

INDIA INSIGHTS

FOLLOW THE CAPITAL

**What Q1 FY2026-27 really tells us
about foreign investment in India**

Where the money came from, where it went,
and what changed beneath the headline.



IN THIS ISSUE

This version tells the reader what they will learn, not merely the section name.

01

Partner Note

Why the headline number is only the starting point.

02

Q1 in One View

How much came in, and where the quarter was concentrated.

03

Who Invested?

Japan moved to the top as the source-country mix changed sharply.

04

Where Did It Go?

Services led, while several sectors moved sharply year-on-year.

05

Where Did It Land?

Tamil Nadu led Q1, but the longer-term map still looks very different.

06

One Deal Behind Four Headlines

How one April investment influenced the month, country, sector and state rankings.

07

Four Q1 Inbound Moves

What foreign companies actually did in India during the quarter.

08

Investor Questions

What the numbers should—and should not—mean for an India decision.

09

India Calendar

What to watch in October and November.

PARTNER NOTE

READING BEYOND THE HEADLINE



“The headline tells us how much came in. The real value is understanding what sits behind it.”

Ravi Sachdeva

Partner, GSRA & Associates

India received **US\$30.65 billion** of FDI in Q1 FY2026-27, including **US\$19.8 billion** of equity investment. Equity inflows were **6% higher** than a year earlier.

But this quarter is also a good example of why headline numbers need context.

Japan became the largest source of equity FDI.

Services led the sector rankings.

Tamil Nadu received the most among states.

One major investment completed in April contributed significantly to all three.

So in this edition, we follow the capital beneath the headline where it came from, where it went, and what those movements actually mean for companies looking at India.

Ravi Sachdeva

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02 | Q1 IN ONE VIEW

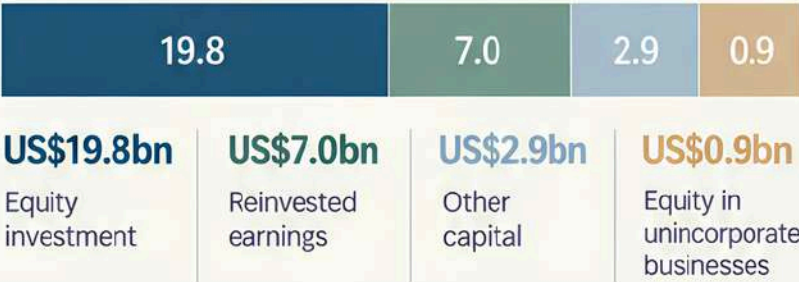
US\$30.65bn came into India in Q1

Most of the equity arrived in April.

TOTAL FDI INFLOW | APRIL-JUNE 2026
(US\$ billion)

US\$30.65bn
Total FDI inflow

FDI INFLOW BY COMPONENT (US\$ billion)



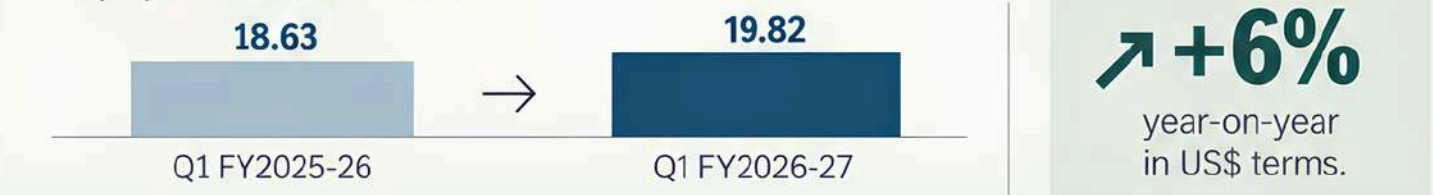
61% of Q1 equity arrived in April

Monthly FDI equity inflows (US\$ billion)



