

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:911

ANSWERED ON:27.02.2015

FIS

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Will the Minister of FINANCE be pleased to state:

- (a) the present status of funds invested by Foreign Institutional Investors (FIIs);
- (b) whether the inflow of funds by FIIs have increased in the country;
- (c) if so, the details thereof and if not, the reasons therefor; and
- (d) the action taken by the Government to increase FIIs' inflow in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

- (a): Cumulative investments by Foreign Portfolio Investors (FPIs) [previously called as FIIs] as on February 20, 2015 is Rs.10, 97,184 crore.
- (b) & (c): The FPI investment has increased in calendar year 2014 as compared to 2013. Net investment by FPIs during the calendar year 2014 has been Rs. 2,56,213 crore as against Rs. 62,286 crore during 2013.
- (d): Government has been making concerted efforts to attract greater foreign investment into India. In order to attract greater FII investment, the following major steps have been taken by the Govt./ SEBI / RBI to boost Foreign Portfolio investments:
 - (i) SEBI had notified the SEBI (FPI) Regulations on January 07, 2014 and had operationalised the FPI regime w.e.f. June 01, 2014 with an objective to rationalize various foreign portfolio investment routes, simplify the procedures and prescribe uniform registration and other norms for entry of foreign portfolio investors and to adopt a risk-based approach towards KYC in order to attract more foreign funds.
 - (ii) During the year 2013, Debt limits for Government and Corporate debt were rationalized by merging various existing sub categories and the investment limits for both Government and Corporate Debt were placed on tap.
 - (iii) Beginning November 28, 2013 FPIs have been permitted to invest in Credit Enhanced INR Bonds.
 - iv) During June 2013, a separate sub limit of USD 5 billion was created for Long Term investors in the Government debt limit.
 - (v) With effect from February 05, 2015, FPIs have been permitted to invest in Government securities, the coupons received on their investments in Government securities. Such investments shall be kept outside the applicable limit (currently USD 30 billion) for investments by FPIs in Government securities