

Impact of Pandemic on FIIs Investment in Indian Capital Market

Shwetabh Mittal^{a*}, Mukesh Kumar Jain^b

^{a&b}Faculty of Commerce and Business Administration, M.M.H. College, Ghaziabad, U.P., India

E-mail: shwetabhm11@gmail.com^a, mkj.1962@gmail.com^b

Abstract

India's Capital Market was opened to FIIs in the last decade of the 20th century. Since then, high volatility has been seen in the stock market on the flow of DIIS and FIIs funds. The role of individual investors is to watch the market trends. In this study, an effort is made to analyze the impact of a pandemic caused due to the 'Novel Corona Virus' on FIIs investment in India. In this study, we have taken three years from October 2018 to September 2021. Eighteen months before the pandemic and 18 months after the pandemic. The study revealed that FIIs have great faith in the Indian Stock Market as their inflow has increased during the post-pandemic period.

Key Words: Indian Stock Market, Nifty 50, Pandemic, and FIIs.

PAPER/ARTICLE INFO

RECEIVED ON: 01/09/2021

ACCEPTED ON: 14/10/2021

Reference to this paper
should be made as follows:

Mittal, Shwetabh & Jain,
M.K. (2021), "Impact of
Pandemic on FIIs
Investment in Indian
Capital Market", *Int. J. of
Trade and Commerce-IIARTC*,
Vol. 10, No. 2, pp: 269-280

*Corresponding Author

DOI: 10.46333/ijtc/10/2/4

1. Introduction

The rising participation of institutional depositors is one of the most remarkable changes in the Indian stock market. The stock market's volatility has intensified throughout the crisis due to institutional depositors' dominance, especially foreign institutional investors (F.I.I.s). Institutional depositors in the stock market are segregated mainly into two parts: DIIs (domestic institutional investors) and FIIs (foreign institutional investors) that comprise domestic mutual funds, FI (financial institutions), banks, insurance, and pension funds. For growing economies like India, the inflow of FIIs is crucial. In other situations, to stimulate economic growth, it channels foreign capital.

On the other hand, to increase the security markets' liquidity, foreign capital infusion via FIIs is done. It can be done by expanding the investor base to boost the secondary market functioning. It would cut the cost of capital, allowing for higher investment levels. The establishment of FIIs also helps the country build up foreign exchange reserves to meet its current account deficit. As a result, even though FIIs are perceived as greedy, unstable investors who profit from destabilizing host nation stock markets, their contribution to a country like India becomes essential.

As a result, they are frequently blamed for large capital outflows from countries during times of crisis, leading to investor herding. As a result, FII investments tend to make financial markets unstable and submerged, potentially resulting in a country-wide disaster.

2. Impact of COVID 19 on Economy

With a GDP of \$2.94 tr, India is the fifth-largest economy globally and the fastest-growing trillion-dollar economy in the world. India achieved the 5th largest economy in 2019 by surpassing France and the United Kingdom (UK). With a GDP of \$11.33 trillion, India is ranked 3rd in purchasing power parity. Because of its vast population, India's nominal GDP per capita is \$2,170. In 1980, India's economy was in 13th place with only \$189.438 billion. In Q4 2019, the Indian economy rose by 4.7% year on year, which was in line with market estimates. It follows a 5.1 % expansion in Q3 that was revised upwards (4.5 % earlier reported). Given the higher correction for the preceding quarter, this is the slowest growth rate since Q1 2013. Gross fixed capital formation (-5.2% vs. -4.1% in Q3), imports (-11.2 % vs. -9.3 %), and exports (-5.5 % vs. -2.1 %) all saw steeper reductions in Q3, but private consumption growth accelerated (5.9 % vs 5.6 %). Gross value added increased by 4.5 % in Q4, compared to 4.8 % in the previous quarter. Manufacturing output declined (-0.2 % vs. -0.4 %), and building output fell considerably (-0.7 % vs. 3.9 % in Q3) (0.3 % vs 2.9 %). Real estate and Finance, on the other hand, saw higher growth (7.3 % vs. 7.1 %); agriculture (3.5 % vs. 3.1 %); trade, hotels, transportation, and communication (5.9% vs. 5.8%); and mining and quarrying (3.5 % vs. 3.1 %) (3.2 % vs 0.2 %).

