JULY 2026 EDITION

INDIA INSIGHTS

WORLD CUP OF INVESTMENT

JUL 2026
FY26

GSRA & ASSOCIATES
Chartered Accountants
Impactful | Reliable | Responsive

A monthly brief on the developments shaping India's business and investment landscape.

YOU WON'T BELIEVE WHO MAKES THE FINAL

In the World Cup of Investment.

World Commentary: a football-style readout of the countries, sectors and states leading India's FDI race.

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MATCH PROGRAMME

This edition reads the FDI race like a World Cup table.

LIVE COMMENTARY

"The scoreboard is rising, but the real story is underneath it: countries are jostling for position, sectors are changing shape, and the states that convert fastest will define the next phase of India's investment season."

OPENING WHISTLE

Partner Note — Ravi Sachdeva, Partner, GSRA & Associates

India is no longer competing for attention. It is competing for capital — and the world has noticed.

If the first quarter of 2026 was defined by the European surge, the broader picture emerging this summer is more striking: every major investment corridor — the Americas, the Gulf, East Asia, and Europe — is recalibrating its India posture simultaneously. That kind of convergence does not happen often.

Three things are driving it. The PLI scheme has moved from promise to disbursement. The new Income Tax Act has finally simplified what was once impenetrable. And the EU–India FTA, even pre-ratification, has signalled to the rest of the world that India is now a treaty-grade destination — not just a growth story.

In this edition, we go beyond the European lens. We track where capital is coming from across the globe, which corridors are accelerating, and which are still finding their footing.

And in the spirit of the FIFA World Cup season, we have done something a little different. We have built an investment heat map: a data-backed look at which nations are leading the race to ground capital in India, who is climbing the table, and who risks being knocked out by inaction. **The scoreboard may surprise you.**

The structural message, however, remains unchanged: the window to prepare is now. The structures you set up today will be the ones that perform when the next cycle turns.

> ***The scoreboard may surprise you. The structure still decides the result.***

LIVE COMMENTARY

90+

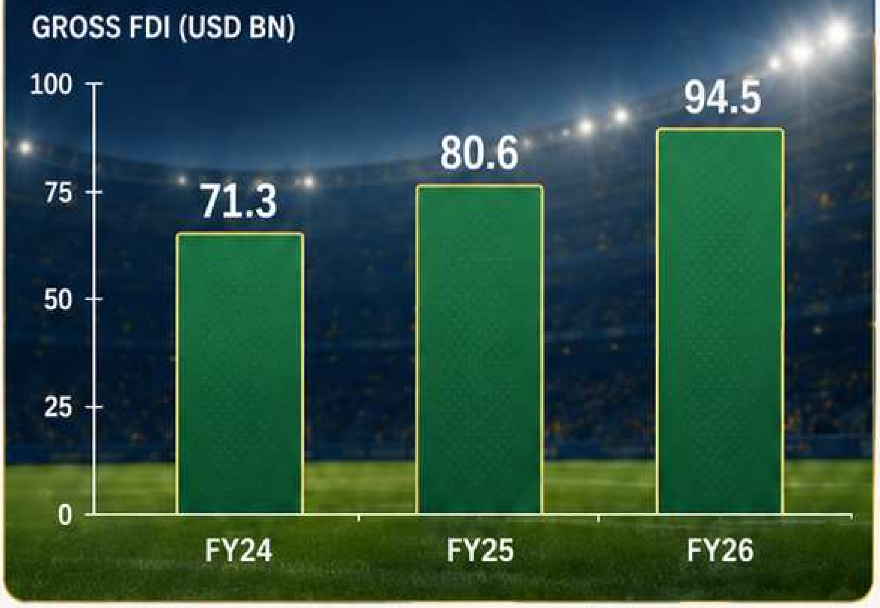
Welcome to India Insights — where countries are the teams, sectors are the positions, and India is the pitch everyone wants to play on.

THE SCOREBOARD

FY2025–26: India finishes the season with double-digit growth

94.53 USD BN	17%	58.85 USD BN	18%
GROSS FDI	GROSS FDI GROWTH	FDI EQUITY INFLOW	EQUITY INFLOW GROWTH

SEASON-BY-SEASON FORM



LIVE COMMENTARY 90+

15’ OPENING ATTACK

Gross FDI reaches USD 94.53 billion in FY2025–26, a 17% year-on-year increase.

60’ MIDFIELD CONTROL

FDI equity inflow rises to USD 58.85 billion, up 18% from FY25.

90+ FINAL WHISTLE

Broad-based inflows keep the scoreline convincing - led by equity, reinvested earnings and other capital.

FULL-TIME COMMENTARY

India closes FY2025–26 with USD 94.53 billion in gross FDI, up 17% over FY25. FDI equity inflows reach USD 58.85 billion, an 18% increase. The result reflects strength across equity, reinvested earnings and other capital.