Q1 equity was modestly higher than a year earlier

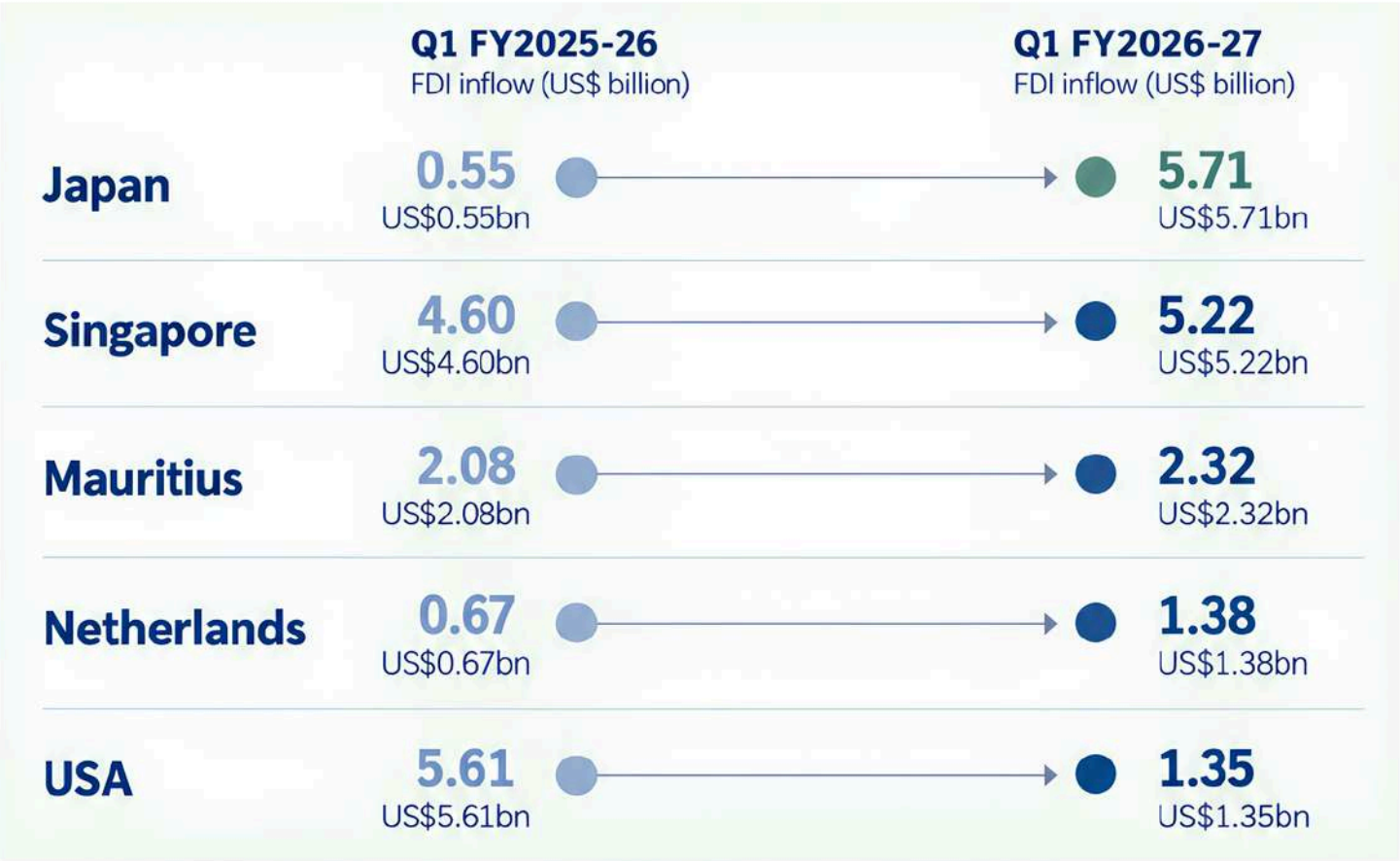
FDI equity inflows (US\$ billion)



03 | WHO INVESTED?

JAPAN JUMPED TO NO. 1

A single quarter reshuffled India's source-country ranking



JAPAN

A major financial-services investment completed in April explains much of the jump.

USA

The fall is a reminder that quarterly country rankings can move sharply when a few large transactions enter or leave the comparison period.

One quarter can change the leaderboard quickly. It does not necessarily signal a permanent shift in investor appetite.

04 | WHERE DID IT GO?

Services more than doubled

But the biggest jump was not simply about new offices or GCCs.

FDI INFLOW BY SECTOR | Q1 FY2025-26 vs Q1 FY2026-27 (US\$ billion)



SERVICES

The quarter’s largest sector increase, but a major financial-services investment accounts for a significant part of the rise.

SOFTWARE & HARDWARE

Still one of India’s largest FDI sectors, but lower than the unusually strong Q1 recorded a year earlier.

Sector FDI can include acquisitions and strategic stakes as well as new facilities and expansion.

