

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2556
ANSWERED ON:12.03.2010
INFLOW OF FOREIGN CAPITAL
Munda Shri Arjun ;Rao Shri Nama Nageswara

Will the Minister of FINANCE be pleased to state:

- (a) whether the foreign institutional investors have become dominant during the last three years;
- (b) if so, the number of foreign institutional investors as per the Securities and Exchange Board of India (SEBI) till December 2009 and the investment made by those investors in the Indian capital market;
- (c) whether the position of controlling stake of indigenous companies is gradually weaning away owing to heavy foreign institutional investment; and
- (d) if so, the details thereof, action/steps taken thereon and the results achieved thereof so far?

Answer

MINISTER OF STATE FOR FINANCE (SHRI NAMO NARAIN MEENA)

(a): No. Sir. The following data given by Securities and Exchange Board of India (SEBI) does not suggest that Foreign Institutional Investors (FIIs) have become dominant during the last three years:

Year Ending December FIIs Holding as % of Market Cap (Bombay Stock Exchange)

2007	14%
2008	13%
2009	14%

(b): Does not arise.

However, the number of FIIs registered with SEBI was 1706 (Dec 2009) and total investments made by all FIIs is Rs. 3,13,838 Crore (Dec 2009).

(c): Data given at (a) above does not indicate a big increase in percentage holding by FIIs as a whole.

(d): Does not arise.