MATCH STATS

GROSS FDI BREAKDOWN - FY2025-26 (USD BN)

FDI equity inflow	58.85
Reinvested earnings	25.56
Other capital	6.68
Equity capital of unincorporated bodies	3.44
TOTAL GROSS FDI	**94.53**

Source: DPIIT Quarterly Fact Sheet on FDI Inflows, updated to March 2026. Figures are provisional.

GROUP STAGE

FY26 FDI LEAGUE TABLE

RANKING SOURCE COUNTRIES BY FDI EQUITY INFLOW

Here is how the top source countries performed in India during FY2025–26 (April 2025 to March 2026).
All figures are in USD Million.

FY26 TOP PERFORMER
Singapore retains the top spot and expands its lead.

POS	COUNTRY	FY25 (USD MN)	FY26 (USD MN)	YoY CHANGE (%)	SHARE OF FY26 EQUITY INFLOW	MATCH COMMENTARY
1	Singapore	14,942	19,802	+32.5%	33.7%	★ **Top of the table:** Strengthened lead with strong financial and holding investments.
2	USA	5,457	11,171	+104.7%	19.0%	★ **Player in form:** More than doubled YoY, driven by tech, manufacturing & services.
3	Mauritius	8,344	6,576	-21.2%	11.2%	★ **Lost ground:** Decline in investments routed via Mauritius.
4	Japan	2,478	3,745	+51.1%	6.4%	★ **Strong comeback:** Healthy increase with focus on auto, electronics & infra.
5	Netherlands	4,620	3,374	-27.0%	5.7%	★ **Slipped down the table:** Lower equity inflows YoY.
6	UAE	4,345	2,738	-37.0%	4.7%	★ **Lost ground:** Annual inflows declined compared with FY25.
7	Cayman Islands	371	2,084	+461.7%	3.5%	★ **Sharp rise:** Inflows rose sharply from a low base.
8	Cyprus	1,203	1,412	+17.4%	2.4%	★ **Gradual climb:** Moderate increase in investor participation.
9	United Kingdom	795	1,007	+26.7%	1.7%	★ **Stable contributor:** Marginal rise in equity inflows.
10	Germany	469	495	+5.5%	0.8%	★ **Marginal rise:** Slight increase in FY26.

METHODOLOGY & SOURCE

- Countries are ranked by FDI equity inflow received into India during FY2025–26 (April 2025 to March 2026).
- "YoY Change" compares FY26 vs FY25.
- **"Share of FY26"** is each country's contribution to total FDI equity inflow in FY26.
- All figures are provisional.
- **Source:** DPIIT – Quarterly Fact Sheet on FDI Inflows (Q3 FY26, data up to March 2026).

KEY TAKEAWAYS

- Singapore continues to lead, accounting for 33.7% of India's total FDI equity inflow in FY26.
- The USA posted the highest growth, more than doubling its investments YoY.
- Japan, Cayman Islands and Cyprus also showed strong momentum.
- Mauritius, Netherlands and UAE witnessed a decline compared to the previous year.
- The top 10 countries together contributed 89.1% of India's total FDI equity inflow in FY26.

FORM GUIDE

Who scored, who held shape, and who dropped points.

	SECTOR	FDI INFLOWS FY2025–26 (USD BN)	YOY MOVEMENT (VS FY24)	ON-PITCH TAKE
1	SOFTWARE & HARDWARE	USD 13.95 Bn	+78%	Golden Boot
2	SERVICES	USD 10.01 Bn	+7%	Midfield control
3	TRADING	USD 4.01 Bn	-4%	Held position
4	NON-CONVENTIONAL ENERGY	USD 3.02 Bn	-25%	Lost momentum
5	CONSTRUCTION INFRA	USD 2.57 Bn	+15%	Building from the back
6	AUTOMOTIVE	USD 2.46 Bn	+55%	Breakout run
7	PHARMA	USD 1.91 Bn	+115%	Fastest finisher
8	TELECOM	USD 0.12 Bn	-84%	Major setback

LIVE COMMENTARY

"The tournament is being decided by a high press from digital capability — but pharma and automotive delivered the sharpest finishing. Telecom, once a headline scorer, had a difficult season."

HOST CITIES

The Indian states competing to host the next wave of global capital

FY26 FDI INFLOWS LEADERBOARD

Rank	State	FDI INFLOWS (USD BN)	YOY MOVEMENT
1	MAHARASHTRA	USD 18.42 Bn	↓ -6%
2	KARNATAKA	USD 12.94 Bn	↑ +95%
3	DELHI	USD 6.18 Bn	↑ +1%
4	GUJARAT	USD 5.71 Bn	– 0%
5	TAMIL NADU	USD 4.72 Bn	↑ +28%
6	HARYANA	USD 4.53 Bn	↑ +44%
7	TELANGANA	USD 2.25 Bn	↓ -25%
8	RAJASTHAN	USD 1.01 Bn	↑ +170%
9	UTTAR PRADESH	USD 0.95 Bn	↑ +118%

LIVE COMMENTARY

90+

Maharashtra retains the top seed.

Karnataka produces the season's defining comeback.

Haryana and Tamil Nadu move with purpose.

Uttar Pradesh and Rajasthan surge from smaller bases.

