

India Records USD 81.04 Billion FDI Inflow in FY 2024–25

FDI inflow grows by 14%; Services Sector leads with 19% share

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The Government has put in place an investor-friendly Foreign Direct Investment (FDI) policy, under which most sectors are open for 100% FDI through the automatic route. This policy is reviewed on an ongoing basis to ensure that India remains an attractive and competitive investment destination. As a result, FDI inflows have seen a steady rise—from USD 36.05 billion in FY 2013–14 to USD 81.04 billion (provisional) in FY 2024–25, marking a 14% increase from USD 71.28 billion in FY 2023–24.

The services sector emerged as the top recipient of FDI equity in FY 2024–25, attracting 19% of total inflows, followed by computer software and hardware (16%) and trading (8%). FDI into the services sector rose by 40.77% to USD 9.35 billion from USD 6.64 billion in the previous year.

India is also becoming a hub for manufacturing FDI, which grew by 18% in FY 2024–25, reaching USD 19.04 billion compared to USD 16.12 billion in FY 2023–24.

Maharashtra accounted for the highest share (39%) of total FDI equity inflows in FY 2024–25, followed by Karnataka (13%) and Delhi (12%). Among source countries, Singapore led with 30% share, followed by Mauritius (17%) and the United States (11%).

Over the last eleven financial years (2014–25), India attracted FDI worth USD 748.78 billion, reflecting a 143% increase over the previous eleven years (2003–14), which saw USD 308.38 billion in inflows. This constitutes nearly 70% of the total USD 1,072.36 billion in FDI received over the past 25 years.

Additionally, the number of source countries for FDI increased from 89 in FY 2013–14 to 112 in FY 2024–25, underscoring India's growing global appeal as an investment destination.

In the regulatory domain, the Government has undertaken transformative reforms across multiple sectors to liberalize FDI norms. Between 2014 and 2019, significant reforms included increased FDI caps in Defence, Insurance, and Pension sectors, and liberalized policies for Construction, Civil Aviation, and Single Brand Retail Trading.

From 2019 to 2024, notable measures included allowing 100% FDI under the automatic route in coal mining, contract manufacturing, and insurance intermediaries. In 2025, the Union Budget proposed increasing the FDI limit from 74% to 100% for companies investing their entire premium within India.

These trends reaffirm India's position as a preferred global investment hub, enabled by a proactive policy framework, an evolving business ecosystem, and rising international confidence in India's economic resilience.

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