

# Recent Trends of Foreign Portfolio Investment in India: An Analytical Review (2000-2022)

Dr. Gulshan Kumar<sup>1</sup>, Shalabh Saxena<sup>2</sup>

<sup>1</sup>Associate Professor, Rajshree Institute of Management & Technology, Bareilly

<sup>2</sup>Assistant Professor, Rajshree Institute of Management & Technology, Bareilly

## ABSTRACT

*Foreign Institutional Investors play a very important role in development of countries like India. In the present scenario, Indian market is a very emerging market and attracts foreign investors in different ways. The flow of foreign capital becomes the important factor for economic growth in country like India. The flow of foreign capital provides opportunities for improvement in infrastructure, technology etc. This paper focus on Net Investment by Foreign Portfolio Investors in Equity and Debt during 2002 to 2021. This paper also focuses on Purchases, Net Sales, and Net Investment by Foreign Portfolio Investors in Secondary Market in India during 1999-00 to 2021-22.*

**Key Words:** Foreign Institutional Investors, Net Purchases, Net Sales, Net Investment, BSE, SEBI.

## INTRODUCTION

Foreign Institutional Investors means an institution recognized outside India who intends to invest in Indian Securities. “Foreign Institutional Investors” means an institution established or incorporated outside India that proposes to make investment in India in Securities (**SEBI Regulation, 1995**). Foreign Portfolio Investment is the mechanism in which a foreign entity acquires the stocks, bonds and financial assets in another country through stock exchanges, without the objective to obtain control in the business. Such investment is generally short term and volatile in nature. In India, foreign portfolio investment is mainly made by the foreign entities registered with SEBI and they are known as Foreign

Institutional Investors. After the announcement of New Economic Policy 1991, India changed its policy from over dependence on debt creating funds to non-debt creating funds like Foreign Institutional Investors. From 14<sup>th</sup> September 1992 with some restrictions, Foreign Institutional Investors were permitted to invest in Indian Financial Market. Since then, FIIs are investing substantial funds in the market of India. In February 2004, SEBI amended the SEBI (FII) Regulations, 1995 to include a new regulation which states “An FII or sub-account may issue, deal in or hold, offshore derivative instruments such as Participatory Notes, Equity Linked Notes or any other similar instruments for the securities which are listed or they are proposed for listing

in the stock exchange in India, only in favour of those entities which are regulated by any relevant authority in the countries of their corporation or establishment, subject to compliance of “ Know your client” requirement , provided that if any such instrument has already been issued before February 2004, to a person other than a regulated entity, contract for such transaction should expire on the maturity of the instrument or within five years from 3<sup>rd</sup> February 2004, whichever is earlier.” SEBI Foreign Portfolio Regulations 2014 came into force on 7<sup>th</sup> January 2014 and all the Foreign Institutional Investors and their sub accounts are become deemed Foreign Portfolio Investors.

## **LITERATURE REVIEW**

Shaminder Kaur (2015) Foreign Institutional Investors: Trends & Inflows In Indian Stock Market” The purpose of this paper is to analyse the role of foreign institutional investors in the development of economy. The net investments made by investors in the proportionate share of gross purchases and gross sales is collected for the period of 1992 to 2013 to check the compound annual growth rate of FIIs. To check the significant level of calculated CGR, the method of t-value is used. It founds that the calculated values are significant and reliable to use.

Mukherjee, Bose and Condo (2002) examined that the dependence of net FII flows on daily return of the domestic equity market is suggestive of foreign investors return – chasing behavior, their decisions seem to get affected

also by the recent history of market returns & its volatility in International & domestic markets as well. They said that the set of factors affecting FII sale & purchases were not the same but it appeared that some factor would affect purchase or sale decision of foreign investors, but not the corresponding net FII flows. They suggested the prime focus should be on regaining investors’ confidence in the equity market to strengthen the domestic investor base of the market

Dhingra (2004) Equity Market Vs Capital Account Liberalization: A Comparison of Growth Effects of Liberalization Policies in Developing Countries, studied about the comparative advantages of alternate economy liberalization strategies that developing countries could implement to improve their economic performance. Initially author tested the impact of different categories of capital flows, that is, equity flow and debt flow on output growth of a country.

Richards (2004) analyze data of six Asian emerging equity markets and found two interesting findings. The trading behaviour of foreign investors was largely influenced by the return in global market that is positive feedback trading. The price impact associated with foreign investors trading was much large than estimated earlier.

Sivakumar S (2003) has analyzed the net flows of foreign institutional investment over the years, it also briefly analyses the nature of FII flows based on research, explores some

determinants of FII flows and examines if the overall experience has been stabilizing or destabilizing for the Indian capital market.

Agarwal, Chakrabarti et al (2003) have found in their research that the equity return has a significant and positive impact on the FII. But given the huge volume of investments, foreign investors could play a role of market makers and book their profits, i.e., they can buy financial assets when the prices are declining thereby jacking-up the asset prices and sell when the asset prices are increasing. Hence, there is a possibility of bi-directional relationship between FII and the equity returns

Shrikanth, M. and Kishore B. (2012), in their paper investigated a cause and effect relationship between FII and Indian capital market. They observed that FIIs carried the institutional flavor in terms of market expertise and fund management by way of pooling small savings from retail investors. The main objective of FIIs is maximizing returns and minimizing risk while keeping liquidity of the investments intact. They concluded that net FII inflows had a positive impact on the Indian stock market and foreign exchange reserves.

Loomba, J. (2012), attempted to testify the behaviour of FII trading and its effect on Indian

stock market. He observed that in the course of capital market liberalization, foreign capital has become increasingly significant source of finance and institutional investors are growing their influence in developing markets. He concluded that the Indian stock markets have come in age where there were significant developments in the last 15 years make the markets at par with the developed markets.

### **OBJECTIVES OF THE STUDY**

The study is based on the following objectives:-

1. To study the Net Investment by Foreign Portfolio Investors in Equity and Debt during 2002 to 2021.
2. To study the Purchase by Foreign Portfolio Investors in Secondary Market in India during 1999-00 to 2021-22.
3. To study the Net Sales by Foreign Portfolio Investors in Secondary Market in India during 1999-00 to 2021-22.
4. To study the Net Investment by Foreign Portfolio Investors in Secondary Market in India during 1999-00 to 2021-22.
5. To study the growth of registered number s of Foreign Portfolio Investors in India.

