GOVERNMENT OF INDIA
MINISTRY OF FINANCE
RAJYA SABHA
UNSTARRED QUESTION NO. 1205
ANSWERED ON 10.02.2026

FDI Inflows into the Country

1205 Dr. John Brittas:

Will the Minister of Finance be please to state:

(a) the quantum of net Foreign Direct Investment (FDI) inflows received by the country in the banking sector during the Financial Years 2022-23,2023-24 and 2024-25, year-wise;

(b) the details of FDI in Indian Commercial Banks, in absolute numbers and percentage-wise;

(c) whether Government has examined the impact of increasing foreign control in banks on employment practices, lending priorities and financial inclusion;

(d) whether Government noted the concerns regarding erosion of economic sovereignty and labour protections due to foreignization of the banking sector; and

(e) the details thereof and the response of Government thereto?

ANSWER

MINISTER OF STATE (FINANCE)
(SHRI PANKAJ CHAUDHARY)

(a) to (b). Total FDI inflow includes equity inflow, equity capital of unincorporated bodies, re-invested earnings, and other capital. Sector-wise details are maintained only for equity component of FDI inflow. The FDI equity inflow in banking sector during Financial Years 2022-23, 2023-24 and 2024-25 are as under;

(figures in USD million)

S.N	Financial Year	FDI equity inflow in banking sector
1	2022-23	897.76
2	2023-24	377.34
3	2024-25	115.47

The foreign shareholding in public sector bank as on 31.03.2025 is as under:

S.N	Name of Public Sector Bank	%foreign shareholding*
1	Bank of Baroda	9.43
2	Bank of India	3.89
3	Bank of Maharashtra	1.93
4	Canara Bank	10.55
5	Central Bank of India	1.27
6	Indian Bank	4.74
7	Indian Overseas Bank	0.27
8	Punjab and Sindh Bank	0.76
9	Punjab National Bank	5.85
10	State Bank of India	11.07
11	UCO Bank	0.06
12	Union Bank of India	7.48

* Foreign shareholding including FDI, FPI/FII/NRI/OCB holdings.

(c) to (e). Foreign Direct Investment (FDI) is considered as a major source of non-debt financial resource for the economic development. FDI flows into India have grown consistently since liberalization and are an important component of foreign capital since FDI infuses long term sustainable capital in the economy and contributes towards technology transfer, development of strategic sectors, greater innovation, competition and employment creation amongst other benefits.

As per Reserve Bank of India's (RBI) Master Directions on ‘Acquisition and holding of shares or voting rights in Banking Companies’, share acquisition of a bank resulting in any person owning or controlling 5% or more of the paid-up capital of the bank, requires prior approval of RBI. The Reserve Bank of India has, from time to time, issued a number of instructions/ guidelines to banks to regulate Priority Sector Lending (PSL) which is applicable to all commercial banks unless otherwise provided.

The foreign ownership in Indian Banks is subject to sectoral caps under the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, and any acquisition beyond a prescribed threshold requires approval under the said rules. Applications received from foreign banks are examined within a framework that imposes restrictions to prevent the dominance of foreign banks in the Indian banking system, thereby addressing any potential downside risks that may arise.

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