

Foreign Institutional Investors (FIIs)

4.22 Except in September, the net FII investment was positive during the first ten months of the current financial year. Net FII investment amounted to US\$ 1295 million during April 2001-January 2002 compared with

US\$ 1379 million during the corresponding previous period. The uncertainty and panic in the wake of the September 11 events led to a sudden increase in sales, which exceeded purchases by about 16 per cent. As a result net investment by FIIs declined by US \$ 113.2 million in September 2001 (Table 4.5).

TABLE 4.5
Trends in net FII Investment

Month	US \$ Million					
	2000-2001 Equity	2000-2001 Debt	2000-2001 Total	2001-2002 Equity	2001-2002 Debt	2001-2002 Total
April	616.5	-23.8	592.7	379.7	44.8	424.5
May	110.1	-52.6	57.5	223.5	-79.0	144.5
June	-218.1	5.5	-212.6	152.4	99.0	251.4
July	-317.3	3.6	-313.7	153.7	-52.1	101.6
August	300.6	-19.5	281.1	92.8	13.7	106.5
September	31.2	16.6	47.8	-88.2	-25.0	-113.2
October	-59.2	11.6	-47.6	150.2	35.4	185.6
November	201.2	-5.9	195.3	10.5	-9.7	0.8
December	-123.3	-12.4	-135.8	52.1	-4.7	47.5
January	865.3	48.7	914.1	88.3	57.6	145.9
Apr-January	1,407.0	-28.2	1,378.8	1,215.0	80.0	1,295.0

Source: SEBI

Market for Corporate Control

4.23 Recent years have witnessed an important market for corporate control where assets such as plants, brands, or companies experience a change in the controlling management team. International experience suggests that this market is an important vehicle through which the efficiency of utilisation of assets in the economy is enhanced. Table 4.6 shows a sharp fall by 37.6 per cent in the consideration paid for acquisitions in 2001. This may be a

TABLE 4.6
Market for Corporate Control

Category	(Rs. crore)	
	2000	2001
Acquisitions	43,874	27,385
Open offers/bids	2,397	2,892

Source : Centre for Monitoring Indian Economy (CMIE)

consequence of the volatility and the episode of market misconduct on the equity market which occurred in 2001.