

Economic Footprint of EU Businesses in India



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Contents

EXECUTIVE SUMMARY	5
1. Number of EU firms across Indian States and sectors	8
1.1. EU firms, by Indian States/UTs	8
1.2. EU firms in India, by sector	10
1.3. Number of EU firms, by state-sector combination	10
1.4. Number of EU firms, by EU Member States	11
2. Turnover of EU firms in India	14
2.1. Turnover of EU firms, by Indian States/UTs	14
2.2. Turnover of EU firms, by sector	15
2.3. Turnover of EU firms, by state-sector combination	16
3. Investments generated by EU firms	18
3.1. Aggregate investments generated by EU firms, by Indian States/UTs	19
3.2. Aggregate investments generated by EU firms, by sector	19
3.3. Aggregate investments generated by EU firms, by state-sector combination	21
3.4. Aggregate investments generated by EU firms, by EU Member States	22
4. Direct and indirect employment generated by EU firms	24
4.1. Direct employment	24
4.2. Indirect employment	27
5. Total exports attributable to EU firms	29
6. Corporate income tax paid by EU firms	32
6.1. Corporate income tax paid by EU firms, by Indian States/UTs	32
6.2. Corporate income tax paid by EU firms, by sector	33
6.3. Corporate income tax paid by EU firms, by state-sector combination	34
7. Estimated CSR expenses incurred by EU firms	36
7.1. CSR expenses incurred by EU firms, by sector	36
7.2. CSR expenses incurred by EU firms, by state-sector combination	37
Key Insights on EU firms' Economic Footprint in India	39
Technical Annex: Methodology	40

List of Tables

Table 1:	Distribution of EU firms (2024-25), by Indian States/UTs and by sector	11
Table 2:	Number of EU firms (2024-25), by EU Member States and by sector	12
Table 3:	Estimated turnover (in € million) generated by EU firms (2014-15 to 2024-25), by Indian States/UTs	15
Table 4:	Estimated turnover (in € billion) generated by EU firms in 2024-25, by Indian States/UTs and by sector	16
Table 5:	Aggregate investments (in € million) by EU firms (2014-15 to 2024-25), by Indian States/UTs	19
Table 6:	Cumulative investments (in € billion) by EU firms (2014-15 to 2024-25), by Indian States/UTs and by sector	21
Table 7:	Estimated direct employment ('000 jobs) (2024-25), by Indian States/UTs and by sector	27
Table 8:	Value of goods exports (in € million) attributable to EU firms (2014 to 2025), by sector	30
Table 9:	Value of goods exports (in € billion) attributable to EU manufacturing firms (2015 to 2025), by sector	31
Table 10:	Estimated corporate income tax paid by EU firms (in € billion) (2024-25), by Indian States/UTs and by sector	35
Table 11:	Estimated CSR expenses (in € million) incurred by EU firms (2014-15 to 2024-25), by sector	37
Table 12:	Estimated CSR expenses (in € million) incurred by EU firms (2024-25), by Indian States/UTs and by sector	37

List of Figures

Figure 1: Number of EU firms (2014-15 to 2024-25)	8
Figure 2: Distribution of EU firms (2024-25), by Indian States/UTs	9
Figure 3: Percentage of EU firms in India (2024-25), by sector	10
Figure 4: Number of EU firms in India (2024-25), by EU Member States	12
Figure 5: Estimated turnover (in € billion) generated by EU firms (2014-15 to 2024-25)	14
Figure 6: Estimated turnover (in € billion) generated by EU firms (2020-21 to 2024-25), by sector	16
Figure 7: Aggregate investments (in € billion) by EU firms (2014-15 to 2024-25), by type	18
Figure 8: Aggregate investments (in € billion) by EU firms (2014-15 to 2024-25), by sector	20
Figure 9: Cumulative investments (in € billion) by EU firms (2014-15 to 2024-25), by top sectors	21
Figure 10: Aggregate investments (in € billion) by EU firms (2014-15 to 2024-25), by top EU Member States	22
Figure 11: Cumulative investments (in € billion) by EU firms (2014-15 to 2024-25), by EU Member States	23
Figure 12: Estimated direct employment ('000 jobs) by EU firms (2014-15 to 2024-25)	24
Figure 13: Estimated direct employment ('000 jobs) by EU firms (2024-25), by Indian States/UTs	25
Figure 14: Estimated direct employment ('000 jobs) by EU firms (2024-25), by top sectors	25
Figure 15: Estimated direct employment ('000 jobs) by EU firms (2014-15 to 2024-25), by top sectors	26
Figure 16: Estimated indirect employment ('000 jobs) (2024-25), by top sectors	28
Figure 17: Value of goods exports (in € billion) attributable to EU firms (2014 to 2025)	29
Figure 18: Estimated corporate income tax paid by EU firms (in € billion) (2014-15 to 2024-25)	32
Figure 19: Estimated corporate income tax paid (in € billion) of EU firms (2014-15 to 2024-25), by Indian States/UTs	33
Figure 20: Estimated corporate income tax paid (in € billion) of EU firms (2014-15 to 2024-25), by sector	34
Figure 21: Estimated CSR expenses (in € million) incurred by EU firms (2014-15 to 2024-25)	36

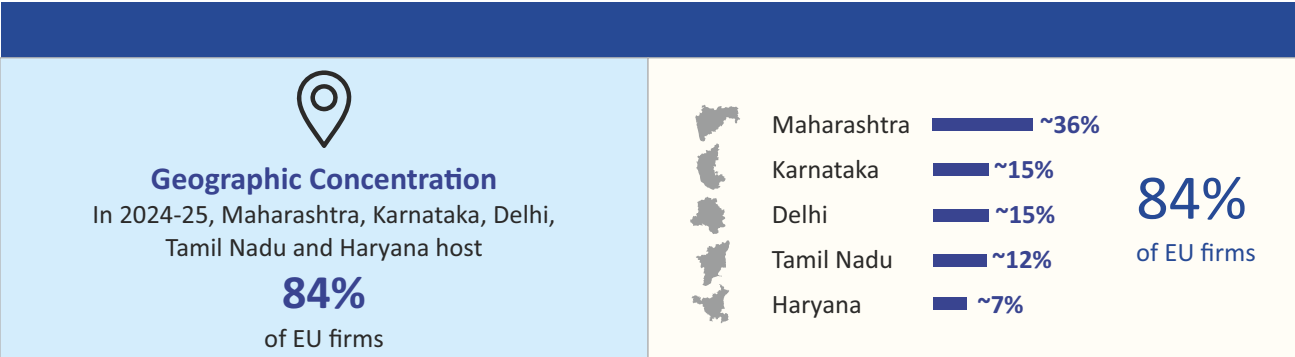
List of Abbreviations

ASI	Annual Survey of Industries
BaTiS	Balanced Trade in Services dataset
BvD	Bureau van Dijk
CAGR	Compound Annual Growth Rate
CMIE	Centre for Monitoring Indian Economy
CSR	Corporate Social Responsibility
CY	Calendar Year
DPIIT	Department for Promotion of Industry and Internal Trade
EBOPS	Extended Balance of Payments Services Classification
EU	European Union
EUD	European Union Delegation
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
FY	Financial Year
GoI	Government of India
HS	Harmonised System
I-O	Input Output Tables
ICT	Information and Communication Technology
ILO	International Labour Organisation
ISIC	International Standard Industrial Classification
IT	Information Technology
LSEG	London Stock Exchange Group
MoCI	Ministry of Commerce and Industry
MoSPI	Ministry of Statistics and Program Implementation
NACE	Nomenclature statistique des Activités économiques dans la Communauté Européenne
OECD	Organisation for Economic Cooperation and Development
TISI	Trade and Innovation Support in India
UN Comtrade	UN Commodity Trade Statistics Database
UTs	Union Territories
WTO	World Trade Organization