## RESEARCH METHODOLOGY

The study is based on published sources of data collected from various sources. The data were gathered from the secondary sources. The relevant information is gathered from the economic times, NSE, BSE, SEBI and NSDL websites.

## DATA ANALYSIS

*Table 1: Net Investment by FPIs in Equity and Debt Market (In Crores)*

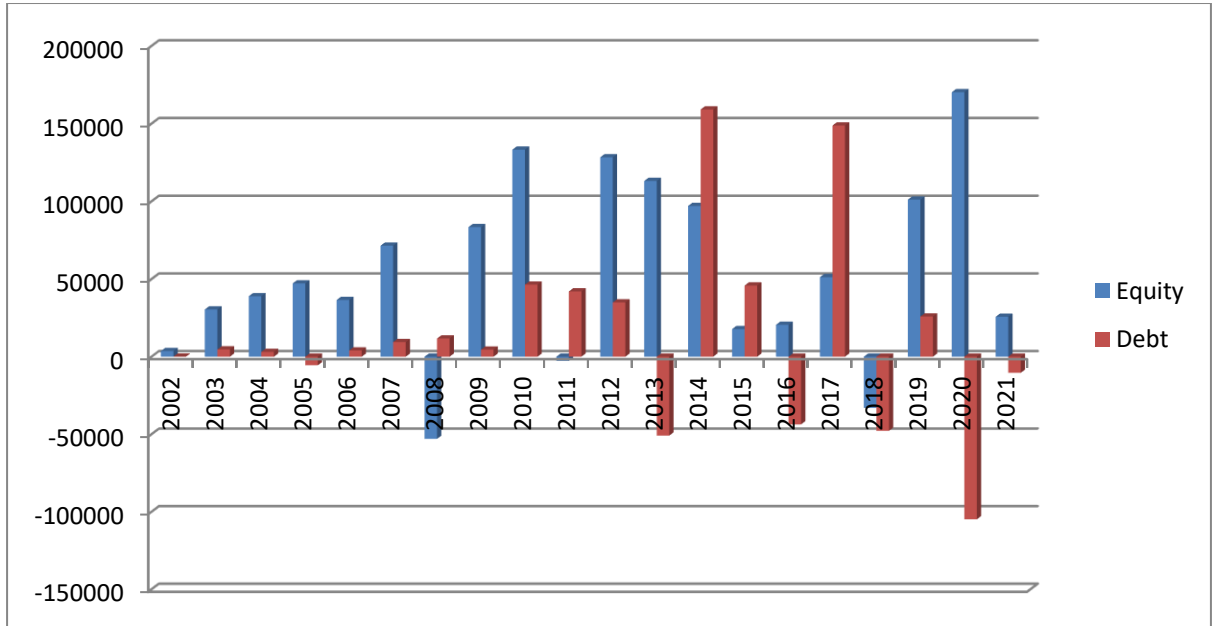
<i>Year</i>	<i>Equity</i>	<i>Debt</i>
2002	3634	48
2003	30457	4701
2004	38969	3081
2005	47180	-5516
2006	36544	4046
2007	71480	9426
2008	-52987	11771
2009	83431	4571
2010	133260	46407
2011	-2714	42072
2012	128361	34981
2013	113134	-50854
2014	97059	159152
2015	17801	45856
2016	20563	-43664
2017	51252	148808
2018	-33014	-47795
2019	101122	25882
2020	170262	-104873
2021	25752	-10359

Source: [www.nsdl.co.in](http://www.nsdl.co.in)

**Interpretation:** Table 1 depicts the net Investment by FPIs in equity and debt market during 2002 to 2021. The analysis of the table is as follows:-

- Net Investment in Equity by FPIs continuously increased from 2002 to 2007 i.e. increased from 3634 crores in 2002 to 71480 crores in 71480 crores in 2007.
- Net Investment in Equity by FPIs become negative for the first time in history of India in 2008 i.e. 52987 crores negative.
- Again in 2009 and 2010 continuously net investment by FPIs in equity becomes positive and increased very quickly i.e. 83431 crores in 2009 to 133260 crores in 2010.
- Once again in 2011 net investment made by FPIs in equity become negative i.e. 2714 crores negative.
- Net Investment by FPIs in equity becomes positively in 2012 again but it continuously declined from 2012 to 2015 i.e. it go down from 128361 cores in 2012 to 17801 crores in 2015.

- Again Net Investment by FPIs in equity started climbing but only for next two years i.e. 20563 crores in 2016 to 51252 crores in 2017.
- In next year 2018 net investment by FPIs in equity in India becomes negative once again i.e. 33014 crores negative.
- For next three years continuously net investment by FPIs in equity becomes positive i.e. from 2019 to 2021.
- In 2020, there was a tremendous growth of 69140 crores during the whole year in the net investment made by FPIs in equity in India.
- But in 2021 again there was a large decline of 144510 crores in comparison with previous year in net investment in FPIs in equity in India.
- Highest positive growth in net investment by FPIs in India was 69140 crores during 2020.
- Highest negative decline in net investment by FPIs in India was 124467 crores during 2008 due to depression period in the whole world.
- Net Investment by FPIs in debt continuously increased from 2002 to 2003 i.e. 48 crores in 2002 to 4701 crores in 2003.
- In 2004 net investment by FPIs in debt declined by 1620 crores in comparison with 2003.
- In 2005, net investment by FPIs in debt declined by 8597 crores.
- Once again net investment by FPIs in debt increased for continuous three years i.e. 4046 cores in 2006 to 11771 crores in 2008.
- In 2009, there was a decline of 7200 crores in net investment by FPIs in debt in India.
- In 2010, there was increased of 41836 crores in net investment by FPIs in debt in India.
- During 2010 and 2011, net investment by FPIs in India was positive, but there was a decline of 4335 crores in 2010 and 7091 crores in 2012 respectively.
- One again in 2013, there was a decline of 85835 crores in net investment by FPIs in debt in India in comparison with previous year.
- During 2014, there was an increase of 210006 crores in net investment by FPIs in debt in India in comparison with previous year.
- In 2015 and 2016, there was a decline of 113296 crores and 89520 cores in net investment by FPIs in debt in India respectively.
- Again in 2017, there was a tremendous increase of 192472 crores in net investment by FPIs in debt in India in comparison with previous year.
- In 2018, there was a decline of 196603 crores in net investment by FPIs in debt in India in comparison with previous year.
- Again in 2020, there was a big decline of 130755 crores in net investment by FPIs in debt in India in comparison with previous year.
- In 2014, there was a highest net investment by FPIs in debt during the whole period.