The whole world has been going through a crucial phase of a pandemic. This period is one of the most critical periods for the financial market. As a result, 18 months before and after the pandemic has been chosen to examine the epidemic's impact on FII investment in the Indian capital market.

3. Review of Literature

Between 1999 and 2009, Hosseini M, Ahmad Z, and Lai Y(2011) looked at the correlations between Chinese and Indian stock market indices and four macroeconomic variables: COP (crude

oil price), MS (money supply), IP (industrial production), and inflation rate. The authors employed the integration of multi-variate and the VEC technique proposed by Johansen and Juselius (1990), which revealed that both countries exhibit short- and long-term correlations between macroeconomic variables and individual country market indexes. This research will aid investors in understanding both short- and long-term investment plans in both countries.

D. Kadanda and K. Raj (2017) investigated the association between FPI (foreign portfolio investment), DIIS (domestic institutional investors), and stock market performance in India using high-frequency data. The study looked at DIIs and FIIs on stock market returns. The study found that FIIs play a significant role in long-term nation-building. On the other hand, domestic solid institutional investors aided in the turbulent times.

Kumar, S. S. S., (2005) investigates the role of institutional investors in Indian stock markets, including both international institutional investors and Indian mutual funds, and shows that market movement may be described by the direction of flow of funds from these investors.

After the global financial crisis breakout, Majumder, S. B., and Nag, R. N. (2013) investigated the links between the flow of FII, stock market performance, and volatility in India. By applying the ARCH (auto-regressive conditional heteroscedasticity) model, the researchers performed the investigation. According to the analysis, the arrival of FIIs has a negligible impact on stock market volatility.

Majumder, S. B., and Nag, R. N. (2015) explained the Return and volatility spill-over for the Indian economy from April 2003 to September 2013. He used the Bivariate EGARCH model. He found Return and volatility spill-over in the Indian stock market are statistically significant.

Patnaik, A. and Abraham, S. (2017) analyzed the short- and long-run relationship between the Sensex and eight macroeconomic variables. This study uses Johansen's (1991) VECM to see if the Sensex and the eight macroeconomic variables have a long-term association. The relationship between the Sensex, the foreign exchange, and the exchange rate reserves was discovered to be favorable. The Sensex responds positively to IIP.

N. Rajput, P. Chopra, and A. Rajput (2012) investigated whether the Indian stock market's volatility persistence increased after the country's financial liberalization process began. To find volatility in the Indian equity market return, the researchers used a variety of tests: like VECM, VDA (Variance Decomposition Analysis), BEWT (Block Exogeneity Wald Test), GC (Granger Causality), IRA (Impulse Response Analysis), and alternative forms of the ARCH (Autoregressive Conditional Heteroscedasticity) or its generalization, the Generalised ARCH (GARCH) family. The research yielded many recommendations for regulators, hedgers, and investors.

According to Vasanthakumari, B., Ramakrishna, N., and Venugopal (2018), the Indian capital market is one of the emerging markets that FIIs and other investors are interested in. The goal of this research was to look into the impact of the Indian capital market on socio-economic development in terms of G.D.P. FIIs and DIIs, particularly mutual funds, have made significant contributions to India's socio-economic development, according to the study's findings.

In India, there has been hardly any research on this topic. As a result, the current work attempts to fill this gap in the literature. As a result, the study tries to answer the following questions: The study first looked at the influence of foreign institutional investors (FIIs) on the Indian capital market in the 18 months before the epidemic. Second, in the 18 months following the pandemic's proclamation of a lockdown, the article analyzed the impact of foreign institutional investors

(FIIs) on the Indian capital market. Finally, the study looked at the overall effects of FIIs across the period chosen for the research.

4. Objectives of the Study

The primary purpose of this study is to evaluate the association between NIFTY 50 performance, NSE Index, and FII investment trends. Another goal of the research is to see how FIIs affect the Indian stock market during a pandemic.

