

ABSTRACT

This paper examines the relationship between foreign equity capital and corporate governance in terms of ownership structure of Indian firms and firm specific characteristics that attract foreign capital in India. We use cross sectional data for 2012 of public listed companies in NSE. Our result reveals that foreigners show a preference for large firm with higher market capitalization, firm paying low dividend, have presence in international market, measured through export sale and or listing in US exchange. This study also analysis that foreign investors also underweight those firms have concentrated ownership structure.