**Fig1: Net Investment by FPIs in Equity and Debt Market (In Crores)**

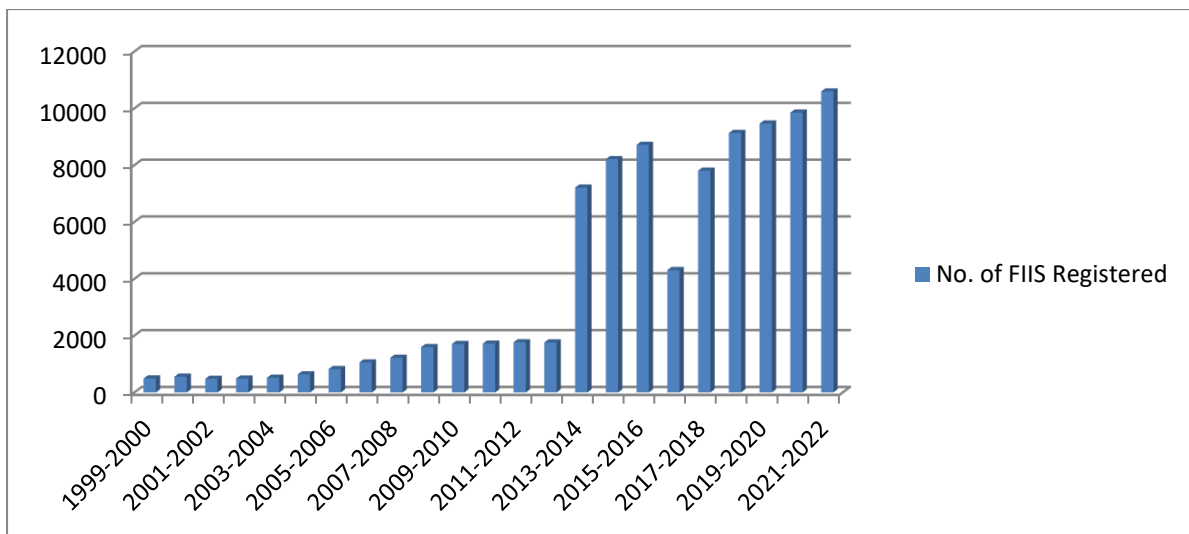
**Table 2: No. of Registered FPIs in India**

Year	No. of Registered FPIs in India
1999-00	492
2000-01	556
2001-02	482
2002-03	489
2003-04	517
2004-05	637
2005-06	823
2006-07	1057
2007-08	1219
2008-09	1594
2009-10	1706
2010-11	1718
2011-12	1767
2012-13	1759
2013-14	7212
2014-15	8214
2015-16	8717
2016-17	4307
2017-18	7807
2018-19	9136
2019-20	9467
2020-21	9852
2021-22	10598

**Interpretation:** Table 2 depicts the number of FPIs registered in India during 1999 to 2022. The analysis of the table is as follows:-

- In the year 1999-2000, there were only 492 FPIs registered in India.
- In the next year 2000-01, no. of FPIs registered in India increased upto 556 FPIs which were 64 FPIs more than the previous 1999-00.
- During the year 2001-02, no. of registered FPIs gone down by 74 numbers, i.e. only 482 FPIs registered during the year 2001-02, which was not a good sign for the growth of Indian Economy.
- During 2002-03, there was a very little no. of FPIs increased in that year i.e. only 7, now it increased to 489 no. of FPIs registered in India.
- During 2003-04, no. of FPIs registered in India increased upto 517 which was 28 no. of FPIs more than the previous year.
- During the year 2004-05, no of FPIs registered in India increased by 120 no. of new FPIs registered in India, which was remarkable growth at that time, which was a good sign for the boost of the economy of India.
- During the year 2005-06, there was continuous growth in comparison to 2004-05 in no. of FPIs registered in India i.e.186 no. of FPIs increased in 2005-06 in comparison with 120 no. of FPIs increase in 2004-05.
- In 2006-07, again there was continuous growth of 234 no. of FPIs increased in comparison of previous year 2005-06 i.e. 186 in that particular year.
- In 2007-08, there are increase in growth of no. of FPIs registered in India was 162, which was lower than the previous year growth.
- In 2008-09, again there was a remarkable growth of no. of FPIs registered in India i.e. 375 no. of FPIs increased in India than previous year.
- During the year 2009-10 again there was a growth of no. of FPIs registered in India i.e. 112 which was less than one-third growth of previous year. In this year the growth was going down in comparison with previous year.
- In 2011-12 and 2012-13, both years growth in no. of FPIs registered in India was very low i.e.12 and 49 no. of FPIs increased during both the years, which was not a good sign for the development of Indian Economy.
- In 2012-13 there was very little increase in no. of FPIs registered in India i.e. only 08 in comparison with previous year. So this year was not said to be good for the development of Indian Economy from Foreign Investment point of view.
- During the year 2013-14, when SEBI released norms the clubbed different categories of foreign investors into a new class called FPIs. There was a tremendous growth of 5453 no. of FPIs increased in this year.

- During the year 2014-15, there was increase in no. of FPIs registered in India was 1002 which could be said a good growth in no. of FPIs registered in India.
- In year 2015-16, the growth of FPIs registered in India was only 503 which were half in comparison to the previous year. This was not a good sign for foreign investment in India at that time.
- During the year 2016-17, again there was a big decline in no. of FPIs registered in India i.e. 4410.
- During the year 2017-18, again there was a big increase in no. of FPIs registered in India i.e. 3500 new FPIs registered during this year, which was a very good sign for the growth of foreign portfolio investment in Indian context.
- During the year 2018-19, there was an increase of 1329 new FPIs registered in India, which shows that even there was a growth in no. of FPIs registered in India, but it was declined by 2171 FPIs registered in India in comparison with the previous year.
- During the year 2019-20, there was an increase of 331 no. of new FPIs registered in India, which shows that growth of increase in new FPIs registered in India has gone down year by year.
- Again in year 2020-21, there was an only increase of 385 new FPIs registered in India, which shows that the growth of Foreign Portfolio Investment in no. of companies has been gone down year by year.
- During the year 2021-22, there was an increase of 746 new FPIs registered in India, which was far better than the previous year. It showed a good sign for the foreign portfolio investment in Indian Context.