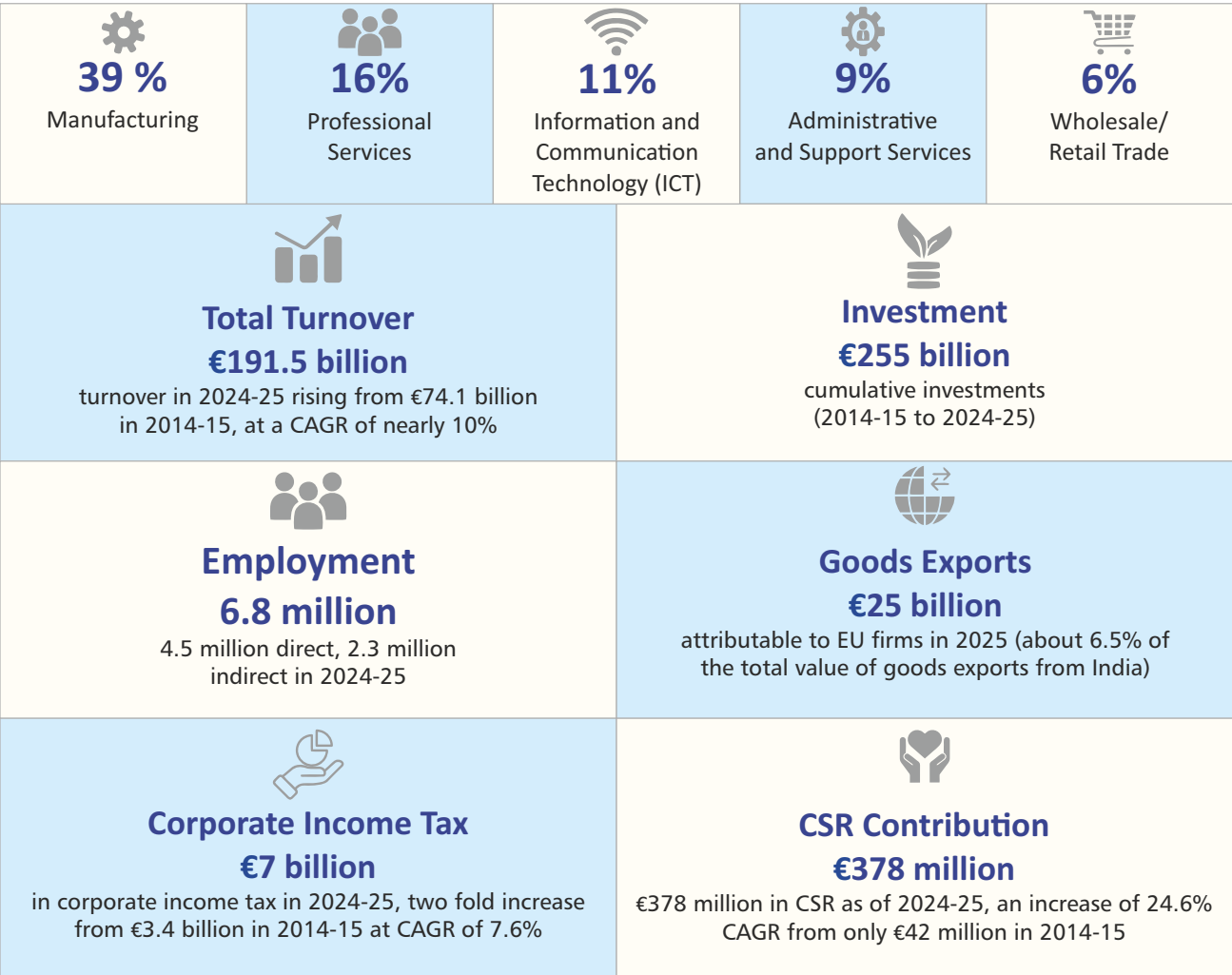
Executive Summary

This study maps the economic footprint of European Union (EU) firms in India financial year (FY) 2014-15 to FY 2024-25 (financial year runs from 1 April to 31 March). This involves mapping the presence, scale, and contribution of EU firms in India in terms of turnover, investment, exports, employment, taxes, and corporate social responsibility (CSR).

EU firms' presence and contribution



Sectoral Spread (2024-25)



1. NUMBER AND DISTRIBUTION OF EU FIRMS

In 2024-25, there were 6,023 EU firms operating in India, against 3,452 firms in 2014-15. This represents an average annual increase of 5.7% over the period, 2014-15 to 2024-25.

EU firms are concentrated in Maharashtra, Karnataka, Delhi, Tamil Nadu, and Haryana. These states host nearly 84% of EU firms operating in India (2024-25). The up-and-coming Indian States are Telangana and Gujarat, which host about 7% of EU firms.

2. TURNOVER GENERATED BY EU FIRMS

EU firms generated €191.5 billion in turnover in 2024-25 against €74.1 billion in 2014-15. This represents an average annual increase of nearly 10% between 2014-15 and 2024-25.

In terms of sectors, the highest turnover was generated in Manufacturing (€98 billion or 6.4% of total India's manufacturing sector turnover), followed by ICT (€36 billion), and Administrative and Support Service Activities (€19 billion).

This contribution shows the scale at which EU firms are integrated into India's domestic economy, particularly in high-value industries that generate significant economic value, including manufacturing using advanced technical knowledge.

3. INVESTMENTS BY EU FIRMS

Between 2014-15 and 2024-25, EU firms invested €255 billion in India.

Investments rose from €9.5 billion in 2014-15 to €36 billion in 2024-25, with an average annual growth rate of 14.3%.

In terms of Indian States, Maharashtra and Karnataka account for the most investments reported by EU firms, followed by Haryana, Gujarat, Delhi, and Tamil Nadu. Telangana is growing in importance in terms of investment by EU firms.

By sectors, EU investment is focused on Manufacturing, Administrative and Support Services, and ICT.

Germany, France and The Netherlands are the main EU Member States whose firms are contributing to investments in India.

4. EMPLOYMENT GENERATION

EU firms generated a total of 6.8 million jobs as of 2024-25. Of this, 4.5 million were direct jobs and 2.3 million were indirect jobs created through supply chains and related services.

By sectors, the largest contributions to direct employment are in ICT, Administrative and Business Support, and Manufacturing sectors.

5. GOODS EXPORTS ATTRIBUTABLE TO EU FIRMS

EU firms in India exported goods worth €25 billion in 2025, which was approximately 6.5% of total India's goods exports.

The goods exports were primarily generated by EU firms operating in the Manufacturing sector.

6. CORPORATE INCOME TAX CONTRIBUTIONS

In 2024-25, EU firms paid an estimated €7 billion as corporate income tax to the Indian budget. This reflects the sizeable contribution of EU businesses to Indian public finance.

7. ESTIMATED CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENSES

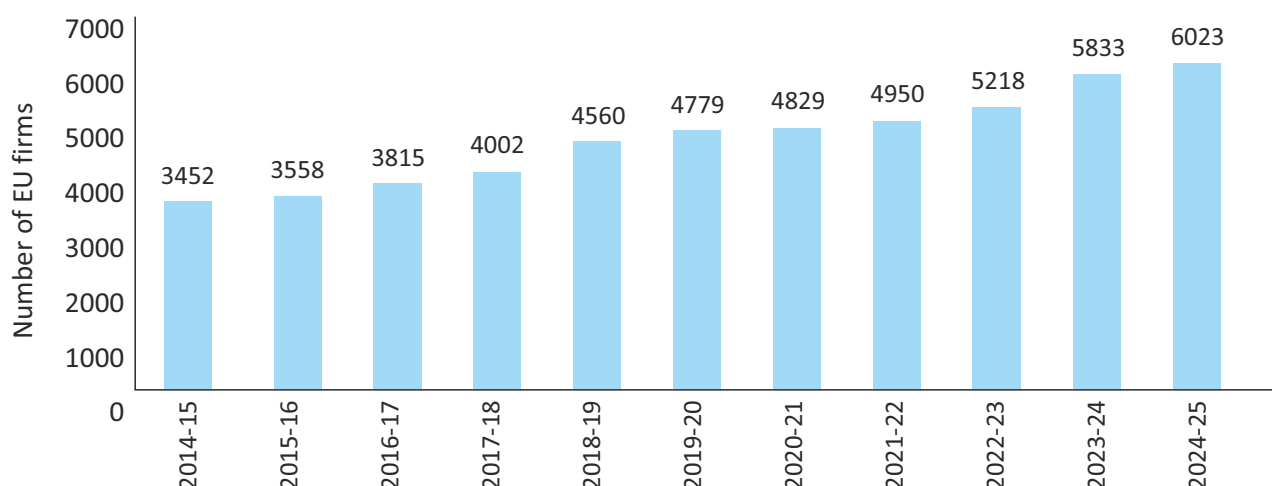
EU firms spent an estimated €378 million for CSR purposes in 2024-25. Manufacturing and ICT firms accounted for the highest CSR spending.

01 Number of EU firms across Indian States and Sectors

As of March 2025, there were a total of 6,023 EU firms based in India. The number of firms has grown from 3,452 in 2014-15, an increase of 5.7% Compound Annual Growth Rate (CAGR) over 2014-15 to 2024-25; and by more than 3% from 5,833 in 2023-24.¹

Figure 1 reports the evolution of the number of EU firms in India over 2023-24 to 2024-25. The number of EU firms increased from an estimated 3,452 firms to 6,023 firms tracked as of 2024-25. Over 2024-25, there is an increase of 3.3% in EU presence in India.

