

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:617
ANSWERED ON:07.05.2010
SHARE OF FIIS IN INDIAN SHARE MARKET
Rama Devi Smt. ,Singh Rajkumari Ratna

Will the Minister of FINANCE be pleased to state:

- (a) whether Foreign Institutional Investors (FIIs) are continuously increasing their investment in the Indian share markets;
- (b) if so, the amount of investment made by them in the year 2009 and from January 2010 to mid April, 2010;
- (c) the amount invested by the domestic financial institutions during the said period;
- (d) whether the investments made by the FIIs are responsible for making the country share market volatile; and
- (e) if so, the details thereof and the reaction of the Government thereto, especially with a view to safeguarding the interests of the domestic investors?

Answer

MINISTER OF FINANCE(SHRI PRANAB MUKHERJEE)

(a) to (e): A Statement is placed on the Table of the House

Statement referred to in the reply to Lok Sabha Starred Question No.617 by Shrimati Rajkumari Ratna Singh and Shrimati Rama Devi, Members of Parliament, for 7th May, 2010 regarding 'Share of FIIs in Indian Share Market'

(a): Yes Sir. As per information provided by the Securities and Exchange Board of India (SEBI), the details of investments made by Foreign Institutional Investors (FIIs) during last two financial years are given below:

| Financial Year | Amount (Rs crore) | | Net Investment |
|----------------|-------------------|-------------|----------------|
| | Gross Purchases | Gross Sales | |
| 2008-09 | 6,14,575 | 6,60,386 | 45,811 |
| 2009-10 | 8,46,438 | 7,03,780 | 1,42,658 |

(b): The details of investments made by FIIs during calendar year 2009 and January to April 2010 as given by SEBI are as under::

| Period | Amount (Rs. crore) | | |
|--------------------------|--------------------|-------------|----------------|
| | Gross Purchases | Gross Sales | Net Investment |
| January-December 2009 | 7,36,010 | 6,48,023 | 87,987 |
| January 01-April 30,2010 | 2,89,540 | 2,34,934 | 54,606 |

(c): Value of shares bought and sold by Domestic Institutions which includes Banks, Domestic Financial Institutions, Mutual Funds, Insurance and others like New Pension Scheme for the stated periods are tabulated below:

| (in Rs. crore) | | | | |
|--------------------|----------|-----------|-----------|------------|
| Period | Exchange | Buy | Sell | Net Amount |
| | Amount | Amount | Amount | |
| January-December | NSE | 264909.56 | 248233.20 | 16676.36 |
| 2009 | BSE | 53308.56 | 42928.68 | 10379.88 |
| Total | | 318218.12 | 291161.88 | 27056.24 |
| Janury 01-April 30 | NSE | 94026.97 | 87263.75 | 6763.22 |
| 2010 | BSE | 18436.16 | 14992.23 | 3443.93 |
| Total | | 112463.13 | 102255.98 | 10207.15 |

(d) and (e) : Normal volatility is inherent in any market, including the capital market. It is an outcome of perceptions of the investors – domestic and overseas, retail and institutional – about the economy, the sector and the company. This perception is influenced by many factors including the macro-economic environment, the growth potential of the economy, policy of the government, corporate performance, domestic and international events and market sentiments. The authorities do not try to stifle normal market movements. The endeavor is to build systems and deepen markets which can withstand volatility. The Government has put in place systems and practices to promote a safe, transparent and efficient market and to protect market integrity. The systems instituted include on-line monitoring and surveillance, various limits on positions, margin requirements, circuit filters, etc.

Government works along with the regulators. Securities and Exchange Board of India (SEBI) maintains a constant vigil in the capital market, and in case of any abnormality, takes appropriate action against the entities concerned.

Annexure referred to reply to part (b) of the Rajya Sabha Unstarred question No 4193 for reply on 4th May, 2010

Top 20 company wise equity investment by FIIs during FY 2009-10 (Rs crore)

| Name of the Company/Scrip | Gross Purchase | Gross sales | Gross Investment | Net |
|--|----------------|-------------|------------------|-------|
| INE002A01018 - RELIANCE INDUSTRIES EQUITY SHARES | | 45,693 | 37,362 | 8,331 |
| INE038A01020 - HINDALCO INDUSTRIES LTD. | 9,682 | | 4,749 | 4,933 |
| INE238A01026 - UTI BANK LIMITED EQUITY SHARES | 14,497 | | 10,067 | 4,431 |
| INE694A01020 - UNITECH LIMITED | 17,400 | | 13,501 | 3,899 |
| INE268A01031 - STERLITE INDUSTRIES INDIA LTD | 11,457 | | 7,694 | 3,764 |

| | | | |
|--|--------|--------|-------|
| INE081A01012 - TISCO EQUITY SHARES | 15,373 | 11,740 | 3,633 |
| INE155A01014 - TATA MOTORS EQUITY SHARES | 9,292 | 5,797 | 3,495 |
| INE040A01018 - HDFC BANK EQUITY SHARES | 17,449 | 13,993 | 3,456 |
| INE271C01023 - DLF LIMITED | 14,101 | 10,772 | 3,380 |
| INE062A01012 - STATE BANK OF INDIA EQUITY SHARES | 20,727 | 17,416 | 3,311 |
| INE020B01018 - RURAL ELECTRIFICATION CORPORATION LIMITED | 4,076 | 797 | 3,279 |
| INE069I01010 - INDIABULLS REAL ESTATE LIMITED | 11,307 | 8,365 | 2,941 |
| INE467B01029 - TATA CONSULTANCY SERV-EQUITY SHARES | 12,659 | 10,115 | 2,544 |
| INE854D01016 - MCDOWELL & CO (NEW CO) EQUITY SHARES | 6,520 | 4,059 | 2,461 |
| INE090A01013 - ICICI BANK LIMITED EQUITY SHARES | 25,664 | 23,265 | 2,400 |
| INE018A01030 - LARSEN & TOUBRO LTD-EQ SHARES | 18,501 | 16,427 | 2,074 |
| INE191I01012 - HOUSING DEVELOPMENT AND INFRASTRUCTURE | 7,246 | 5,186 | 2,060 |
| INE009A01021 - INFOSYS TECH FV RS 5 EQUITY SHARES | 28,450 | 26,470 | 1,980 |
| INE455F01025 - JAIPRAKASH ASSOCIATES LIMITED | 9,452 | 7,499 | 1,953 |

| | | | |
|-------------------------------|----------|----------|----------|
| INE043D01016 - IDFC LTD-EQ | 6,806 | 4,871 | 1,935 |
| Others | 3,99170 | 3,55,208 | 43,962 |
| Total | 7,05,523 | 5,95,303 | 1,10,221 |