

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1708
ANSWERED ON:16.08.2013
FII INVESTMENT
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Will the Minister of FINANCE be pleased to state:

- (a) whether the limit of investment by Foreign Institutional Investors in Government securities has been hiked from five billion dollar to ten billion dollar and in corporate bond from fifteen billion dollar to twenty billion dollar;
- (b) if so, the details thereof; and
- (c) the likely impact of this initiative on the economy of the country and the safeguards taken or proposed to be taken thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): Government in consultation with RBI & SEBI has been progressively enhancing the quantitative limits for FII investments in various debt categories including G-Secs keeping in view the evolving macroeconomic situation, debt liability and foreign exchange reserves position of India.

Recently on June 12, 2013, with a view to augmenting foreign portfolio investment inflows by improving the investment appetite for long term and other offshore investors, the investment limits for offshore investors in Government Securities has been enhanced by USD 5 billion taking the total limit to USD 30 Billion. The enhanced limit of USD 5 billion has been earmarked to FIIs registered with SEBI as Sovereign Wealth Funds (SWFs), Multilateral Agencies, Endowment Funds, Insurance Funds, Pension Funds and Foreign Central Banks.

(c): It is expected that aforesaid measures would help mobilizing greater foreign investment in INR denominated debt instrument and to help develop rupee debt markets.