**Fig2: No. of Registered FPIs in India**



**Table 3: FPIs Purchases in Secondary Market (In Crores)**

<i>Year</i>	<i>FPIs Purchases in BSE</i>	<i>FPIs Purchases in India</i>
1999-00	114030	243343
2000-01	248132	391625.81
2001-02	169736.52	374944.7
2002-03	134112.16	315956.8
2003-04	209892	795739
2004-05	325851.39	1191560.5
2005-06	615412.76	1893614.8
2006-07	819863	3104267
2007-08	1272323	5371212
2008-09	766301	4176346
2009-10	598810	4690231
2010-11	530840.18	4879817.33
2011-12	341439.84	4019122.7
2012-13	53259.43	670678.52
2013-14	76580.25	769597.9
2014-15	174979.29	1146192.94
2015-16	126452.06	1086762.4
2016-17	129944.9	1223457.58
2017-18	155087.55	1356517.51
2018-19	88700.26	1243228.11
2019-20	69502.92	1493841.88
2020-21	153735.81	2006000.04
2021-22	123848.22	1771252.1

Source: [www.bseindia.com](http://www.bseindia.com)

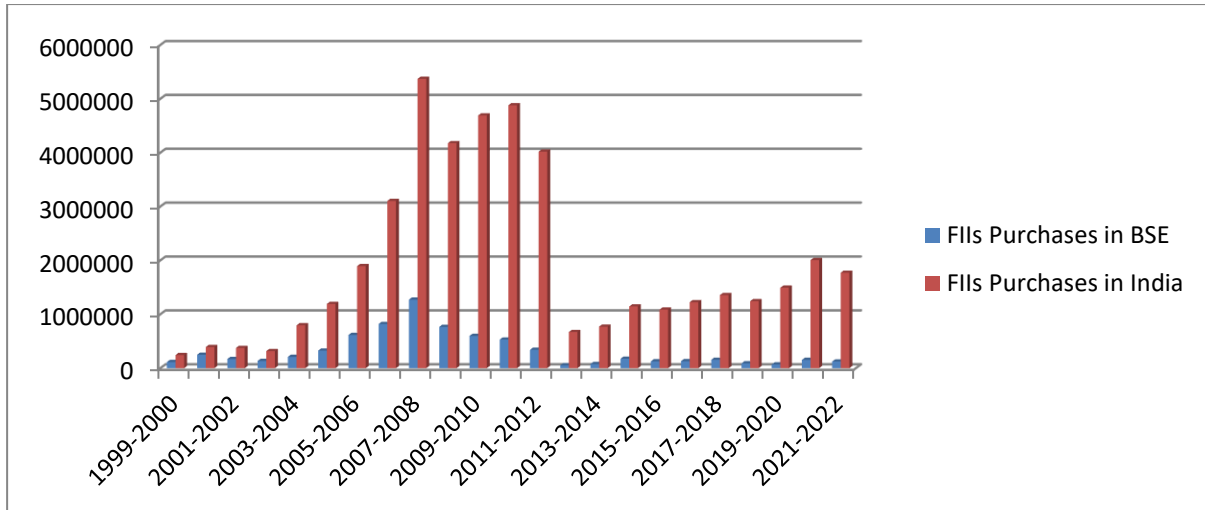
**Interpretation:** Table 3 depicts the FPIs purchases in the secondary market in India during 1999 to 2022. The analysis of the table is as follows:-

- In the year 1999-00, FPIs purchase in BSE was 114030 crores and 243343 crores was FPIs purchase in whole India. It indicates that near about 47 percent of FPIs investment in India in BSE only which was a very good sign for the development of Foreign Portfolio Investment in Indian aspect.
- During the year 2000-01, FPIs purchase in India in BSE was increased by 134102 crores and FPIs purchase in whole India was increased by 148282.8 crores. It showed that there was more than twice increased in FPIs purchased in BSE and there was increase in FPIs purchased in whole India was near about 61 percent. Total purchase by FPIs in BSE was near about 63 percent which was only 47 percent in the previous year.
- During the year 2001-02, FPIs purchase in BSE and purchase in India both declined by 78395.5 crores and 16681.1 crores respectively in comparison with previous year. There was declined of 31.60 percent in FPIs purchased in BSE and 4.26 percent in FPIs purchased in whole India. It showed that there was big decline in both FPIs purchased in BSE and in India.
- During the year 2002-03, FPIs purchase in BSE and purchase in India both decline by 35624.4 crores and 58987.9 crores respectively in comparison with previous year. There was declined

of 21 percent in FPIs purchased in BSE and 16 percent in FPIs purchased in India. In this year, decline was more in comparison with previous year both FPIs purchase in BSE and in India both.

