GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA

UNSTARRED QUESTION No. 239

ANSWERED ON TUESDAY, JULY 21, 2026/ ASHADHA 30, 1948 (SAKA)

TRENDS IN FOREIGN PORTFOLIO INVESTMENT IN INDIA

239: Dr. SANTRUPT MISRA:

Will the Minister of FINANCE be pleased to state:

(a) the net Foreign Portfolio Investment inflows into Indian equity and debt markets, separately, for the last three financial years and for the current financial year up to date;

(b) the cumulative net outflow of Foreign Portfolio Investment during October 2024 to April 2026, in equity and debt markets separately, along with principal triggers identified for such outflows; and

(c) whether Government considers India's substantial reliance on Foreign Portfolio Investment as a financing source for Capital Account, in the context of declining net Foreign Direct Investment, to be sustainable and the structural reforms proposed to deepen the domestic institutional investor base?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

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(a) to (c):

The net Foreign Portfolio Investment flows into Indian Capital Market for the last three financial years and for the current financial year up to July 13, 2026 is as under: (in ₹crore)

Financial Year	Equity	Debt
2023-24	2,08,212	1,18,087
2024-25	-1,27,041	1,43,162
2025-26	-1,80,832	25,807
2026-27	-1,24,837	56,694

Note: Debt here only includes Debt General Limit, Debt VRR and Debt FAR

Source: NSDL

The cumulative net flow of Foreign Portfolio Investment during October 2024 to April 2026 is as under:

(in ₹crore)

Period	Equity	Debt
October 01,2024 to April 30, 2026	-4,58,438	72,701

Source: NSDL

The outflows during the period (October 01,2024 to April 30,2026) from the equity segment have been driven by mix of domestic and global factors such as geopolitical tensions, uncertainties surrounding trade tariffs, global investor sentiments, currency movements and portfolio rebalancing by global funds across emerging markets. The recent foreign portfolio outflows from Indian equities are part of a broader pattern noticed in emerging markets and not altogether specific to India.

Foreign Direct Investment (FDI) enhances the productive capacity and employment in the country whereas Foreign Portfolio Investment complements FDI by deepening financial markets and improving access to capital. Structural reforms from time to time are essential for long-term growth.

Major Domestic Institutional Investor (DII) segments such as Mutual Funds (MF), Alternative Investment Funds (AIF), Insurance companies and Pension Funds (PF) are regulated by SEBI, IRDAI and PFRDA. The regulators have put in place regulations to aid in orderly growth of the DII segment. There has been a constant growth in the assets being managed by DII. For example, growth of the MF and AIF industry over the last five years are as under:

As on	***Assets Under Management (AUM) of Mutual Funds (In INR Crore)***
June 30, 2021	33,67,000
June 30, 2026	82,22,000

Source: The Association of Mutual Funds in India (AMFI)

As on	***Investments made by AIFs (In INR Crore)***
Mar 31, 2021	2,00,484
Mar 31, 2026	6,76,365

Source: SEBI