

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2748
ANSWERED ON:19.12.2003
FOREIGN FUNDS
UMMAREDDY VENKATESWARLU

Will the Minister of FINANCE be pleased to state:

- (a) Whether the SEBI has announced that the total net foreign investment in India until September 30, 2003 was Rs.72,965 crores;
- (b) if so, the details of funds entered into India during October 1, 2003 to October 30, 2003;
- (c) Whether a sudden withdrawal of these foreign funds would de-stabilise the market;
- (d) if so, whether SEBI proposes to introduce any `lock-in` rules to prevent wild speculators; and
- (e) if so, the details of such `lock-in` rules proposed by SEBI?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (Shri Anandrao V. Adsul)

- (a) As per the data compiled by Securities and Exchange Board of India (SEBI) total net foreign institutional Investors (FIIs) investment until September 30, 2003 was Rs.77,404.3 crores.
- (b) As per the data compiled by SEBI, net FII investment during October 1, 2003 to October 30, 2003 was Rs.6,722.8 crores.
- (c) A study of FII equity turnover vis-...-vis corresponding market turnover in the cash segment for the current financial year indicates that FII turnover as a percentage of corresponding market turnover is within 4.2% to 6.5%. This indicates that increase in market activity cannot be attributed to FIIs only.
- (d)&(e) : No, Sir. Government has not received any such proposal from SEBI.