- During the year 2003-04, FPIs purchase in BSE increased by 75799.84 crores and FPIs purchase in India grown up by 479782.2 crores. There was increase of 56.5 percent in FPIs purchased in BSE and FPIs purchase in India is more than one and a half times in comparison with previous year. In this year, the growth in FPIs purchase in India was remarkable.
- During the year 2004-05, FPIs purchase in BSE increased by 115959.39 crores and FPIs purchase in India increase by 395821.5 crores. There was increase of 55 percent in FPIs purchase in BSE and 49.74 percent increase in FPIs purchase in India.
- During the year 2005-06, FPIs purchase in BSE increased by 289561.37 crores and FPIs purchase in India increase by 702054.3 crores. There was increase of 89 percent in FPIs purchase in BSE and 59 percent increase in FPIs purchase in India.
- During the year 2006-07, FPIs purchase in BSE increased by 204450.24 crores and FPIs purchase in India increase by 1210652.2 crores. There was increase of 33 percent in FPIs purchase in BSE and 64 percent increase in FPIs purchase in India.
- During the year 2007-08, FPIs purchase in BSE increased by 452460 crores and FPIs purchase in India increase by 2266945 crores. There was increase of 55 percent in FPIs purchase in BSE and 73 percent increase in FPIs purchase in India.
- During the year 2008-09, FPIs purchase in BSE decreased by 506022 crores and FPIs purchase in India decrease by 1194866 crores. There was decrease of 39.77 percent in FPIs purchase in BSE and 22.25 percent decrease in FPIs purchase in India.
- During the year 2009-10, FPIs purchase in BSE decreased by 167491 crores and FPIs purchase in India increase by 513885 crores. There was decrease of 21.85 percent in FPIs purchase in BSE and 12.30 percent increase in FPIs purchase in India.
- During the year 2010-11, FPIs purchase in BSE decreased by 67969.82 crores and FPIs purchase in India increase by 189586.33 crores. There was decrease of 11.35 percent in FPIs purchase in BSE and 4 percent increase in FPIs purchase in India.
- During the year 2011-12, FPIs purchase in BSE decreased by 189400.34 crores and FPIs purchase in India decrease by 860694.63 crores. There was decrease of 35.68 percent in FPIs purchase in BSE and 17.63 percent decrease in FPIs purchase in India.
- During the year 2011-12, FPIs purchase in BSE decreased by 189400.34 crores and FPIs purchase in India decrease by 860694.63 crores. There was decrease of 35.68 percent in FPIs purchase in BSE and 17.63 percent decrease in FPIs purchase in India.

- During the year 2012-13, FPIs purchase in BSE decreased by 288180.41 crores and FPIs purchase in India decreased by 3348444.18 crores. There was decrease of 84.40 percent in FPIs purchase in BSE and 83.31 percent decrease in FPIs purchase in India.
- During the year 2013-14, FPIs purchase in BSE increased by 23320.82 crores and FPIs purchase in India increased by 98919.38 crores. There was increase of 43.78 percent in FPIs purchase in BSE and 14.75 percent increase in FPIs purchase in India.
- During the year 2014-15, FPIs purchase in BSE increased by 98399.04 crores and FPIs purchase in India increased by 376595.04 crores. There was increase of 1.28 percent in FPIs purchase in BSE and 48.93 percent increase in FPIs purchase in India.
- During the year 2015-16, FPIs purchase in BSE decreased by 48527.23 crores and FPIs purchase in India decreased by 59430.54 crores. There was decrease of 2.77 percent in FPIs purchase in BSE and 5.18 percent decrease in FPIs purchase in India.
- During the year 2016-17, FPIs purchase in BSE increased by 3492.84 crores and FPIs purchase in India increased by 136695.18 crores. There was increase of 2.76 percent in FPIs purchase in BSE and 12.57 percent increase in FPIs purchase in India.
- During the year 2017-18, FPIs purchase in BSE increased by 25142.65 crores and FPIs purchase in India increased by 133059.93 crores. There was increase of 19.35 percent in FPIs purchase in BSE and 10.87 percent increase in FPIs purchase in India.
- During the year 2018-19, FPIs purchase in BSE decreased by 66387.29 crores and FPIs purchase in India decreased by 113289.4 crores. There was decrease of 42.80 percent in FPIs purchase in BSE and 8.35 percent decrease in FPIs purchase in India.
- During the year 2019-20, FPIs purchase in BSE decreased by 19197.34 crores and FPIs purchase in India increased by 250613.77 crores. There was decrease of 21.64 percent in FPIs purchase in BSE and 20.15 percent increase in FPIs purchase in India.
- During the year 2020-21, FPIs purchase in BSE increased by 84232.89 crores and FPIs purchase in India increased by 512158.16 crores. There was increase of 1.21 percent in FPIs purchase in BSE and 34.28 percent increase in FPIs purchase in India.
- During the year 2021-22, FPIs purchase in BSE decreased by 29887.59 crores and FPIs purchase in India decreased by 234747.94 crores. There was decrease of 19.44 percent in FPIs purchase in BSE and 11.70 percent decrease in FPIs purchase in India.



**Fig 3: FPIs Purchases in Secondary Market (In Crores)**

**Table 4: FPIs Sales in Secondary Market (In Crores)**

<i>Year</i>	<i>FPIs Sales In BSE</i>	<i>FPIs Sales In India</i>
1999-00	87589	196672
2000-01	135242.43	393629.21
2001-02	113877.56	263063.4
2002-03	120012.28	285817
2003-04	158742	569565
2004-05	292236.45	976747.8
2005-06	579042.03	1648116.6
2006-07	843081	2993494
2007-08	1277646	4886467
2008-09	904528	4518855
2009-10	555955	3941593
2010-11	485878.61	4153085.6
2011-12	350733.7	3895766.5
2012-13	47448.93	560347.92
2013-14	68931.33	694263.4
2014-15	169162.61	1034847.16
2015-16	130711.42	1100933.97
2016-17	126776.43	1154771.96
2017-18	185611.88	1329476.37
2018-19	95435.66	1247121.61
2019-20	62367.51	1488012.4
2020-21	100692.39	1731968.08
2021-22	130776.85	1834546.58

Source: [www.bseindia.com](http://www.bseindia.com)