Figure 1: Number of EU firms (2014-15 to 2024-25)



Source: Based on data from ORBIS, Bloomberg and Refinitiv (formerly London Stock Exchange Group (LSEG)).

Note: Previous years (earlier to 2023-24) are estimates only, due to non-reporting and inconsistencies in the reported year of incorporation. Includes firms incorporated or domiciled in India with a parent company in EU; Companies with immediate parent or ultimate parent based in any EU Member State. Many firms do not report their year of incorporation across States and sectors – this also means that this information cannot be reported at further levels of disaggregation by State or sectors of activity in a reliable manner. Nonetheless, these figures are the first novel estimates of the evolution of number of EU firms in India over time.

1.1. EU FIRMS, BY INDIAN STATES/UTs

The total number of EU firms increased from 5,833 in 2023-24 to 6,023 in 2024-25.

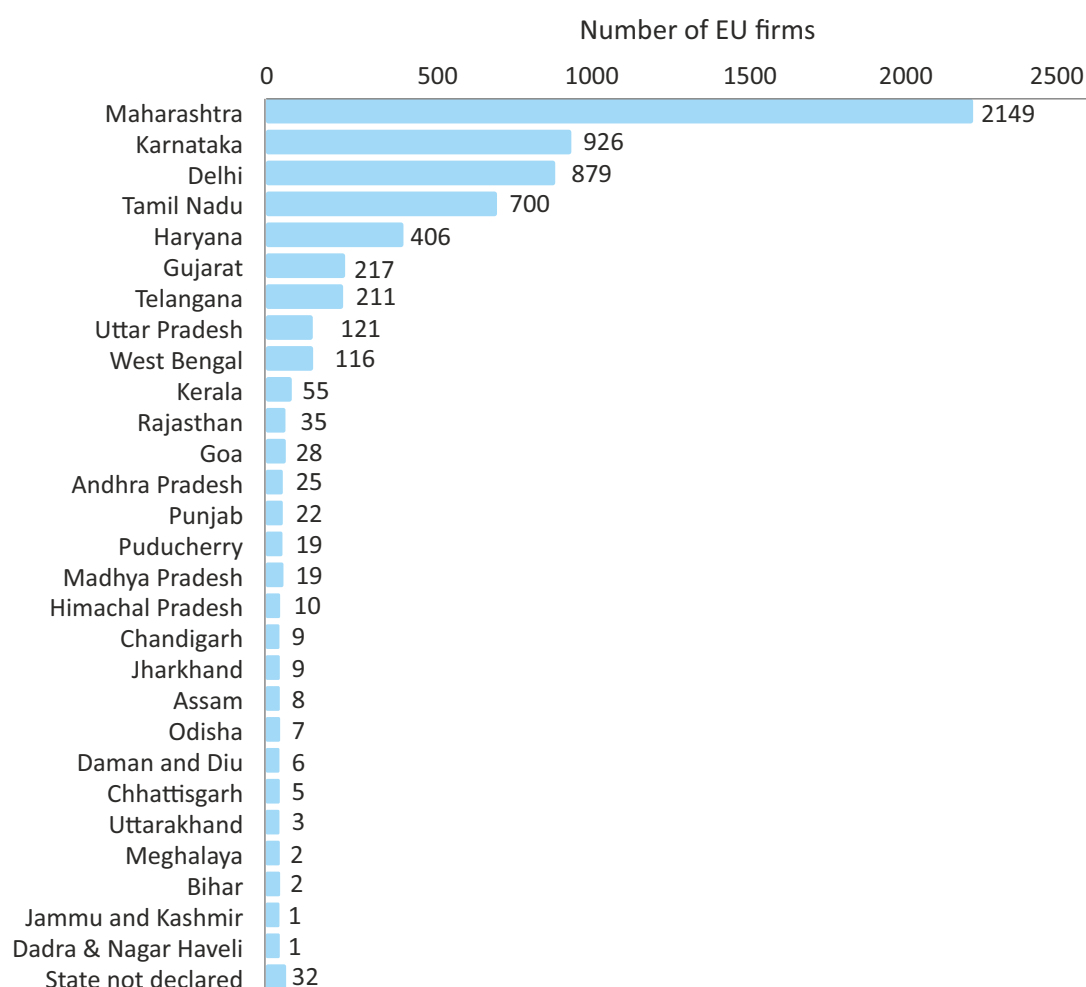
EU firms remain geographically concentrated in specific Indian States. About 84% of firms in 2024-25 were located across five States and Union Territories (UTs) (similar to 2023-24). These are **Maharashtra (35.7%)**,

¹ The tracking over time adopts the same approach of firms incorporated or domiciled in India with a parent company in EU; Companies with immediate parent or ultimate parent based in any EU Member State. This includes subsidiaries and joint ventures with at least 50 percent stake. It does not include companies with a minority Member State stake or other forms of organisation, e.g. liaison offices, branch offices or technical collaborations.

Karnataka (15.4%), Delhi (14.6%), Tamil Nadu (11.6%), and Haryana (6.7%). Additionally, a large number of firms are located in Gujarat (3.6%) and Telangana (3.5%).²

Figure 2 reports the distribution of EU firms across all Indian States/UTs for 2024-25.

Figure 2 : Distribution of EU firms (2024-25), by Indian States/UTs



Source: Based on data from ORBIS, Bloomberg and Refinitiv.

Note: Number of firms as per reported above, in %: Maharashtra 35.7%; Karnataka 15.4%; Delhi 14.6%; Tamil Nadu 11.6%; Haryana 6.7%; Gujarat 3.6%; Telangana: 3.5%; Uttar Pradesh: 2%; West Bengal 1.9%; Kerala: 0.9%; Rajasthan: 0.6%; Goa 0.5%; Andhra Pradesh 0.4%; Punjab 0.4%; Puducherry 0.3%; Madhya Pradesh 0.3%; Himachal Pradesh 0.2%; Chandigarh 0.2%; Jharkhand 0.2%; Assam 0.1%; Odisha 0.1%; Daman and Diu 0.10%; Chhattisgarh 0.08%; Uttarakhand 0.05%; Meghalaya 0.03%; Bihar 0.03%; Jammu and Kashmir 0.02%; Dadra & Nagar Haveli 0.02%; State not declared: 0.5%

EU business presence in India is clustered in select states. Maharashtra continues to lead with 2,149 EU firms followed by Karnataka (926 firms) and Delhi (879 firms), Tamil Nadu (700 firms), Haryana (406 firms).

Gujarat (217 firms) and Telangana (211 firms) are emerging centres of EU business activity. Most other states have less than 50 EU firms.

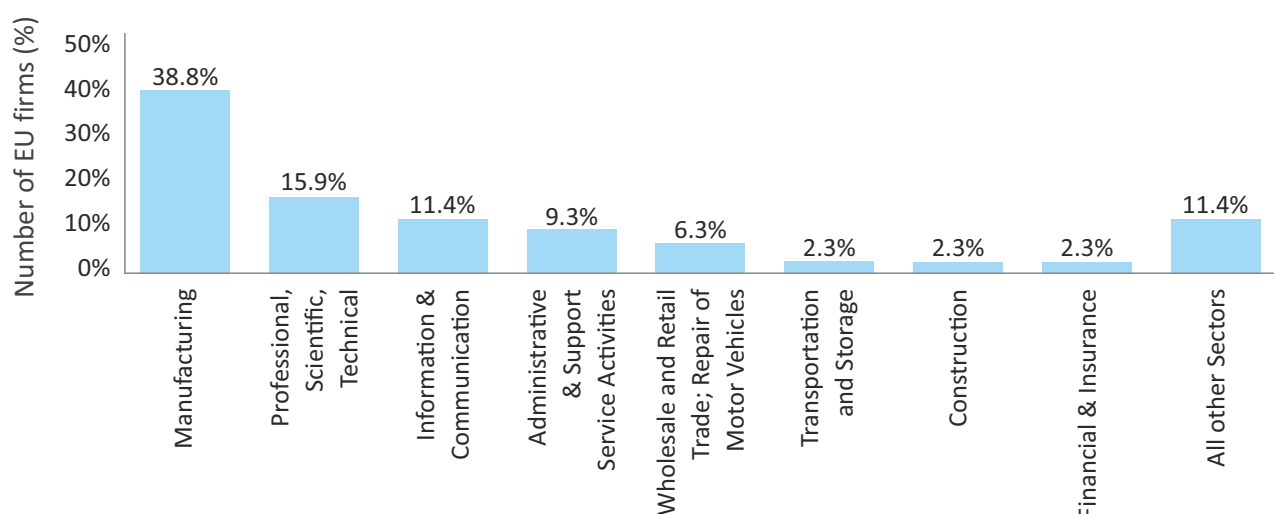
² These top 7 states are used for reporting stylised findings on EU firms later in this report.