The hypothesis of the study

H₀: There is no influence of FIIs investment on Indian Stock Market during COVID-19 pandemic; and

H₁: The influence of FIIs investment on the Indian Stock Market during the COVID-19 pandemic.

Research Methodology

(a) Universe of the Study:

The current study was related to the influence of the COVID-19 Pandemic on FIIs' investment in the Indian Stock Market, as previously stated. Due to this angle of the problem, the study was restricted to eighteen months prior and eighteen months post-Covid – 19 pandemic.

(b) Collection of the data:

The present study was based entirely on FIIs Investment in the Indian Stock Market, part and parcel of the National Stock Exchange and Mumbai Stock Exchange. As a result, all data was gathered from secondary sources. Data were taken from NSE (the National Stock Exchange), MSE (Mumbai Stock Exchange), RBI (Reserve Bank of India), and SEBI Bulletin's official websites.

5. Analysis of Data and Interpretation

The data gathered through secondary sources was analyzed with the help of mean score, standard deviation, correlation, and student t-test.

Table 1: Monthly Relationship of FIIs Net Investment and Nifty Closing Index of Pre-Pandemic Period

Month	FIIs Net Purchase	Change in FIIs Net Purchase	Nifty Closing Index	Change in Nifty Closing Index
Oct. 2018	-29,201.20	-19,732.52	10,386.60	-543.85
Nov. 2018	4,934.11	34,135.31	10,876.75	490.15
Dec. 2018	-1,103.37	-6,037.48	10,862.55	-14.20
Jan. 2019	127.67	1,231.04	10,830.95	-31.60
Feb. 2019	13,564.57	13,436.90	10,792.50	-38.45
March 2019	32,371.43	18,806.86	11,623.90	831.40
April 2019	12,749.55	-19,621.88	11,748.15	124.25
May 2019	-2,135.85	-14,885.40	11,922.80	174.65
June 2019	-688.5	1,447.35	11,788.85	-133.95
July 2019	-16,870.13	-16,181.63	11,118.00	-670.85

Aug. 2019	-14,828.76	2,041.37	11,023.25	-94.75
Sept. 2019	-6,624.05	8,204.71	11,474.45	451.20
Oct. 2019	8,595.66	15,219.71	11,877.45	403.00
Nov. 2019	12,924.93	4,329.27	12,056.05	178.60
Dec. 2019	694.12	-12,230.81	12,168.45	112.40
Jan. 2020	-5,359.51	-6,053.63	11,962.10	-206.35
Feb. 2020	-12,684.30	-7,324.79	11,201.75	-760.35
March 2020	-65,816.70	-53,132.40	8,598.00	-2,603.75

Source: Monthly Reports of SEBI; nseindia.com & Monthly Bulletin of RBI.

The above table 1 demonstrates that in a pre covid period of eighteen months, Net Purchases of FIIs fluctuate month on month basis. Their highest net purchase was in March 2019. On the other hand, their net sale was in March 2020. On the other side, Nifty was at the highest point in December 2019 during the pre-covid study period, and it made its low in March 2020. Nifty moved upside (+831.40) in the same month in which FIIs net purchase was maximum. On the contrary, Nifty maximum downfall (-2603.75) was also in the same month in which FIIs sold maximum in the Indian Stock Market.

Table 2: Descriptive Statistics

Variable	Mean	Standard Deviation	N
Change in FIIs Net Purchase	-3130.4456	19106.13657	18
Change in Nifty Closing Index	-129.5806	738.09506	18

Table 3: Correlation Analysis

Variable		Change in Nifty Closing Index
Change in FIIs Net Purchase	Pearson Correlation	.814
	Sig. (2-tailed)	.000
	N	18

Correlation is significant at the 0.01 level (2-tailed)

Table 2 explained that during pre-covid tenure, the Average Change in FIIs Net Purchase (-3130.45) was negative with an SD of 19106.14. On the other hand, the Average Change in Nifty Closing Index (-129.58) was also negative, with an SD value of 738.10

As per the above discussion, it was clear that the movement of the Nifty Index is in the same direction in which FIIs net purchase was shown. It is also proved statistically with the help of Correlation analysis. The Karl Pearson's correlation coefficient between Change in Nifty Closing Index and Change in FIIs Net Purchase was 0.814, which showed a very high degree of positive correlation between two factors in the pre-covid period of study.