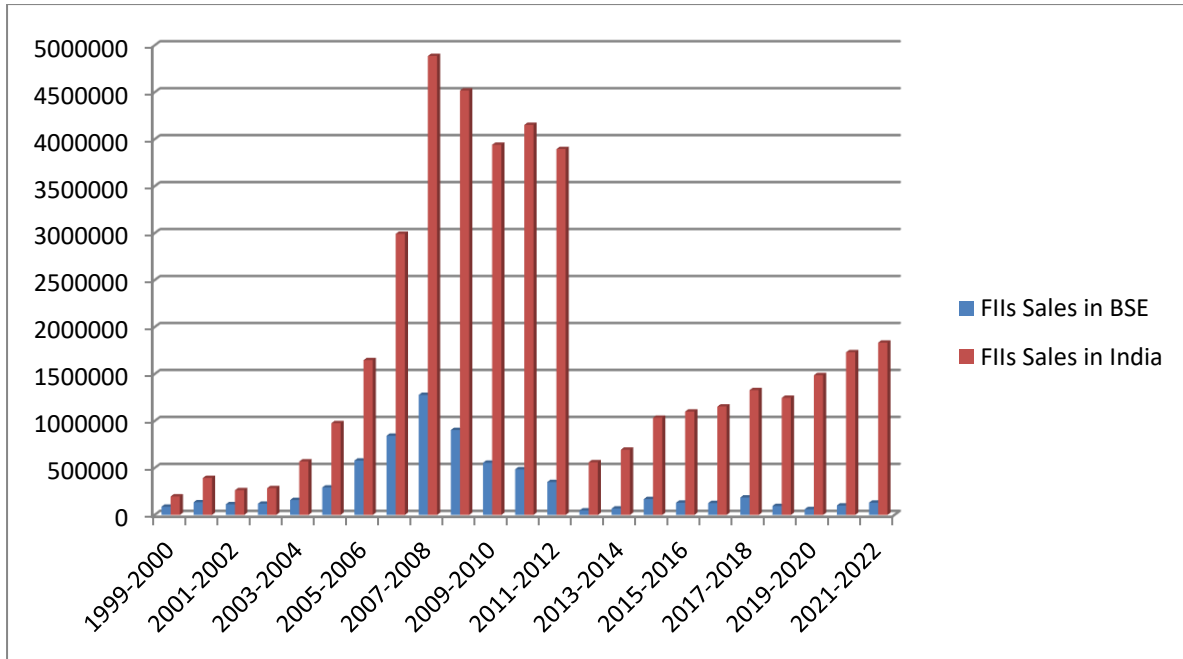
**Interpretation:** Table 4 depicts the FPIs Sales in the secondary market in India during 1999 to 2022.

The analysis of the table is as follows:-

- In the year 1999-00, FPIs Sales in BSE was 87589 crores and 196672 crores were FPIs Sales in whole India. It indicates that near about 44 percent of FPIs Sales in India in BSE only.

- During the year 2000-01, FPIs Sales in BSE increased by 47653.43 crores and FPIs Sales in India increased by 196957.21 crores. There was increase of 54.40 percent in FPIs Sales in BSE and twice increase in FPIs Sales in India.
- During the year 2001-02, FPIs Sales in BSE decreased by 21364.87 crores and FPIs Sales in India decreased by 130565.81 crores. There was decrease of 15.79 percent in FPIs Sales in BSE and 33.17 percent decrease in FPIs Sales in India.
- During the year 2002-03, FPIs Sales in BSE increased by 6134.72 crores and FPIs Sales in India increased by 22753.60 crores. There was increase of 5.38 percent in FPIs Sales in BSE and 8.65 percent increase in FPIs Sales in India.
- During the year 2003-04, FPIs Sales in BSE increased by 38729.72 crores and FPIs Sales in India increased by 283748 crores. There was increase of 32.27 percent in FPIs Sales in BSE and 99 percent increase in FPIs Sales in India.
- During the year 2004-05, FPIs Sales in BSE increased by 133494.45 crores and FPIs Sales in India increased by 407182.80 crores. There was increase of 84 percent in FPIs Sales in BSE and 71.50 percent increase in FPIs Sales in India.
- During the year 2005-06, FPIs Sales in BSE increased by 286805.58 crores and FPIs Sales in India increased by 671368.80 crores. There was increase of 98 percent in FPIs Sales in BSE and 68.73 percent increase in FPIs Sales in India.
- During the year 2006-07, FPIs Sales in BSE increased by 264038.97 crores and FPIs Sales in India increased by 1345377.40 crores. There was increase of 45.60 percent in FPIs Sales in BSE and 81.63 percent increase in FPIs Sales in India.
- During the year 2007-08, FPIs Sales in BSE increased by 434565 crores and FPIs Sales in India increased by 1892973 crores. There was increase of 51.54 percent in FPIs Sales in BSE and 63.24 percent increase in FPIs Sales in India.
- During the year 2008-09, FPIs Sales in BSE decreased by 373118 crores and FPIs Sales in India decreased by 367612 crores. There was decrease of 29.20 percent in FPIs Sales in BSE and 7.52 percent decrease in FPIs Sales in India.
- During the year 2009-10, FPIs Sales in BSE decreased by 348573 crores and FPIs Sales in India decreased by 577262 crores. There was decrease of 38.53 percent in FPIs Sales in BSE and 12.77 percent decrease in FPIs Sales in India.
- During the year 2010-11, FPIs Sales in BSE decreased by 70076.39 crores and FPIs Sales in India increased by 211492.60 crores. There was decrease of 12.60 percent in FPIs Sales in BSE and 21.15 percent increase in FPIs Sales in India.
- During the year 2011-12, FPIs Sales in BSE decreased by 135144.91 crores and FPIs Sales in India decreased by 257319.10 crores. There was decrease of 27.81 percent in FPIs Sales in BSE and 6.20 percent decrease in FPIs Sales in India.