1.2. EU FIRMS IN INDIA, BY SECTORS^{3 4}

In absolute terms, majority of EU firms are in the Manufacturing sector (2,337 firms), followed by Professional, Scientific Technical (959 firms) and ICT (687 firms).

Figure 3 presents the sectoral distribution in 2024-25. Manufacturing accounts for 38.8% EU firms, followed by Professional, Scientific and Technical Activities (15.9%), Information and Communication (ICT) and related activities (11.4%), Administrative and Support Service Activities (9.3%), and Wholesale and retail trade and repair of motor vehicles and motorcycles (6.3%). A substantive share of EU firms operate in Transport and Storage (2.3%), Construction (2.3%), and Finance and Insurance (2.3%).

Figure 3: Percentage of EU firms in India (2024-25), by sector



Source: Using data from ORBIS, Bloomberg and Refinitiv.

Note: The figure reports % firms corresponding to top 2-digit NACE sectors (simplified descriptions) with EU firms operating in India. Other sectors include Human Health and Social Work; Other Service; Accommodation and Food Service; Water Supply, Sewerage, Waste Management; Arts, Entertainment and Recreation; Mining and Quarrying; Real Estate; Education; Agriculture; Forestry; Fishing.

1.3. NUMBER OF EU FIRMS, BY STATE-SECTOR COMBINATION

Table 1 reports the geographical distribution of EU firms across Indian states by sectors and shows the number of EU firms in India by location and sector of operation. The main results for 2024-25 show:

- Seven states (Maharashtra, Karnataka, Delhi, Tamil Nadu, Haryana, Telangana, and Gujarat) host 91% of EU firms in India.

³ Using sector identifiers, each firm was corresponded to a 2-digit NACE sector. Manual checks were carried out using firm names to confirm the sector, where this information was missing (<5% firms). All information is presented at a simplified level as 22 sections of NACE, which is at a level above the 2-digit sectors. The sections are broadly classified into: agriculture, forestry and fishing; mining and quarrying; manufacturing; and service sectors (includes electricity, gas, steam and air conditioning supply; water supply; construction; wholesale and retail trade; transportation and storage; accommodation and food service activities; publishing, broadcasting and content production and distribution activities; telecommunication; financial and insurance; real estate; professional, scientific and technical; administrative and support service; public administration and defence, and compulsory social security; education; human health and social work; arts, sports and recreation; other service).

⁴ At the two-digit level, the European Nomenclature Statistique des Activités Économiques dans la Communauté Européenne (NACE) translates to "Statistical Classification of Economic Activities in the European Community" in English. This is aligned with the United Nation (UN) ISIC.

- Manufacturing; Professional, Scientific and Technical Activities; ICT sector and related activities; Administrative and Support Service Activities; Wholesale and Retail Trade and Repair are top sectors in terms of the number of EU firms.

Table 1: Distribution of EU firms (2024-25), by Indian States/UTs and by sector

States/UTs	Manufacturing	Professional, Scientific, Technical	Information and Communication	Administrative and Support Service Activities	Wholesale & Retail Trade; Repair	Other Sectors	Total EU firms
Maharashtra	798	358	223	214	160	396	2149
Karnataka	315	171	179	70	41	150	926
Delhi	278	174	65	128	72	162	879
Tamil Nadu	370	74	65	53	37	101	700
Haryana	159	64	36	37	31	79	406
Gujarat	127	16	11	11	10	42	217
Telangana	79	36	41	16	6	33	211
All other States/UTs	211	66	67	30	24	137	535
Total EU Firms	2337	959	687	559	381	1100	6023

Source: Using data from ORBIS, Bloomberg and Refinitiv.

Note: The table reports number of firms corresponding to top 2-digit NACE sectors (simplified descriptions) across the top 7 States/UTs with concentration of EU firms in India. State-wise numbers are marginally different than the total due to certain firms not reporting their state of operations. To ensure consistency, the numbers have been aligned by including those firms that cannot be linked to any specific state under 'All other States/UTs' category.

Across Indian States and UTs, most EU firms are engaged in Manufacturing and Professional, Scientific and Technical activities (**Table 1**).

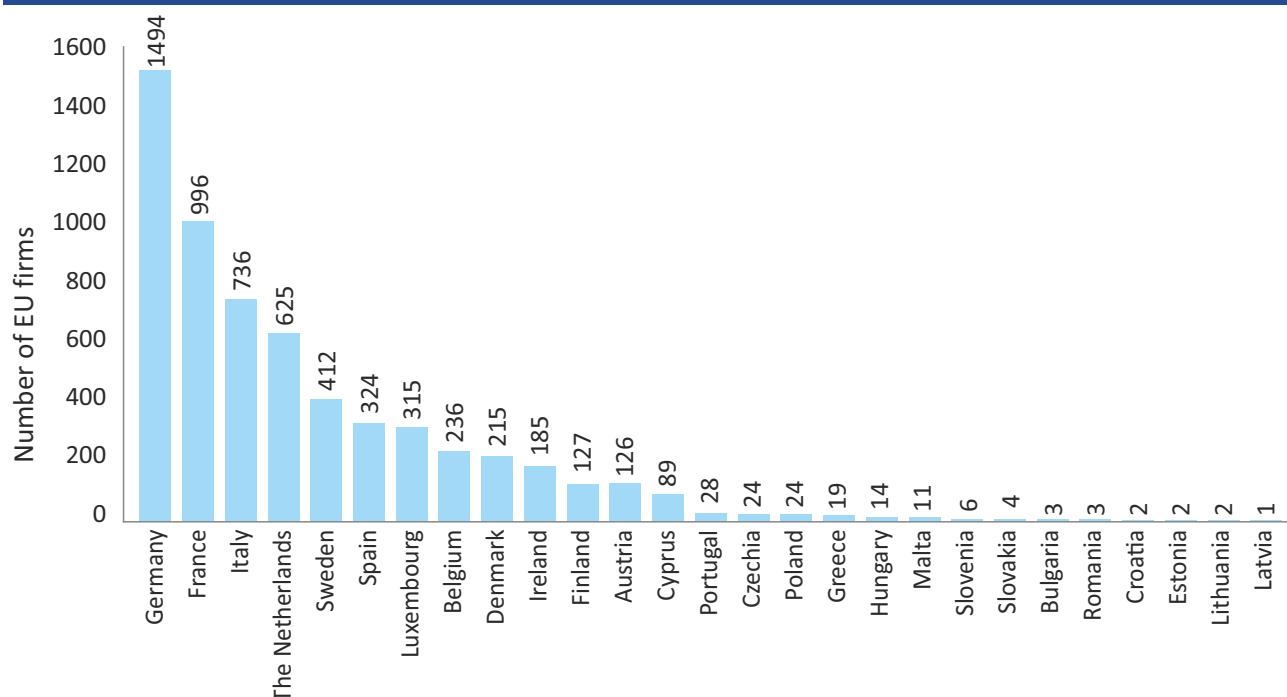
- **Maharashtra dominates as a hub for Manufacturing** (798 firms). Other sector firms hosted are Professional, Scientific, Technical (358 firms), Administrative and Support Service Activities (214 firms), and Wholesale and Retail Trade (160 firms).
- EU firms engaged in ICT sector and related activities are in Maharashtra (223 firms) and Karnataka (171 firms).
- Delhi is home to relatively high number of EU firms active in Professional, Scientific and Technical Activities (174 firms) and Administrative and Support Service Activities (128 firms).

1.4. NUMBER OF EU FIRMS, BY EU MEMBER STATES⁵

A majority of EU firms operating in India have their parent company in **Germany (1,494 firms)**, **France (996 firms)**, **Italy (736 firms)**, **The Netherlands (625)**, **Sweden (412 firms)**, and **Spain (324 firms)** (**Figure 4**).

⁵ The number of EU firms per Member State was established taking into account firms incorporated or domiciled in India with a parent company in a given Member State and companies with immediate parent or ultimate parent based in a given Member State. This includes subsidiaries and joint ventures with at least 50 percent stake. It does not include companies with a minority Member State stake or other forms of organisation, e.g. liaison offices, branch offices or technical collaborations. If different, broader methodology had been used to identify EU companies per Member State, as some Member States and/or their bilateral Chambers of Commerce do (e.g. including minority stakes, liaison offices, branch offices or technical collaborations), the total number of EU companies as well as the number of EU companies per Member State in India could have been higher.

