by 0.9 per cent to ₹ 5,493.6 billion in 2015-16. Exports constituted 32.2 per cent share in their total sales. The 'Information and communication services' sector had the highest share of 21.4 per cent in sales, of which, 70.6 per cent was through exports. Total

imports of subsidiary companies increased by 0.2 per cent to ₹ 4,614.2 billion in 2015-16. Imports accounted for 42.7 per cent of total purchase of these companies. (Tables 10C and 10D)

An article analysing the findings of the Census is being published in the January 2017 issue of the RBI Bulletin.

023445666

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 website[1]. 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 Kong declined during the year due to capital repatriation and reduction in market value of their investment (Table 6).
- Overseas assets of AMCs were largely held in Guernsey, Mauritius and Singapore (Table 7).

The Reserve Bank of India today released, on its website, the data related to the Census on Foreign Liabilities and Assets of Indian Direct Investment Companies for the year 2015-16.

The Annual Census on Foreign Liabilities and Assets (FLA) covers the Indian companies which submit information on their overseas liabilities and assets arising on account of foreign direct investment (FDI) in India, their overseas direct investment (ODI) and other investments.

In the 2015-16 round of FLA census, out of the 18,549 reporting companies, 17,008 companies had FDI/ODI in their balance sheet in March 2016. Of these, 649 companies had bi-directional direct investment, 14,383 companies received only FDI and 1,976 had only ODI. Of the 15,032 companies that reported inward direct investment, 10,794 companies were subsidiaries of foreign companies (i.e., single foreign investor holding is more than 50% of total equity), which also report information on their sales, purchase, exports and imports, for use in the compilation of Foreign Affiliates Trade Statistics (FATS) for India. Out of 2,625 ODI reporting Indian companies, 2,093 companies had 3,320 overseas subsidiaries. As some companies may still report, the results presented here are provisional.

Main Findings:

- Coverage: An overwhelming majority of the responding companies were unlisted and most of these companies received only inward FDI. Unlisted companies also had a larger share of FDI equity capital (₹ 3,926.2 billion at face value) vis-à-vis the listed companies (₹ 118.0 billion at face value) in March 2016. The share of non-financial companies in total foreign equity participation was much larger (₹ 3,461.7 billion at face value) as compared with financial companies (₹ 582.5 billion). (Tables 1, 2A and 2B)

- Inward/Outward Direct Investment: Equity participation had a much larger share (93.4 per cent) than debt in total inward FDI, which stood at ₹ 20,140.0 billion at market value in March 2016 (₹ 19,813.4 billion a year ago). Total ODI was placed at ₹ 5,790.2 billion at market value (₹ 5,637.0 billion a year ago). Under ODI too, equity participation had a large share (80.5 per cent). The ratio of outward to inward direct investment, at market value, increased marginally from 28.5 per cent to 28.7 per cent over this period. (Table 3)
- Other Investment: Other investment liabilities, which include trade credit, loans, currency & deposits and other payable with unrelated (third party) non-resident entity, stood at ₹ 12,640.8 billion in March 2016 (₹ 12,333.1 billion a year ago). Corresponding overseas assets accounted for 35.1 per cent of such liabilities. (Table 4)
- Source/Destination countries of Inward and Outward FDI: Among the source countries for FDI, Mauritius had the largest share (20.8 per cent) followed by USA (17.4 per cent), UK (15.1 per cent), Singapore (10.9 per cent) and Japan (8.0 per cent). The destination for ODI of Indian companies was largely Singapore (20.6 per cent), Mauritius (17.7 per cent), Netherlands (14.0 per cent) and USA (10.3 per cent). (Tables 5 and 6)
- Activity/Sector-wise of Inward FDI: Both manufacturing and services sectors attract foreign equity participation. Total FDI stock at market value in the manufacturing and services sectors stood at ₹ 10,006.3 billion in March 2016 (₹ 10,208.1 billion a year ago) and ₹ 8,590.8 billion (₹ 7,748.4 billion a year ago), respectively. While manufacturing sector accounted for around half of the total FDI at market prices, 'information and communication services' (20.1 per cent) and 'financial and insurance activities' (11.2 per cent) were the other major activities attracting FDI. (Tables 7 and 8)
- Sales/Purchases of Overseas Subsidiaries of Indian Companies: Total sales, including exports, of overseas subsidiaries increased by 22.5 per cent to ₹ 3,301.1 billion in 2015-16. The total value of their purchase, including imports, increased by 44.7 per cent to ₹ 3,150.7 billion in 2015-16. Their purchase-to-sales ratio was 95.4 per cent. Many companies did not report sales/purchase because of being at incipient stage or other reasons. (Table 9A and 9B)
- Exports/Imports of Overseas Subsidiaries of Indian Companies: Total exports of overseas subsidiaries increased by 0.5 per cent to ₹ 988.2 billion in 2015-16 whereas their total imports increased by 10.5 per cent to ₹ 1,188.3 billion in 2015-16. Their export-to-sales and import-to-purchase

ratios stood at 29.9 per cent and 37.7 per cent, respectively, in 2015-16. (Table 9C and 9D)

- Sales/Purchases of Foreign Subsidiary Companies in India: Total sales, including exports, of foreign subsidiaries increased by 6.2 per cent to ₹ 17,078.2 billion in 2015-16 whereas their purchase, including imports, increased by 5.5 per cent to ₹ 10,812.2 billion. Their purchase to sales ratio was around 63.3 per cent. (Tables 10A and 10B)
- Exports/Imports of Foreign Subsidiary Companies in India: Total exports of foreign subsidiaries companies increased by 0.9 per cent to ₹ 5,493.6 billion in 2015-16. Exports constituted 32.2 per cent share in their total sales. The 'Information and communication services' sector had the highest share of 21.4 per cent in sales, of which, 70.6 per cent was through exports. Total imports of subsidiary companies increased by 0.2 per cent to ₹ 4,614.2 billion in 2015-16. Imports accounted for 42.7 per cent of total purchase of these companies. (Tables 10C and 10D)

An article analysing the findings of the Census is being published in the January 2017 issue of the RBI Bulletin.