Table 4: Monthly Relationship of FIIs Net Investment and Nifty Closing Index of Post Pandemic Period

Month	FIIs Net Purchase	Change in FIIs Net Purchase	Nifty Closing Index	Change in Nifty Closing Index
April 2020	-5,208.50	60,608.20	9,859.90	1,261.90
May 2020	13,914.49	19,122.99	9,580.30	-279.60
June 2020	5,492.95	-8,421.54	10,302.10	721.80
July 2020	2,490.19	-3,002.76	11,073.45	771.35
Aug. 2020	15,749.86	13,259.67	11,387.50	314.05
Sept. 2020	-11,410.69	-27,160.55	11,247.55	-139.95
Oct. 2020	14,537.40	25,948.09	11,642.40	394.85
Nov. 2020	65,317.13	50,779.73	12,968.95	1,326.55
Dec. 2020	48,223.94	-17,093.19	13,981.75	1,012.80
Jan. 2021	8,980.81	-39,243.13	13,634.60	-347.15
Feb. 2021	42,044.46	33,063.65	14,529.15	894.55
March 2021	1,245.22	-40,799.24	14,690.70	161.55
April 2021	-12,039.43	-13,284.65	14,631.10	-59.60
May 2021	-6,015.34	6,024.09	15,582.80	951.70
June 2021	-25.89	5,989.45	15,721.50	138.70
July 2021	-23,193.39	-23,167.50	15,763.05	41.55
Aug. 2021	-2,568.52	20,624.87	17,132.20	1,369.15
Sept. 2021	913.77	3,482.29	17,618.15	485.95

Source: Monthly Reports of SEBI; nseindia.com & Monthly Bulletin of RBI.

Table 4, given on the next page, demonstrated that in a post-covid period of eighteen months, Net Purchases of FIIs fluctuate monthly. Their highest net purchase (65,317.13) was in November 2020. On the other hand, their net sale (-23,193.39) was in July 2021. On the other side, Nifty was at the highest point in September 2021 during the post-covid study period, and it made its low in May 2020. Nifty moved upside (+1369.15; 1326.55; and 1261.90) in the same month in which FIIs net purchase (20624.87; 50779.73; and 60608.20) was maximum, on the contrary, Nifty maximum downfall (-347.15) was also in the same month in which FIIs sold maximum in Indian Stock Market.

Table 5 explained that during post-covid tenure, Average Change in FIIs Net Purchase (3707.25) was positive with an SD of 28542.92; on the other hand, Average Change in Nifty Closing Index (501.12) was also positive with an SD value of 559.08

Table 5: Descriptive Statistics

Variable	Mean	Standard Deviation	N
Change in FIIs Net Purchase	3707.2483	28542.91599	18
Change in Nifty Closing Index	501.1194	559.08483	18

Table 6: Correlation Analysis

Variable		Change in Nifty Closing Index
Change in FIIs Net Purchase	Pearson Correlation	.628
	Sig. (2-tailed)	.005
	N	18

Correlation is significant at the 0.01 level (2-tailed).

As per the above discussion, it was clear that the movement of the Nifty Index is in the same direction in which FIIs net purchase was shown. It is also proved statistically with the help of Correlation analysis. Karl Pearson's correlation coefficient between Change in Nifty Closing Index and Change in FIIs Net Purchase was 0.628, which showed a high degree of positive correlation between two factors in the pre-covid period of study.