Figure 4: Number of EU firms in India (2024-25), by EU Member States



Source: Using data from ORBIS, Bloomberg and Refinitiv.

71% of EU firms in India can be traced back to five EU Member States namely Germany, France, Italy, The Netherlands and Sweden.⁶

Table 2: Number of EU firms (2024-25), by EU Member States and by sector

EU Member State	Manufacturing	Professional, Scientific, Technical	Information and Communication	Administrative and Support Service Activities	Wholesale & Retail Trade; Repair	Other Sectors	Total EU firms
Germany	672	202	144	174	101	201	1494
France	294	163	152	88	60	239	996
Italy	382	111	36	51	56	100	736
The Netherlands	202	109	77	54	30	153	625
Sweden	135	78	84	26	21	68	412
Spain	145	44	18	35	22	60	324
Luxembourg	134	48	22	32	19	60	315
Belgium	80	50	27	17	13	49	236
Denmark	68	29	25	24	24	45	215
Ireland	53	35	46	16	6	29	185
All Others	172	90	56	42	29	96	485
Total EU firms	2337	959	687	559	381	1100	6023

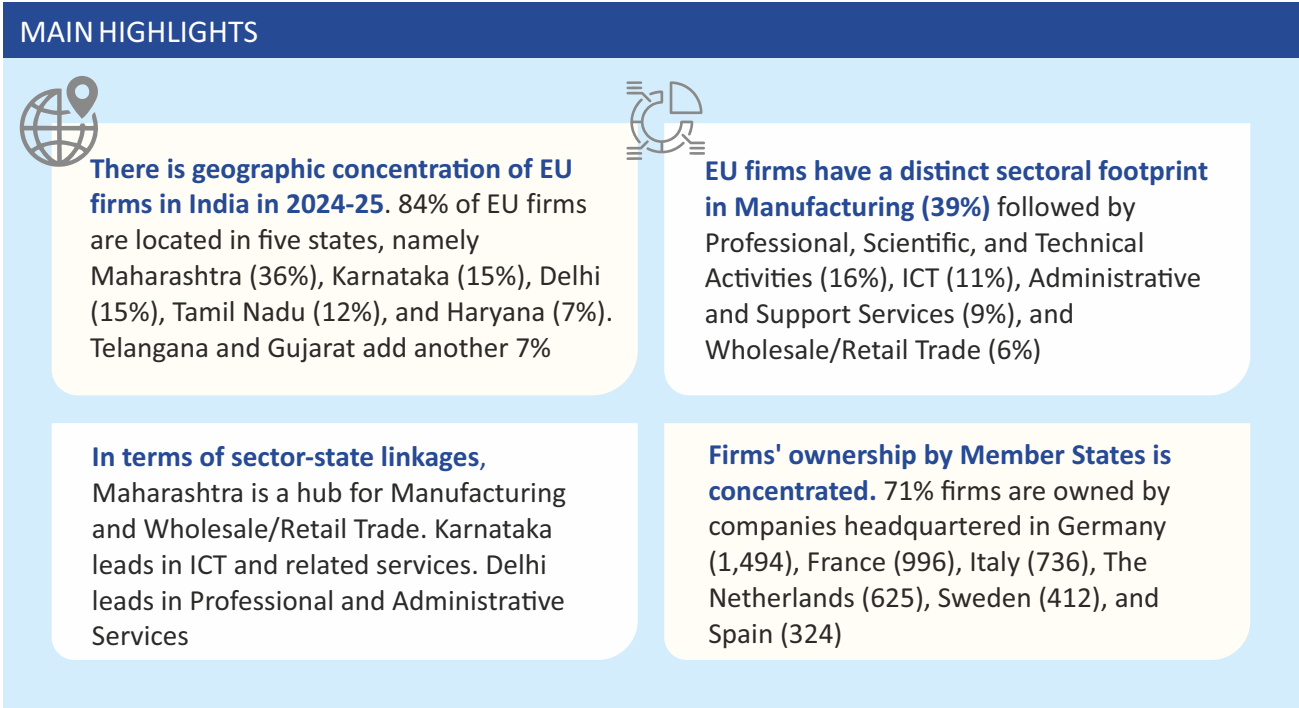
Source: ORBIS, Bloomberg and Refinitiv.

Note: The data reports number of firms corresponding to ownership of each EU Member State. Due to gaps in ownership information and state identifiers, numbers have been aligned by including those firms that cannot be linked to any specific Member State under the 'All Others' category.

⁶ Due to gaps in ownership information and state identifiers, numbers were aligned to address discrepancies for EU Member State-sector combinations. Note that between 2023-24 and 2024-25, there have been takeovers and mergers of firms previously tracked, and some firms have also shut down operations; plus, there are also newly established and newly taken over EU firms.

This distribution highlights the continuing scale of engagement from EU's largest industrial and economic hubs (Table 2).⁷

There is also substantive EU participation in the Indian market from countries like Spain, Luxembourg, Belgium, Denmark and Ireland. While fewer firms are owned by other EU Member States, their presence points to the fact that EU–India business linkages extend beyond the largest EU Member State economies, underscoring the breadth of the growing EU's overall footprint in India.



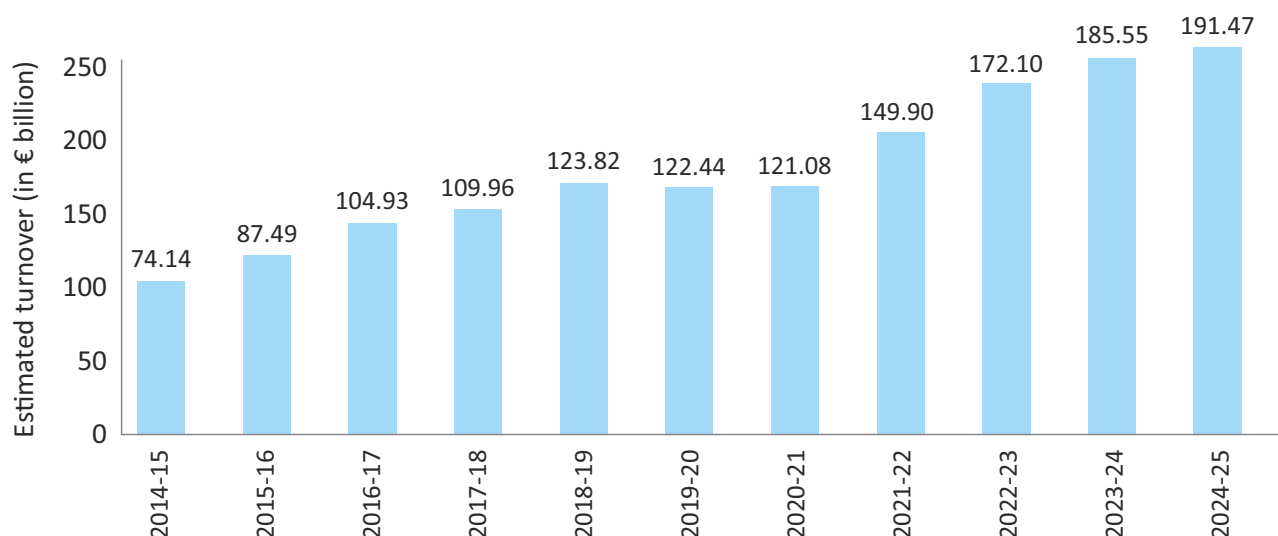
⁷ In total, across all Member States - 279 firms that were present in 2023-24 are no longer there in the database in 2024-25. This does not necessarily represent shut down or exit. They may reflect mergers and group consolidation, changes in ultimate ownership or parent-country classification, firm closures.

02 Turnover of EU firms in India

6,023 EU firms across Indian States and UTs generated an estimated €191.5 billion as turnover in 2024-25.

The turnover generated by EU firms in 2024-25 stood at €191.5 billion (**Figure 5**) – increasing from €74.1 billion in 2014-15, with CAGR of nearly 10% over 2014-15 to 2024-25.⁸

Figure 5: Estimated turnover (in € billion) generated by EU firms (2014-15 to 2024-25)



Source: Estimated using data from ORBIS, Bloomberg, Refinitiv.

2.1. TURNOVER OF EU FIRMS, BY INDIAN STATES/UTs

In terms of state-level turnover estimates the study found that (**Table 3**):

- **EU firms in Maharashtra and Karnataka generated 45-55% of turnover each year from 2014-15 to 2024-25.**
- Turnover of EU firms located in Delhi, Tamil Nadu, Haryana increased from about €25 billion to €59 billion over the period 2014-15 to 2024-25, while turnover of EU firms located in Gujarat and Telangana increased nearly two-fold during the same period.

