

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:685
ANSWERED ON:05.12.2003
F.I.I. OPERATING IN STOCK MARKET
VARKALA RADHAKRISHNAN

Will the Minister of FINANCE be pleased to state:

(a) the total number of foreign institutional investors operating in Indian stock market and their dealings in different stock exchanges; and

(b) the norms prescribed by the Government to these FIIs?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a): The Securities and Exchange Board of India (SEBI) has informed that as on November 28, 2003, 515 Foreign Institutional Investors (FIIs) were registered with it. FIIs mainly trade through The Stock Exchange, Mumbai (BSE) and the National Stock Exchange (NSE).

(b): The registration and regulation of the Foreign Institutional Investors and their sub-accounts is done by SEBI under the SEBI (Foreign Institutional Investors) Regulations 1995 which were notified in November 1995. An FII can invest in the securities in the primary and secondary markets including shares, debentures and warrants of companies, Units of schemes floated by domestic mutual funds including Unit Trust of India, dated Government Securities including treasury bills, Derivatives traded on a recognised stock exchange and Commercial paper.

The exposure of FIIs in the cash market and derivatives market in India are subject to limits notified/prescribed by SEBI from time to time.

FII regulations were amended in August, 2003 to provide for furnishing of information by FII/sub-accounts about issue of all offshore derivative instruments on the underlying Indian securities.