

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:7871  
ANSWERED ON:17.05.2002  
IMPACT OF GUJARAT RIOTS IN FII'S INVESTMENT  
SULTAN SALAHUDDIN OWAISI

**Will the Minister of FINANCE be pleased to state:**

- (a) whether Foreign Institutional Investors portfolio investment witnessed a negative growth in April, 2002 in view of the Gujarat riots as reported in the Hindustan Times dated the April 25, 2002 under caption 'Gujarat riots hit FII inflow';
- (b) if so, the total FII investment in the month of January and February, 2002 in Gujarat;
- (c) whether the existing FII have put on back burner since their principles in Overseas markets are reluctant to take fresh exposure;
- (d) if so, whether new investors have also deferred their investment;
- (e) if so, the total loss suffered by the Government on this account; and
- (f) the steps taken by the Government in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (GINGEE N. RAMACHANDRAN)

- (a) Although overall for the month of April, 2002, a marginally negative trend is discernable in the Foreign Institutional Investors (FIIs) investments in the country, to construe the trend solely due to the Gujarat riots would not be correct, as several other factors and determinants influence the market trend/sentiments.
- (b) Reserve Bank of India (RBI) does not maintain State specific data on FII investments. The net FII Portfolio investment in the country during January and February, 2002 were, however, US \$ 145.9 Million and US \$ 483.5 Million respectively.
- (c) and (d): No existing FII or any new investor has expressed any such reluctance to the Government.
- (e) and (f) : Do not arise.