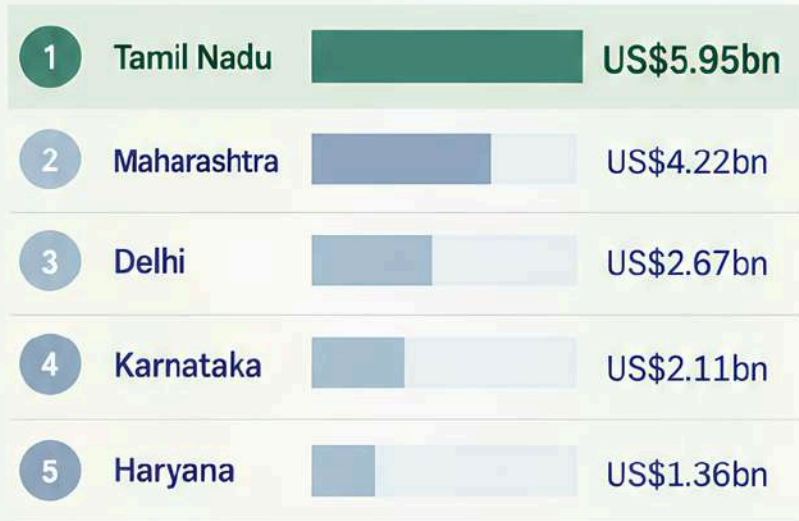
05 | WHERE DID IT LAND?

TAMIL NADU LED Q1

US\$5.95bn in three months, more than it received during all of FY2025-26

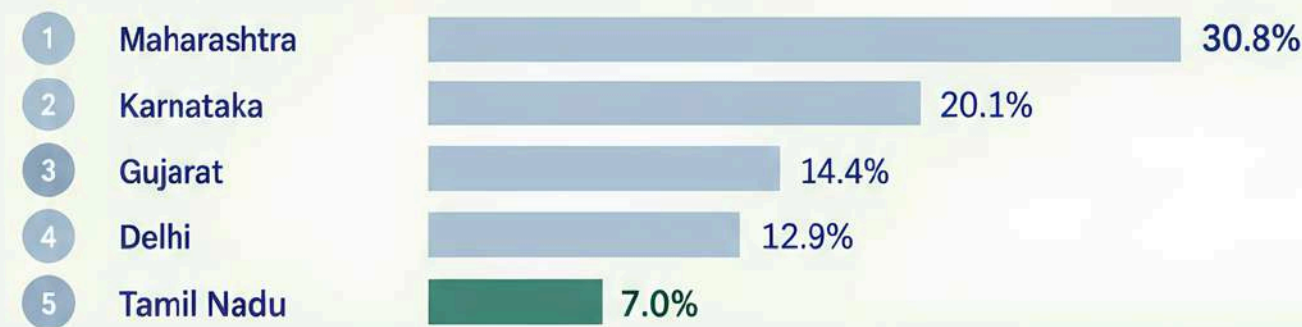
Q1 FY2026-27

FDI inflow (US\$ billion)



BUT THE LONGER-TERM MAP LOOKS DIFFERENT

Cumulative share of FDI inflow since October 2019



TAMIL NADU

Tamil Nadu's Q1 jump is significant, but a large Chennai-linked financial-services investment accounts for much of the quarter.

TAKEAWAY

Quarterly leadership can change quickly. The longer-term investment map changes more slowly.

06 | ONE DEAL BEHIND FOUR HEADLINES

ONE DEAL BEHIND FOUR Q1 HEADLINES

MUFG's investment in Shriram Finance was large enough to influence four of the quarter's leading FDI numbers.



MUFG



SHRIRAM
Finance

₹39,618 crore

20% equity stake

Completed 8 April 2026



APRIL

₹1,13,283 crore

Total equity FDI

~35%

The MUFG deal value was equal to about 35% of April's total.



JAPAN

₹53,528 crore

Q1 equity FDI

~74%

The deal value was equal to about 74% of Japan's Q1 total.



SERVICES

₹66,051 crore

Q1 equity FDI

~60%

The deal value was equal to about 60% of services FDI in Q1.



TAMIL NADU

₹55,900 crore

Q1 equity FDI

~71%

The deal value was equal to about 71% of Tamil Nadu's Q1 total.

One investment helped explain why April, Japan, services and Tamil Nadu all stood out in the Q1 data.

Percentages compare the publicly disclosed MUFG investment value with the relevant DPIIT total. DPIIT does not publish deal-by-deal attribution.