Table 7: Monthly Relationship of FIIs Net Turnover and Nifty Turnover of Pre-Pandemic Period

Month	FIIs Net Turnover	Change in FIIs Net Turnover	Nifty Turnover	Change in Nifty Turnover
Oct. 2018	251276.56	14195.90	406821.18	75622.74
Nov. 2018	197664.77	-53611.79	314496.09	-92325.09
Dec. 2018	166194.29	-31470.48	313064.73	-1431.36
Jan. 2019	203474.81	37280.52	365413.85	52349.12
Feb. 2019	206254.75	2779.94	343497.80	-21916.05
March 2019	254783.73	48528.98	344873.31	1375.51
April 2019	192375.47	-62408.26	338265.60	-6607.71
May 2019	265073.79	72698.32	429724.00	91458.40
June 2019	198112.56	-66961.23	316866.80	-112857.20
July 2019	201363.61	3251.05	408302.50	91435.70
Aug. 2019	231888.44	30524.83	409540.30	1237.80
Sept. 2019	214145.49	-17742.95	428785.00	19244.70
Oct. 2019	223876.70	9731.21	436905.70	8120.70
Nov. 2019	286659.89	62783.19	448490.50	11584.80
Dec. 2019	197662.08	-88997.81	388544.40	-59946.10
Jan. 2020	220984.81	23322.73	430196.50	41652.10
Feb. 2020	242466.80	21481.99	400967.70	-29228.80
March 2020	375625.72	133158.92	643387.30	242419.60

Source: Monthly Reports of SEBI; nseindia.com & Monthly Bulletin of RBI.

Table 7 on the next page demonstrated that in the pre-covid period of eighteen months, Net Turnover of FIIs fluctuated a month every month. Their highest net turnover (375625.72) was in March 2020. On the other hand, their lowest turnover was 166194.29) was in December 2018. On

the other side, Nifty Turnover was at the highest (643387.30) in March 2020 during the pre-covid study period, and it was lowest (313064.73) in December 2018.

Table 8: Descriptive Statistics

Variable	Mean	Standard Deviation	N
Change in FIIs Turnover	7696.9478	55501.42593	18
Change in Nifty Turnover	17343.8256	79365.29597	18

Table 8 explained that during pre-covid tenure, Average Change in FIIs Turnover (7696.95) with SD of 55501.43, on the other hand, Average Change in Nifty Turnover (17343.83) with SD value of 79365.3

Table 9: Correlation Analysis

Variable		Change in Nifty Turnover
Change in FIIs Turnover	Pearson Correlation	.788
	Sig. (2-tailed)	.000
	N	18

As per the above discussion, it was clear that the movement of Nifty Turnover is in the same direction in which FIIs Turnover was shown. It is also proved statistically with the help of Correlation analysis. The Karl Pearson's coefficient of correlation between Change in Nifty Closing Index and Change in FIIs Net Purchase was 0.788, which showed a very high degree of positive correlation between two factors in the pre-covid period of study.

Table 10: Monthly Relationship of FIIs Net Turnover and Nifty Turnover of Post Pandemic Period (in cr. Rs.)

Month	FIIs Net Turnover	Change in FIIs Net Turnover	Nifty Turnover (in cr. Rs.)	Change in Nifty Turnover
April 2020	250174.52	-125451.20	568705.30	-74682.00
May 2020	298040.33	47865.81	645634.80	76929.50
June 2020	304938.65	6898.32	771797.80	126163.00
July 2020	224512.91	-80425.74	809544.20	37746.40
Aug. 2020	247119.84	22606.93	666378.50	-143165.70
Sept. 2020	265813.45	18693.61	699500.20	33121.70
Oct. 2020	259106.98	-6706.47	664724.50	-34775.70
Nov. 2020	454241.71	195134.73	792953.70	128229.20
Dec. 2020	316833.00	-137408.71	675504.30	-117449.40
Jan. 2021	327502.03	10669.03	754780.40	79276.10
Feb. 2021	404016.88	76514.85	830795.00	76014.60
March 2021	380273.80	-23743.08	678373.00	-152422.00

April 2021	279630.97	-100642.83	684597.25	6224.25
May 2021	339968.82	60337.85	657196.17	-27401.08
June 2021	340403.79	434.97	564756.29	-92439.88
July 2021	274986.75	-65417.04	447211.66	-117544.63
Aug. 2021	352905.24	77918.49	520733.83	73522.17
Sept. 2021	434359.05	81453.81	528900.00	8166.17

Source: Monthly Reports of SEBI; nseindia.com & Monthly Bulletin of RBI.