- During the year 2012-13, FPIs Sales in BSE decreased by 303284.77 crores and FPIs Sales in India decreased by 3335418.58 crores. There was decrease of 8.65 percent in FPIs Sales in BSE and 8.56 percent decrease in FPIs Sales in India.
- During the year 2013-14, FPIs Sales in BSE increased by 21482.40 crores and FPIs Sales in India increased by 133915.48 crores. There was increase of 45.27 percent in FPIs Sales in BSE and 23.89 percent decrease in FPIs Sales in India.
- During the year 2014-15, FPIs Sales in BSE increased by 100231.28 crores and FPIs Sales in India increased by 340583.76 crores. There was increase of 1.45 percent in FPIs Sales in BSE and 49 percent decrease in FPIs Sales in India.
- During the year 2015-16, FPIs Sales in BSE decreased by 38451.19 crores and FPIs Sales in India increased by 66086.81 crores. There was decrease of 2.27 percent in FPIs Sales in BSE and 63.86 percent decrease in FPIs Sales in India.
- During the year 2016-17, FPIs Sales in BSE decreased by 3935 crores and FPIs Sales in India increased by 53838 crores. There was decrease of 3 percent in FPIs Sales in BSE and 4.90 percent decrease in FPIs Sales in India.
- During the year 2017-18, FPIs Sales in BSE increased by 58835.45 crores and FPIs Sales in India increased by 174704.41 crores. There was increase of 46.40 percent in FPIs Sales in BSE and 15 percent increase in FPIs Sales in India.
- During the year 2018-19, FPIs Sales in BSE decreased by 90176.22 crores and FPIs Sales in India decreased by 82354.76 crores. There was decrease of 48.58 percent in FPIs Sales in BSE and 6.20 percent decrease in FPIs Sales in India.
- During the year 2019-20, FPIs Sales in BSE decreased by 33068.15 crores and FPIs Sales in India increased by 240890.79 crores. There was decrease of 34.64 percent in FPIs Sales in BSE and 19.31 percent increase in FPIs Sales in India.
- During the year 2020-21, FPIs Sales in BSE increased by 38324.88 crores and FPIs Sales in India increased by 243955.68 crores. There was increase of 61.45 percent in FPIs Sales in BSE and 16.39 percent increase in FPIs Sales in India.
- During the year 2021-22, FPIs Sales in BSE increased by 30084.46 crores and FPIs Sales in India increased by 102578.50 crores. There was increase of 29.87 percent in FPIs Sales in BSE and 5.92 percent increase in FPIs Sales in India.



**Fig 4: FPIs Sales in Secondary Market (In Crores)**

**Table 5: Net Investment by FIIs (In Crores)**

YEAR	FIIs Net Investment in BSE	FIIs Net Investment in India
1999-00	26441	46671
2000-01	112889.57	-2003.4
2001-02	55858.96	111881.3
2002-03	14099.88	30139.8
2003-04	51150	226174
2004-05	33614.94	214812.7
2005-06	36370.73	245498.2
2006-07	-23218	110773
2007-08	-5323	484745
2008-09	-138227	-342509
2009-10	42855	748638
2010-11	44961.57	726731.73
2011-12	-9293.86	123356.2
2012-13	5810.45	167968.3
2013-14	7648.92	75334.4
2014-15	5816.68	111345.78
2015-16	-4259.37	-14171.57
2016-17	3168.45	68685.62
2017-18	-30524.33	27041.14
2018-19	-6735.39	-3893.5
2019-20	7135.42	5829.48
2020-21	53043.42	274031.96
2021-22	-6928.64	-63294.48

Source: [www.bseindia.com](http://www.bseindia.com)



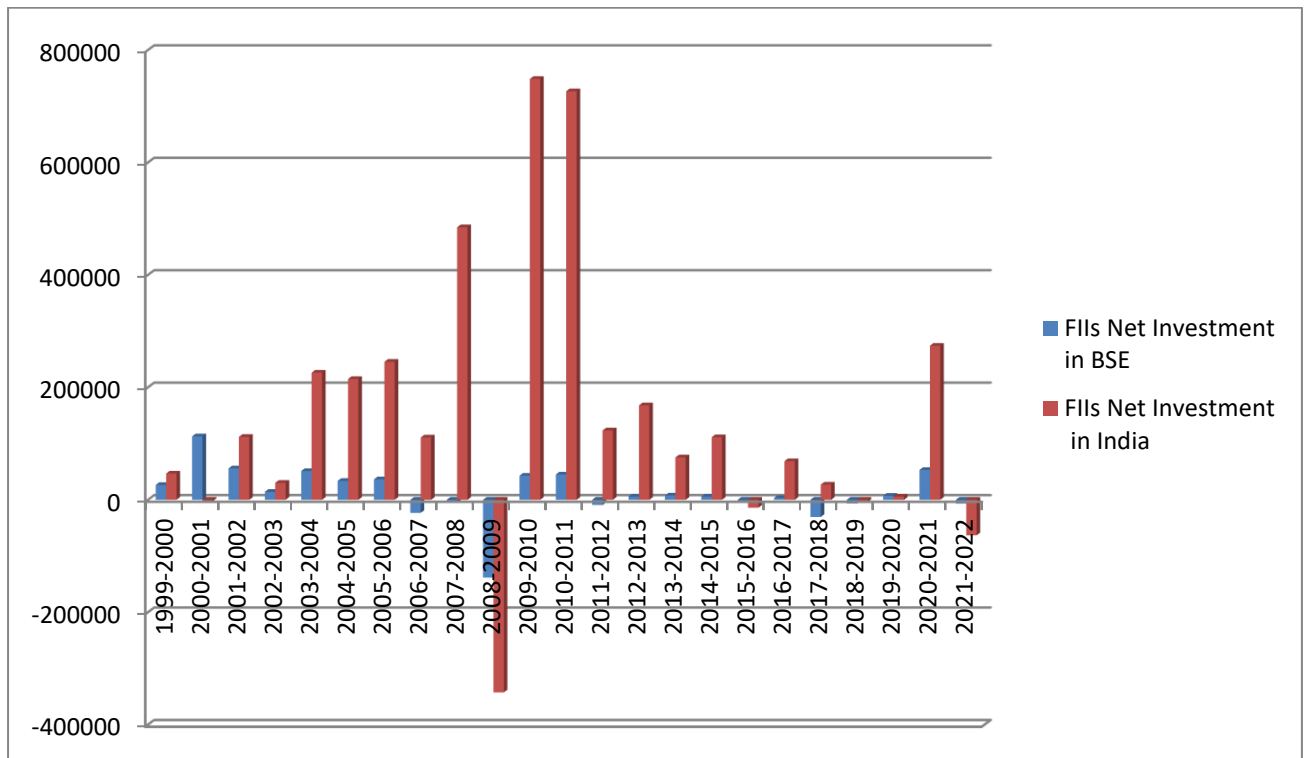
**Interpretation:** Table 5 depicts the Net Investment by FPIs in the secondary market in India during 1999 to 2022. The analysis of the table is as follows:-

