

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 1884
TO BE ANSWERED ON FRIDAY, 21ST DECEMBER, 2018/ AGRAHAYANA 30, 1940 (SAKA)

**EXPOSURE OF MUTUAL FUNDS TO NBFC
QUESTION**

1884. SHRI K. ASHOK KUMAR:

Will the Minister of Finance be pleased to state:

- (a): whether the Government has noted that exposure of Mutual Fund to debt papers of Non-Banking Finance Companies (NBFC) is up 2.5 times;
- (b): if so, the details thereof;
- (c): whether in percentage terms, the over exposure of debt funds to Commercial Papers (CP) and Certificate of Deposits (CD) of NBFCs rose from 12.02 per cent in August, 2014 to 16.85 per cent in August, 2018, if so, the details thereof;
- (d): whether between August, 2014 to August, 2018 funds in CPs, CDs rose to Rs. 2,48,598 crore from Rs. 98.738 crore; and
- (e): if so, the details thereof?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PON. RADHAKRISHNAN)**

(a) & (b): Non-Banking Finance Companies (NBFC) issues only Commercial Papers (CP) and Corporate Debt/ Debentures. NBFCs do not issue Certificate of Deposit. Total exposure of Mutual funds (MFs) to these debt papers of NBFCs has increased from Rs. 98,739 crore as on 31st August, 2014 to Rs. 2,48,599 crore as on 31st August, 2018 i.e an increase of 2.52 times.

(c) to (e): The exposures of Mutual Fund's debt schemes to Commercial Papers (CP) and Corporate debt issued by NBFCs has gone up from 12.90 % in August, 2014 to 16.85% in August, 2018. The details are as follows:

Sl. No.	Particulars	As on August 31, 2014 (Rs. crore)	As on August 31, 2018 (Rs. crore)
1	Exposure of MF to CP issued by NBFC	54,857	1,44,221
2	Exposure of MF to corporate debt issued by NBFC	43,882	1,04,378
3	Total exposure of MF to CP & Corporate Debt issued by NBFC	98,739	2,48,599
4	Total exposure of MF to debt instruments	7,65,416	14,75,056
5	% exposure of CP & corporate debt issued by NBFC to total exposure of Mutual Funds to debt instruments	12.90%	16.85%