Table 10 demonstrated that in a post-covid period of eighteen months, Net Turnover of FIIs fluctuates month on month basis. Their highest net turnover (454241.71) was in November 2020; on the other hand, their lowest turnover was (224512.91) was in July 2020. On the other side, Nifty Turnover was at the highest (830795.00) in February 2021 during the post-covid study period, and it was lowest (447211.66) in July 2021.

Table 11: Descriptive Statistics

Variable	Mean	Standard Deviation	N
Change in FIIs Turnover	3262.9628	83843.31007	18
Change in Nifty Turnover	-6360.4056	92376.52276	18

Table 11 explained that during post-covid tenure Average Change in FIIs Turnover (3262.96) with SD of 82843.31, on the other hand, Average Change in Nifty Turnover (-6360.41) with SD value of 92376.52

Table 12: Correlation Analysis

Variable		Change in Nifty Turnover
Change in FIIs Turnover	Pearson Correlation	.547
	Sig. (2-tailed)	.019
	N	18

Correlation is significant at the 0.01 level (2-tailed).

As per the above discussion, it was clear that the movement of Nifty Turnover is in the same direction in which FIIs Turnover was shown. This is also proved statistically with the help of Correlation analysis. The Karl Pearson's coefficient of correlation between Change in Nifty Closing Index and Change in FIIs Net Purchase was 0.547, which showed a moderate-high degree of positive correlation between two factors in the post-covid period of study.

Table 13: Descriptive Statistics

Variables		N	Mean	Std. Deviation	CV
Change in F.I.I.s Net Purchase	Pre	18	-3130.45	19106.14	610.332
	Post	18	3707.25	28542.92	769.9216
	Total	36	288.40	24187.61	8386.827
Change in Nifty Closing	Pre	18	-129.58	738.10	-569.61

Index	Post	18	501.12	559.09	111.5681
	Total	36	185.77	720.22	387.6945
Change in FIIs Turnover	Pre	18	7696.95	55501.43	721.0834
	Post	18	3262.96	83843.31	2569.548
	Total	36	5479.96	70111.91	1279.424
Change in Nifty Turnover	Pre	18	17343.83	79365.30	457.5996
	Post	18	-6360.41	92376.52	-1452.37
	Total	36	5491.71	85724.75	1560.985

Table 13 cleared that during the study period, Average of Change in FIIs Net Purchase; Change in NIFTY closing Index; Changes in Net Turnover of FIIs and Changes in NIFTY Turnover were 288.40; 185.77; 5479.96; and 5491.71, respectively, with SD values for the same was 24187.61; 720.22; 70111.91 and 85742.75. CV for the Change in FIIs Net Purchase is maximum while changes in Nifty Index are least during the study period.

Table 14: Correlation Analysis

Variable		Change in Nifty Closing Index
Change in FIIs Net Purchase	Pearson Correlation	.663
	Sig. (2-tailed)	.000
	N	36

Correlation is significant at the 0.01 level (2-tailed).

Karl Pearson's correlation coefficient between Change in Nifty Closing Index and Change in FIIs Net Purchase was 0.663, which showed a high degree of positive correlation between two factors during the study period.

Table 15: Correlation Analysis

Variable		Change in Nifty Turnover
Change in FIIs Turnover	Pearson Correlation	.628
	Sig. (2-tailed)	.000
	N	36

Correlation is significant at the 0.01 level (2-tailed).

Karl Pearson's correlation coefficient between Change in Nifty Turnover and Change in FIIs Turnover was 0.628, which showed a high degree of positive correlation between two factors during the study period.