STRATEGIC TAKEAWAY

State selection is no longer a footnote. Talent, incentives, industrial infrastructure, customer proximity and compliance execution now shape the entire India entry formation.

Source: DPIIT Quarterly Fact Sheet updated to March 2026; RBI Bulletin, May 2026.
Figures are provisional.

KEY FIXTURES

★ ★ ★

Four strategic moves shaping India's next investment cycle

A quick look at the deals, expansions and commitments shaping the next wave of investment momentum.

Jabil × Adani →

AI Infrastructure Manufacturing

- AI Infrastructure
- Advanced Manufacturing
- Investment not disclosed

Building AI infrastructure at scale, together. India strengthens its role in global hardware.

Meta × Reliance →

Jamnagar AI Data Centre

- Data Centres
- AI Compute
- 168 MW

Powering AI ambitions with world-class data-centre capacity and digital infrastructure scale.

Southwest Airlines →

Hyderabad GCC Expansion

- Aviation
- GCC
- Up to 1,000 employees

Expanding the Hyderabad GCC to drive specialised capabilities for global operations.

Fairfax India →

Majority Control of IIFL Capital

- Financial Services
- INR 2,000 crore
- USD 211 million

Strategic capital deployment in financial services, securing long-term ownership and value.

Match Note: Selected deal signals from India's next investment cycle.

THE TACTICAL BOARD

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THE INDIA ENTRY PLAYBOOK: *What the Scoreboard Doesn't Show*

India entry is won before kick-off. The right structure, entity and location decide how quickly a business can launch, scale and stay compliant. Three avoidable fouls can turn a strong India plan into delays, unnecessary cost and lost momentum.

STRUCTURE → ENTITY → LOCATION

FOUL 01 — *Offside on the Holding Structure*

Routing investment direct-from-home versus through Singapore, Mauritius, or the Netherlands is not a tax-saving decision — it is a treaty-and-exit decision. The route should be assessed across entry, operations, profit repatriation and exit, including treaty entitlement, substance and GAAR risk.

FOUL 02 — *Starting the Wrong Player: LLP vs. Private Limited*

An LLP can work in narrower automatic-route situations, but scalable, equity-backed and fundraising-led India operations usually age better in a Private Limited Company. Choose the entity for where you will be in year five, not week one.

FOUL 03 — *Playing in the Wrong Stadium: Location Before Incentives*

India is not one operating market. Talent, infrastructure, customer access, incentives and compliance costs vary sharply by state and city. Select the location around the business model and five-year operating plan - not the headline incentive alone.

> *"In the World Cup, the best teams do not just show up with talent. They show up with the right structure, the right formation, and a game plan built for the full ninety minutes."*

INVESTOR Q&A

Practical answers for foreign investors entering India

Q1 When should a foreign company lock its India entry structure?

Before the first term sheet, invoice or customer contract. Tax route, entity type, pricing model and market-entry planning work best when designed before operating activity starts.

Q2 Can a GCC begin as a cost centre before it generates revenue?

Yes. Many India GCCs start as captive service centres. The transfer-pricing model, intercompany agreement and cost allocation should be documented from day one.

Q3 Should a foreign investor choose an LLP or a Private Limited Company?

For most long-term India entry plans, a Private Limited Company is the more practical structure. An LLP can work in specific situations, but it is usually less flexible for scale, equity participation and future structuring.

Q4 Should state incentives drive the location choice?

Yes. Incentives can materially influence location choice, especially for manufacturing, GCC and technology investments, but they should be assessed alongside talent, infrastructure and operating fit.

Q5 Can the structure be changed later if the India plan grows faster than expected?

Yes, but restructuring later is slower and costlier. It is usually better to design for the company you expect to be in year five.

UPCOMING FIXTURES

Key events on India's investment calendar

DATE	EVENT	FOCUS
1–3 Jul	Seafood Expo Bharat 2026	Agri-processing/Exports
6–9 Aug	Investing Accelerator Summit 2026	Capital Markets
20–22 Aug	Sport India 2026	Consumer/Sports Economy
21–23 Aug	Agritech India 2026	Agritech/Food Processing
5–7 Sep	India Med Expo 2026	Medtech/Healthcare
9–11 Sep	Global Fintech Fest 2026	Fintech/Regulation
16–18 Sep	electronica India & productronica India 2026	Electronics/Manufacturing
17–19 Sep	SEMICON India 2026	Semiconductors/ESDM
25–29 Sep	UP International Trade Show 4.0	Manufacturing/State Policy

WHAT TO WATCH

- H2 2026 will see a packed calendar across agri, tech and capital markets.
- Use these platforms to scout partners, policy signals and global capital.
- Plan ahead — secure meetings early and align with sector priorities.

FINAL WHISTLE

★ ★ ★

Entering India successfully requires more than market interest — it requires the right structure.

GSRA helps international businesses set up, scale and stay compliant in India.

- Entity structure and incorporation
- Tax planning and transfer pricing
- FEMA and RBI advisory
- GCC and subsidiary setup
- Accounting, payroll and CFO support

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