⁸ As per ASI data, total turnover of India's manufacturing was about €1.53 trillion (2023-24 as the latest available year published online) – €191.5 billion translates to being worth 12.5% of this turnover. As per Eurostat, turnover estimates for EU firms in 2022 were € 114 billion for firms in Industry, construction and services (except public administration, defence, compulsory social security). A comparison of these figures allows us to externally validate the study estimates presented in this report. See: [India - Annual Survey of Industries 2023-24](#)

Table 3: Estimated turnover (in € million) generated by EU firms (2014-15 to 2024-25), by Indian States/UTs

States/UTs	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	CAGR
Maharashtra	25,440	33,318	37,740	41,507	46,575	46,430	46,650	56,004	66,196	74,541	77,082	11.7%
Karnataka	9,963	11,948	14,209	16,008	17,821	17,485	17,559	22,077	24,821	31,367	30,393	11.8%
Delhi	9,848	9,566	11,342	11,329	14,041	14,638	13,683	16,594	19,934	22,066	29,174	11.5%
Tamil Nadu	8,511	8,436	12,861	11,070	12,767	12,769	11,587	15,273	17,788	17,320	16,819	7.1%
Haryana	6,383	5,108	6,646	8,207	9,251	7,810	7,668	10,438	13,473	13,709	12,677	7.1%
Gujarat	4,205	3,945	5,955	9,523	9,848	9,090	6,945	10,695	10,399	11,509	10,336	9.4%
Telangana	3,079	3,531	3,996	3,904	4,750	4,947	5,073	6,427	6,625	6,982	6,957	8.5%
All other states/UTs	6,709	11,641	12,181	8,412	8,762	9,273	11,910	12,394	12,861	8,059	8,032	1.8%
Total	74,138	87,493	104,930	109,960	123,815	122,442	121,075	149,902	172,097	185,553	191,470	9.96%

Source: Estimated using data from ORBIS, Bloomberg, Refinitiv.

Note: State-wise estimates are marginally different than the total turnover estimates due to certain firms not reporting their state of operations. To ensure consistency, all numbers are aligned by allocating turnover estimates that cannot be linked to any specific state under 'All other States/UTs' for presenting the estimates. Turnover estimates are presented for top 7 states.

2.2. TURNOVER OF EU FIRMS, BY SECTORS

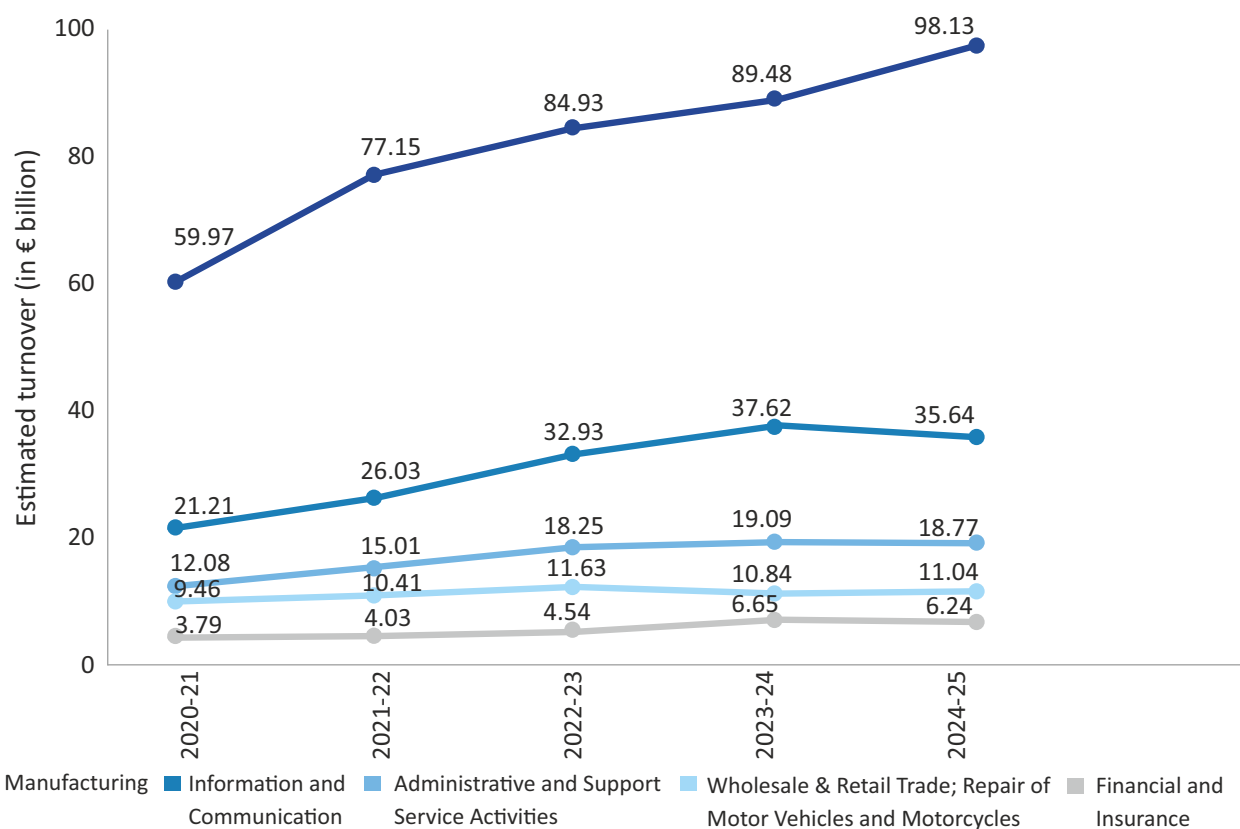
Across top five NACE sectors, the turnover of EU firms has increased in recent years (2021-22 to 2024-25) (**Figure 6**).

In 2024-25, the highest turnover of EU firms was in Manufacturing sector, amounting to €98 billion, which accounted for 6.4% of India's total Manufacturing sector turnover. This marks an increase from €90 billion in 2023-24, with a growth rate of nearly 9%.

EU firms operating in ICT sector generated turnover of €36 billion in 2024-25, followed by Administrative and Support Service Activities (€19 billion), Wholesale and Retail Trade (€11 billion) and Financial and Insurance (~€6 billion).⁹

⁹ The steady growth across sectors between 2020-21 and 2024-25 (13% CAGR in Manufacturing; nearly 14% CAGR in ICT; 12% in Admin.; 5% in Wholesale; 12.5% in Finance and Insurance) underscores the strong and diversified presence of EU firms in India, particularly in capital-intensive and service-driven industries.

Figure 6: Estimated turnover (in € billion) generated by EU firms (2020-21 to 2024-25), by sector



Source: Estimated using data from ORBIS, Bloomberg, Refinitiv.

Note: Sector breakdown is not consistently available for estimated turnover in previous years.

2.3. TURNOVER OF EU FIRMS, BY STATE-SECTOR COMBINATION

Table 4 presents EU firms' estimated turnover generated in top States across top sectors for 2024-25.

Table 4: Estimated turnover (in € billion) generated by EU firms in 2024-25, by Indian States/UTs and by sector

States/UTs	Manufacturing	Information and Communication	Administrative and Support Service Activities	Wholesale & Retail Trade; Repair	Financial and Insurance	All Other Sectors	Total Turnover
Maharashtra	34.05	13.57	7.56	5.14	4.3	12.46	77.08
Karnataka	12.75	11.32	0.65	1.88	0.32	3.48	30.40
Delhi	15.14	3.47	6.38	1.19	0.98	2.01	29.17
Tamil Nadu	12.68	0.64	0.82	0.84	0.33	1.51	16.82
Haryana	5.19	3.4	1.51	1.53	0.14	0.91	12.68
Gujarat	9.3	0.21	0.21	0.11	0	0.51	10.34
Telangana	3.89	2.5	0.16	0.03	0.08	0.3	6.96
All other States/UTs	5.15	0.52	1.48	0.34	0.1	0.43	8.02
Total	98.15	35.63	18.77	11.06	6.25	21.61	191.47

Source: Estimated using data from ORBIS, Bloomberg, Refinitiv.

Note: State-sector combinations are reliable for latest years but the same cannot be presented over time due to non-reporting and inconsistencies in previous years.