Table 16: ANOVA TEST

Variable	Factor	Sum of Squares	df	Mean Square	F	Sig.
Change in FIIs Net Purchase	Between Groups	420786519.46	1	420786519.46	.713	.404
	Within Groups	20055622634.61	34	589871253.96		
	Total	20476409154.08	35			

Change in Nifty Closing Index	Between Groups	3580042.41	1	3580042.41	8.351	.007
	Within Groups	14575122.92	34	428680.09		
	Total	18155165.33	35			
Change in FIIs Net Turnover	Between Groups	176942006.82	1	176942006.82	.035	.853
	Within Groups	171871851690.94	34	5055054461.50		
	Total	172048793697.76	35			
Change in Nifty Turnover	Between Groups	5057015153.12	1	5057015153.12	.682	.415
	Within Groups	252148626739.94	34	7416136080.59		
	Total	257205641893.06	35			

The F value is .713, and the significant discount is 0.404, more than 0.05. A henceforth null hypothesis is accepted. Thus, there is no impact of FIIs investment on the Indian Stock Market during the COVID-19 pandemic.

The F value of Change in the Nifty Closing Index is 8.351, and the significant discount is 0.007, which is under 0.05. Consequently, the null hypothesis theory is rejected. Therefore, there is a considerable impact of FIIs investment on the Nifty Closing Index during the COVID-19 pandemic.

The F value of Change in FIIs Net Turnover is .035 at a significant value of 0.853, more than a 0.05 level of significance. Henceforth, the null hypothesis is acknowledged.

The F value of Change in Nifty Turnover is .682 at a significant value of 0.415, which is more than 0.05 level of significance. Henceforth, the null hypothesis is acknowledged.

6. Conclusion

This research aims to investigate the influence of the COVID-19 pandemic on foreign institutional investors' (FIIs) investment in the Indian capital market. With correlation values of 0.663 and 0.628, respectively, it is apparent that FIIs Net Purchase and Nifty Closing Index and FIIs Net Turnover and Nifty Turnover have a positive association. Furthermore, the ANOVA test confirms this.

References

- [1] Hosseini, M., Ahmad, Z. & Lai, Y., Macroeconomic implications of capital inflows in India, *International Review of Business Research Papers*, 6, 133-147.
- [2] Kadanda, D. and Raj, K. (2017). Relationship between Foreign Portfolio Investments (FPI), Domestic Institutional Investors, and Stock Market Returns in India. *International Journal of Financial Management*, 7 (4), 01-09

- [3] Kumar, S. S. S.(2005). Role of Institutional Investors in Indian Stock Market. *International Journal of Management Practices & Contemporary Thoughts*, 10 (2), 74-83
- [4] Majumder, S. B. and Nag, R. N. (2013). Foreign Institutional Investment, Stock Market, and Volatility: Recent Evidence from India. *Indian Journal of Finance*, 31 (1), 23-31
- [5] Majumder, S. B. and Nag, R. N. (2015). Return and Volatility Spill-over between Stock Price and Exchange Rate: Indian Evidence. *International Journal of Economics and Business Research*, 10 (4), 326-340
- [6] Nagwal, M.P. & Kumar, Pramod (2015). Impact of Global Financial Meltdown on Indian Economy. *International Journal of Trade and Commerce-IIARTC*, 4 (2), 338-349
- [7] Patnaik, A. and Abraham, S. (2017). Impact Of Macro-Economic Variables with Respect to Sensex. *International Journal of Research in Economics and Social Sciences*, 7 (11), 66 - 88
- [8] Rajput, N., Chopra, P., & Rajput, A. (2012). FII and Its Impact on Stock Market: A Study on Lead-Lag and Volatility Spill-over. *Asian Journal of Finance & Accounting*, 4 (2), 18 - 38
- [9] Rastogi, S.K. & Husain, Nazaquat (2015). Volatility Trends and Their Relationship with FIIs in Indian Stock Market. *International Journal of Trade and Commerce-IIARTC*, 4 (1) 79-91
- [10] Vasanthakumari. B, Ramakrishna, N., & Venugopal (2018). Imp Indian Capital Market on Socio-Economic Development: An Empirical Analysis. *IOSR Journal of Business and Management (IOSR-JBM)*, 20 (5), 83-92

Websites:

- [1] nseindia.com
- [2] bseindia.com
- [3] rbi.org.in
- [4] sebi.gov.in
- [5] moneycontrol.com