- In the year 1999-00, FPIs Net Investment in BSE was 26641 crores and 46671 crores were FPIs Net Investment in whole India. It indicates that near about 57 percent of FPIs Net Investment in India in BSE only.
- During the year 2000-01, FPIs Net Investment in BSE increased by 86448.57 crores and FPIs Net Investment in India decreased by 48674.40 crores. There was thrice increase in FPIs Net Investment in BSE and more than double decrease in FPIs Net Investment in India.
- During the year 2001-02, FPIs Net Investment in BSE decreased by 57030.61 crores and FPIs Net Investment in India increased by 113884.70 crores. There was decrease of 50.51 percent in FPIs Net Investment in BSE and 56.84 percent decrease in FPIs Net Investment in India.
- During the year 2002-03, FPIs Net Investment in BSE decreased by 41759.08 crores and FPIs Net Investment in India increased by 81741.50 crores. There was decrease of 74.76 percent in FPIs Net Investment in BSE and 73.06 percent decrease in FPIs Net Investment in India.
- During the year 2003-04, FPIs Net Investment in BSE increased by 37050.12 crores and FPIs Net Investment in India increased by 196034.20 crores. There was increase of more than 2.63 times in FPIs Net Investment in BSE and more than 6.50 times increase in FPIs Net Investment in India.
- During the year 2004-05, FPIs Net Investment in BSE decreased by 17535.06 crores and FPIs Net Investment in India decreased by 11361.30 crores. There was decrease of 34.28 percent in FPIs Net Investment in BSE and 5 percent decrease in FPIs Net Investment in India.
- During the year 2005-06, FPIs Net Investment in BSE increased by 2755.59 crores and FPIs Net Investment in India increased by 30685.50 crores. There was increase of 8.19 percent in FPIs Net Investment in BSE and 14.28 percent increase in FPIs Net Investment in India.
- During the year 2006-07, FPIs Net Investment in BSE decreased by 59588.73 crores and FPIs Net Investment in India decreased by 134725.20 crores. There was decrease of 1.64 times in FPIs Net Investment in BSE and 54.87 percent decrease in FPIs Net Investment in India.
- During the year 2007-08, FPIs Net Investment in BSE increased by 17895 crores and FPIs Net Investment in India increased by 373972 crores. There was decrease of 77 percent in FPIs Net Investment in BSE and 3.37 times increase in FPIs Net Investment in India.
- During the year 2008-09, FPIs Net Investment in BSE decreased by 132904 crores and FPIs Net Investment in India decreased by 827254 crores. There was increase of 25 times in FPIs Net Investment in BSE and 1.71 times decrease in FPIs Net Investment in India.



- During the year 2009-10, FPIs Net Investment in BSE increased by 181082 crores and FPIs Net Investment in India increased by 1091147 crores. There was decrease of 1.31 times in FPIs Net Investment in BSE and 3 times decrease in FPIs Net Investment in India.
- During the year 2010-11, FPIs Net Investment in BSE increased by 2106.57 crores and FPIs Net Investment in India decreased by 21906.27 crores. There was increase of 4.9 percent in FPIs Net Investment in BSE and 2.9 percent decrease in FPIs Net Investment in India.
- During the year 2011-12, FPIs Net Investment in BSE decreased by 54255.43 crores and FPIs Net Investment in India decreased by 603375.53 crores. There was decrease of 1.2 times in FPIs Net Investment in BSE and 83 percent decrease in FPIs Net Investment in India.
- During the year 2012-13, FPIs Net Investment in BSE increased by 15104.31 crores and FPIs Net Investment in India increased by 44612.10 crores. There was decrease of 1.625 times in FPIs Net Investment in BSE and 36 percent increase in FPIs Net Investment in India.
- During the year 2013-14, FPIs Net Investment in BSE increased by 1838.47 crores and FPIs Net Investment in India decreased by 92633.90 crores. There was decrease of 31 percent in FPIs Net Investment in BSE and 55 percent decrease in FPIs Net Investment in India.
- During the year 2014-15, FPIs Net Investment in BSE decreased by 1832.24 crores and FPIs Net Investment in India increased by 36011.38 crores. There was decrease of 24 percent in FPIs Net Investment in BSE and 47.80 percent increase in FPIs Net Investment in India.
- During the year 2015-16, FPIs Net Investment in BSE decreased by 10076.05 crores and FPIs Net Investment in India decreased by 125517.35 crores. There was decrease of 1.73 times in FPIs Net Investment in BSE and 1.12 times decrease in FPIs Net Investment in India.
- During the year 2016-17, FPIs Net Investment in BSE increased by 7427.82 crores and FPIs Net Investment in India increased by 82857.19 crores. There was decrease of 1.74 times in FPIs Net Investment in BSE and 5.84 times decrease in FPIs Net Investment in India.
- During the year 2017-18, FPIs Net Investment in BSE decreased by 33692.78 crores and FPIs Net Investment in India decreased by 41644.48 crores. There was decrease of 10 times in FPIs Net Investment in BSE and 60 percent decrease in FPIs Net Investment in India.
- During the year 2018-19, FPIs Net Investment in BSE increased by 23788.94 crores and FPIs Net Investment in India decreased by 30934.64 crores. There was decrease of 77 percent in FPIs Net Investment in BSE and 1.14 times decrease in FPIs Net Investment in India.
- During the year 2019-20, FPIs Net Investment in BSE increased by 13870.81 crores and FPIs Net Investment in India increased by 9722.98 crores. There was twice decrease in FPIs Net Investment in BSE and 2.5 times decrease in FPIs Net Investment in India.
- During the year 2020-21, FPIs Net Investment in BSE increased by 45908 crores and FPIs Net Investment in India increased by 268202.48 crores. There was increase of 6.43 times in FPIs Net Investment in BSE and 46 times increase in FPIs Net Investment in India.

- During the year 2021-22, FPIs Net Investment in BSE decreased by 59972.06 crores and FPIs Net Investment in India decreased by 337326.44 crores. There was decrease of 1.13 times in FPIs Net Investment in BSE and 1.23 times decrease in FPIs Net Investment in India.



**Fig5: Net Investment by FIIs (in crores)**

## CONCLUSION

Indian Economy has been one of the fastest growing economies in the whole world. According to many scholars, Foreign Portfolio Investment is the concept of international finance only. It complements the efforts of international trade and foreign investment. There were a lot of ups and downs during the journey of Foreign Portfolio Investment, after new regulation made by SEBI for Foreign Portfolio Investors in 2014; there were a lot of changes faced by Foreign Portfolio Investors in India.

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