07 | FOUR Q1 INBOUND MOVES

How foreign companies moved into India during Q1

Four companies. Four different routes into the market.

epic
GROUP

BUILD



Hong Kong → Odisha

US\$100m

Opened a 40-acre garment manufacturing campus in Khordha in April 2026.



AIRTRUNK

BUY



Australia → India

~600MW

Entered India by acquiring Lumina CloudInfra and its data-centre pipeline across Mumbai, Chennai and Hyderabad.



align[®]

COMMIT



United States → Hyderabad

~US\$200m

Announced its first India manufacturing facility, planned to open in 2027.



IMI

EXPAND



United Kingdom → Chennai

New manufacturing + engineering site

Began operations at a consolidated Chennai facility in April 2026.



BUILD • BUY • COMMIT • EXPAND

Four companies. Four different routes into India during Q1.

Examples were announced, completed or became operational during April–June 2026.

08 | INVESTOR QUESTIONS

What should a foreign company take from this?

Four practical questions after reading the quarter.

01

Does the state with the most FDI automatically make the best location?

No.

FDI shows where capital was recorded. A location decision still depends on:



02

Does high sector FDI mean companies are building new factories or offices?

Not always.

FDI can include:



That is why the transactions behind the sector total matter.

03

Should one quarter change our India strategy?

Not on its own.

Quarterly data is useful for spotting movement, but a few large transactions can change the rankings quickly.

Look for the longer-term pattern, not only the latest quarter.



04

What should we assess before making an India investment decision?

Start with the operating model.



KEY TAKEAWAY

USE FDI DATA TO SPOT MOMENTUM.

USE OPERATING FUNDAMENTALS TO MAKE THE DECISION.

09 | INDIA CALENDAR

OCTOBER–NOVEMBER 2026

Six events worth watching for companies exploring India

7–10

OCTOBER



INDIA MOBILE CONGRESS 2026

📍 Yashobhoomi, New Delhi

India's major technology and connectivity platform, covering AI, telecom, semiconductors, cloud, data centres and digital infrastructure.

Relevant for: Technology • Digital infrastructure • Partnerships

22–24

OCTOBER



INDIA CHEM 2026

📍 Bombay Exhibition Centre, Mumbai

Government-backed chemicals and petrochemicals forum bringing together investors, manufacturers and international businesses across chemicals, specialty chemicals and process industries.

Relevant for: Chemicals • Manufacturing • Investment

22–24

OCTOBER



THE BATTERY SHOW INDIA

📍 India Expo Centre & Mart, Greater Noida

Battery and EV-technology platform bringing together cell makers, component suppliers, engineers and technology providers across mobility and energy storage.

Relevant for: Batteries • EV supply chain • Energy storage

16–18

NOVEMBER



INDUSTRIAL CONNECT EXPO 2026

📍 India Expo Centre & Mart, Greater Noida

B2B manufacturing exhibition focused on industrial machinery, automation, components and smart-manufacturing solutions.

Relevant for: Industrial machinery • Automation • Supplier partnerships

17–18

NOVEMBER



IGHA + HYVOLUTION INDIA 2026

📍 India

A dedicated platform bringing together hydrogen technology providers, policymakers and industry participants around India's emerging green-hydrogen ecosystem.

Relevant for: Green hydrogen • Clean energy • Technology partnerships

26–28

NOVEMBER



INNORAIL INDIA 2026

📍 RDSO Stadium Ground, Lucknow

CII and RDSO's rail-industry platform covering rolling stock, signalling, electrification, rail infrastructure and next-generation mobility-technologies.

Relevant for: Railways • Infrastructure • Engineering

GSRA & ASSOCIATES

Chartered Accountants

Impactful | Reliable | Responsive

READY TO EXPLORE INDIA?

We help global companies enter, establish and grow in India with clarity, compliance and confidence.

Whether you are evaluating India for expansion, exploring partnerships or planning your market entry, our team is ready to help you make the right move at the right time.



MARKET ENTRY STRATEGY

Assessing the right route into India.



ENTITY SETUP & STRUCTURING

Subsidiary, branch, liaison office, LLP and other structures.



TAX & TRANSFER PRICING

Corporate tax, GST, withholding and repatriation.



FEMA / RBI COMPLIANCE

Foreign-investment, reporting and regulatory support.



ACCOUNTING & PAYROLL

Day-to-day finance, payroll and statutory compliance.



PARTNER & DISTRIBUTOR SEARCH

Identifying and evaluating commercial partners.

LET'S TALK

Reach out to start a conversation.

Our team will respond personally and help you take the next step.



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