- **Maharashtra leads (€77 billion)**, which can be explained by its continued dominance in Manufacturing, and Wholesale and Retail Trade.
- **Karnataka follows (€30 billion)**, thanks mainly to ICT and Manufacturing.
- Tamil Nadu (€16.8 billion) and Gujarat (€10.34 billion) are gaining importance as key hubs for Manufacturing activities.
- Delhi and Haryana have a balanced mix of turnover generation across ICT, Administrative and Service Support Activities, and Manufacturing.
- Telangana combines ICT and services with some Manufacturing presence.

MAIN HIGHLIGHTS



6,023 EU firms across Indian States and UTs generated an **estimated €191.5 billion turnover in 2024-25**, an increase from €74.1 billion in 2014-15



Turnover generated by EU firms in India is concentrated State-wise. **Maharashtra, Karnataka and Delhi** account for more than 70% of total turnover

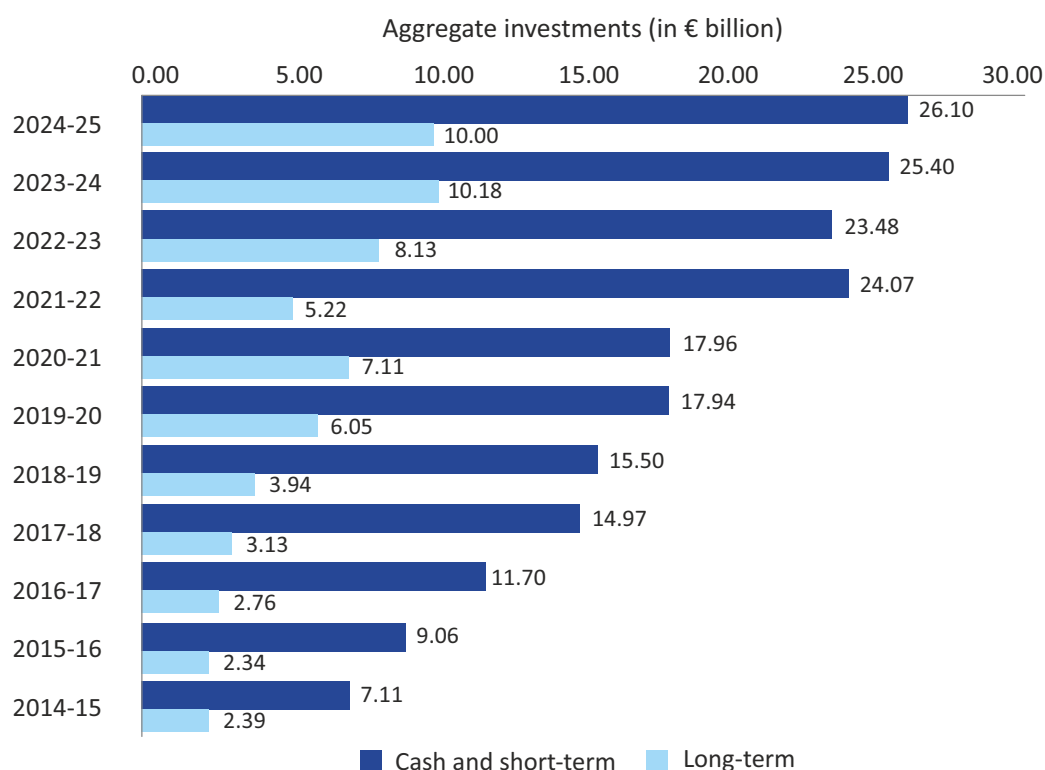
Manufacturing is the largest sector for EU firms' turnover in India. With €98 billion turnover, EU firms accounted for 6.4% of total India's Manufacturing sector turnover

Maharashtra leads in manufacturing sector and Karnataka stands out in ICT. Together, Maharashtra and Karnataka generate the majority of turnover from 2014-15 to 2024-25

03 Investments¹⁰ generated by EU firms

The study estimates nearly €255 billion cumulative investments¹¹ by EU firms in India (2014-15 to 2024-25).¹²

Figure 7: Aggregate investments (in € billion) by EU firms (2014-15 to 2024-25), by type



Source: Based on data from ORBIS, Bloomberg and Refinitiv.

The observed investment patterns of EU firms in India show a deepening financial commitment to India and a rising confidence in its market, with long-term investments gaining momentum, rising from only €2.4 billion in 2014-15 to €10 billion in 2024-25.

¹⁰ Definition of Investment Required Investments are “Cash and Short-Term Investments” that includes Cash & Cash Equivalents; Short-Term Investments, which represent a combination of total cash and cash equivalent or cash and short-term investment as reported on balance sheets, applicable to Industrial and Property companies. In addition, data on “Long-Term Investments” is compiled: Industrial: Investment Property – Net; Investments - Available for Sale/Held to Maturity - Long-Term; Financial Assets - Long-Term. Property companies additionally include Investment Property – Net; Investments - Available for Sale/Held to Maturity - Long-Term. Total value of long-term investments held for sale or to maturity including investment property and other non-current financial assets, applicable to Industrial and Property companies.

¹¹ A cumulative stock-based measure, not investment expenditure, it represents the cumulative value of firm-year financial holdings observed over the period rather than the amount of new investment made. It provides an indication of the scale and persistence of firms' investments over time, capturing the value of investment assets maintained across successive years.

¹² Total EU FDI stock in India is €120 billion by CY2025 as per the Department for Promotion of Industry and Internal Trade (DPIIT). The FDI stock is a sub-set of the total cash, short-term, and long-term investments information for EU firms presented in this section of the report. We provide this as context for understanding the analysis of cumulative investments in this study.

Main findings on annual aggregate investments by EU firms in India (**Figure 7**) are:¹³

- Between 2014-15 and 2024-25, investments by EU firms in India rose sharply from €9.5 billion to an estimated €36 billion, growing at CAGR of 14.3%.
- This increase has been driven primarily by steady growth in cash and short-term investments that have more than tripled over the decade from €7 billion to €26 billion.
- Long-term investments have expanded significantly, growing from just over €2.4 billion in 2014-15 to €10 billion in 2024-25, with rapid growth from 2018-19. Long-term investments are in mining and water related sectors.

3.1. AGGREGATE INVESTMENTS GENERATED BY EU FIRMS, BY INDIAN STATES/UTs

In 2014-15 to 2024-25, the **top States by estimated investments of EU firms in India were Maharashtra, Karnataka, Haryana, Gujarat, Delhi, Tamil Nadu and Telangana (Table 5)**. Main findings show:

- Maharashtra and Karnataka have consistently attracted most investments by EU firms, at nearly 50% or more across all years.
- Haryana, Gujarat, Delhi have registered an increase in EU investments (more than €12 billion in 2024-25, this is more than an eight-fold increase from €1.4 billion in 2014-15).
- Telangana is an emerging destination for EU investments, and the size of investments has increased, from 2014-15 to 2024-25, by almost six-fold, (€0.3 billion to nearly €1.8 billion).

Table 5: Aggregate investments (in € million) by EU firms (2014-15 to 2024-25), by Indian States/UTs

States/UTs	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Maharashtra	4,586	5,507	7,361	7,754	8,286	10,327	11,401	13,790	14,911	14,823	13,437
Karnataka	1,793	2,013	2,628	2,724	2,740	3,333	3,586	4,255	5,257	6,063	5,733
Haryana	379	495	533	934	1,339	1,605	1,653	2,031	2,669	4,249	4,353
Gujarat	552	479	487	3,387	2,126	3,025	1,862	3,488	2,911	3,466	3,895
Delhi	500	684	1,041	1,042	1,322	1,462	1,917	2,244	2,566	3,057	3,932
Tamil Nadu	863	1,282	1,257	1,111	1,065	1,504	1,760	1,696	1,856	1,942	1,892
Telangana	304	328	451	435	419	734	549	901	719	1,232	1,777
All other States/UTs	516	607	706	710	2,143	2,003	2,340	885	730	747	1,076
Total	9,493	11,395	14,464	18,097	19,440	23,993	25,068	29,290	31,619	35,579	36,095

Source: Data from ORBIS, Bloomberg and Refinitiv.

