

INVESTMENT TRENDS OF FOREIGN INSTITUTIONAL INVESTORS IN INDIA: AN ANALYTICAL OVERVIEW

ANAND BANSAL

Punjabi University Guru Kashi Campus
Damdama Sahib-151302, Punjab
Email: preetmillie@yahoo.com

J.S. PASRICHA

Department of Commerce Punjabi University
Patiala-147001-Punjab
Email: jspasricha1@rediffmail.com

Abstract

The permission to Foreign Institutional Investors (FIIs) in 1992, to invest in Indian stock market was the first major step of government towards the implication of the globalization policies regarding Indian financial system. Since then, FIIs have been contributing significantly and emerged as one of the main sources of equity capital flows to Indian stock markets. Present paper provides a glimpse of the latest investment trends of FIIs during year 2008-09 and 2009-10 (so far). The paper also provides an overview of FIIs related regulatory environment and recent policy changes to attract outgoing FIIs capital from Indian stock markets after global financial crisis.

Keywords: Foreign Institutional Investors, stock market, India, economic development.