

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA
UNSTARRED QUESTION NO: 1224
TO BE ANSWERED ON THE 22nd DECEMBER, 2017/PAUSHA 1, 1939 (SAKA)

QUESTION
ASSET MANAGEMENT COMPANIES

1224: SHRI RAM CHARITRANISHAD:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India (RBI) is considering to take the asset management companies route to tackle bad loans and if so, the details thereof;
- (b) whether there are two areas where the RBI is expected to move the non-performing assets and managing the surplus cash with the banking system and if so, the details thereof; and
- (c) whether the surplus liquidity in the system is expected to be to the tune of 1.1 per cent of the country's gross domestic product and if so, the details thereof?

ANSWER
To be answered by
THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHIV PRATAP SHUKLA)

- (a) The Reserve Bank of India (RBI) has informed that, an Assets Management Company (AMC) is registered and regulated by Securities and Exchange Board of India and undertakes the activities of management and advisory services provided to pooled assets including offshore funds, insurance funds, pension funds, provident funds. Accordingly it may be noted that such companies are not engaged in resolution of bad loans.
- (b) and (c): RBI has apprised that, in order to manage the surplus liquidity conditions, it undertook in the current financial year, regular Liquidity Adjustment Facilities (LAF) operations as well as four auctions of Treasury Bills under Market Stabilisation Scheme (MSS), and that these measures were largely successful in managing surplus liquidity.