3.2. AGGREGATE INVESTMENTS GENERATED BY EU FIRMS, BY SECTORS

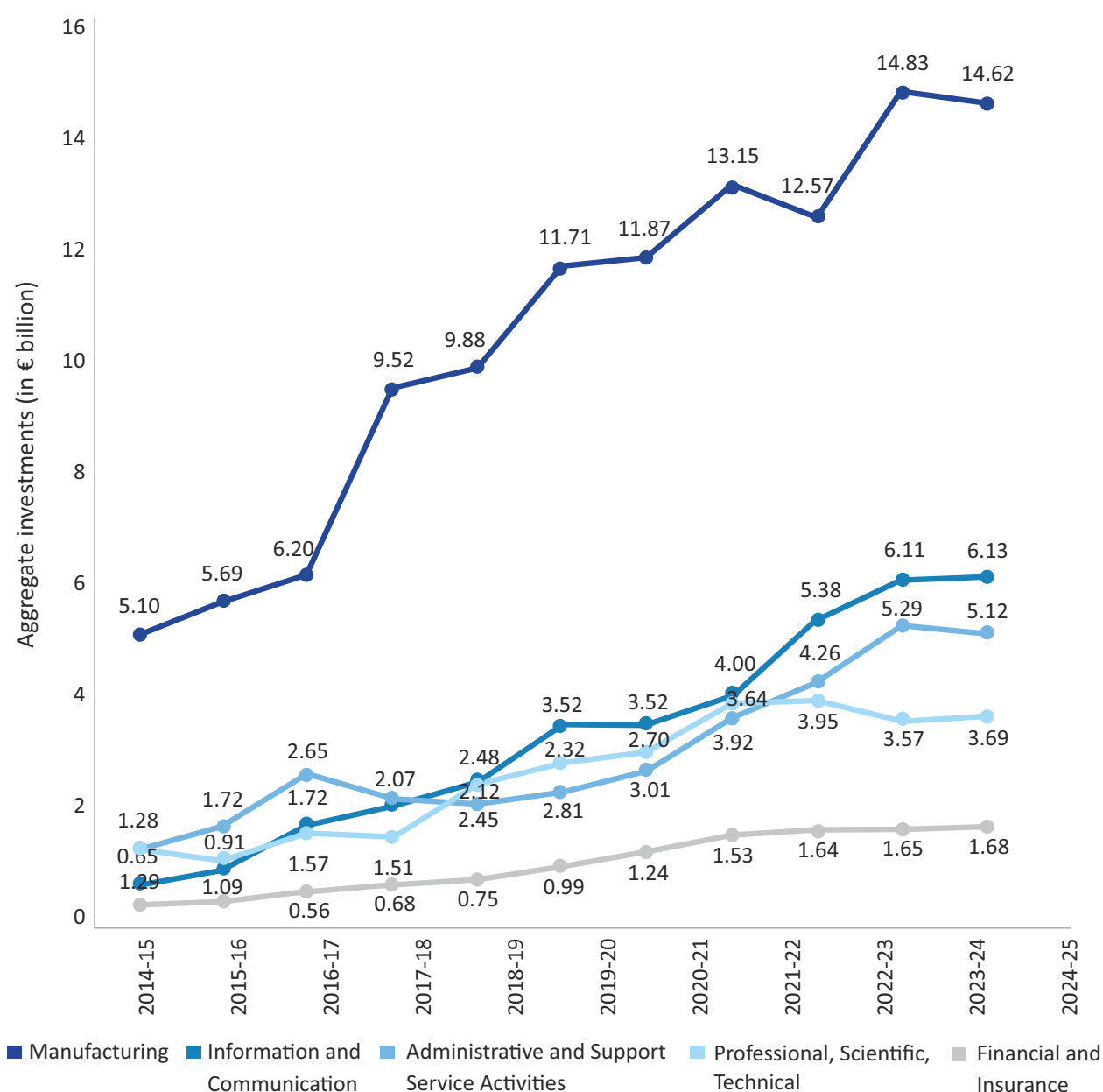
EU firms invested €36.1 billion in 2024-25 compared to €9.5 billion in 2014-15, growing at a CAGR of 14.3% (**Figure 8**).

The top investment sectors include **Manufacturing (€14.6 billion)**; **Administrative and Support Service Activities (€6.1 billion)**; **ICT (€5.1 billion)**; Financial and Insurance (€3.7 billion); Professional, Scientific, Technical (€1.7 billion).

The increase in investments over 2014-15 to 2024-25 was driven by Manufacturing (from €5.1 billion to €14.6 billion) Administrative and Support Service Activities (from nearly €0.7 billion to €6.1 billion) and the Financial and Insurance sectors (from €1.3 billion to €3.7 billion).

¹³ Investments are constituted both of short-term and long-term investments.

Figure 8: Aggregate investments (in € billion) by EU firms (2014-15 to 2024-25), by sector

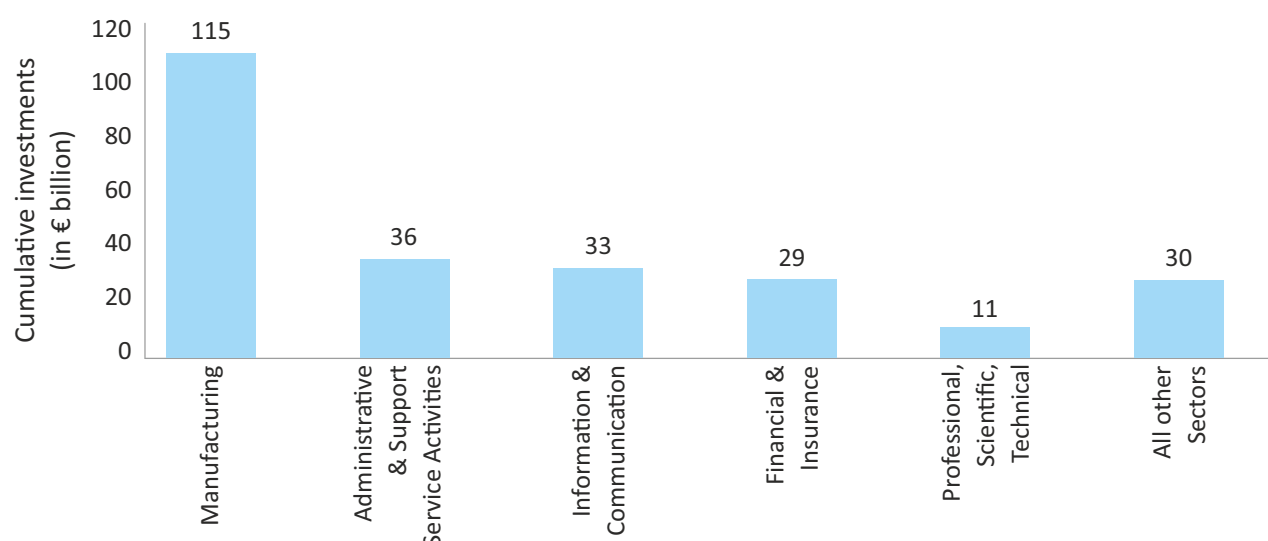


Source: Data from ORBIS, Bloomberg and Refinitiv.

Cumulative investments by EU firms show that five sectors received 87% of total investments over 2014-15 to 2024-25 (Figure 9).

- **Most EU investments in India across top states (Maharashtra, Karnataka, Haryana, Gujarat, Delhi, Tamil Nadu, Telangana) are in manufacturing sector**, which stood at €115 billion rising from €101 billion in 2023-24 and €5.1 billion in 2014-15.
- Services are important, with Administrative and Support Service Activities (€36 billion), ICT (€33 billion), and Financial Services (€29 billion) attracting large shares.
- Relative to other sectors, lower investments went into Professional and Technical Activities in 2024-25 (€11 billion), but this sector witnessed the highest growth in investments from 2023-24 to 2024-25 showing EU firms' growing interest in high-skilled service sectors.
- Together with about €30 billion in other sectors, investments by EU firms in India are diversifying as the share of services is steadily increasing.

Figure 9: Cumulative investments (in € billion) by EU firms (2014-15 to 2024-25), by top sectors



Source: Based on data from ORBIS, Bloomberg and Refinitiv.

3.3. AGGREGATE INVESTMENTS GENERATED BY EU FIRMS, BY STATE-SECTOR COMBINATION

Table 6 shows that the distribution of EU firms' investments in India is concentrated in select States over 2014-15 to 2024-25.

- **Maharashtra is a leading destination (€110.6 billion) with Manufacturing, Financial and Insurance, Administrative and Service Support Activities and ICT as key drivers.**
- Karnataka follows as a recipient with cumulative investment of €39.4 billion, predominantly from ICT and Manufacturing sectors.
- Gujarat and Tamil Nadu attracted large investments in Manufacturing – at €19.6 billion and €9.7 billion, respectively.
- Delhi and Haryana benefit from investments in Manufacturing, Administrative and Service Support Activities, ICT and Professional Activities.
- Telangana receives substantive investments in Manufacturing (€4.1 billion) and ICT (€2.5 billion).

Table 6: Cumulative investments (in € billion) by EU firms (2014-15 to 2024-25), by Indian States/UTs and by sector

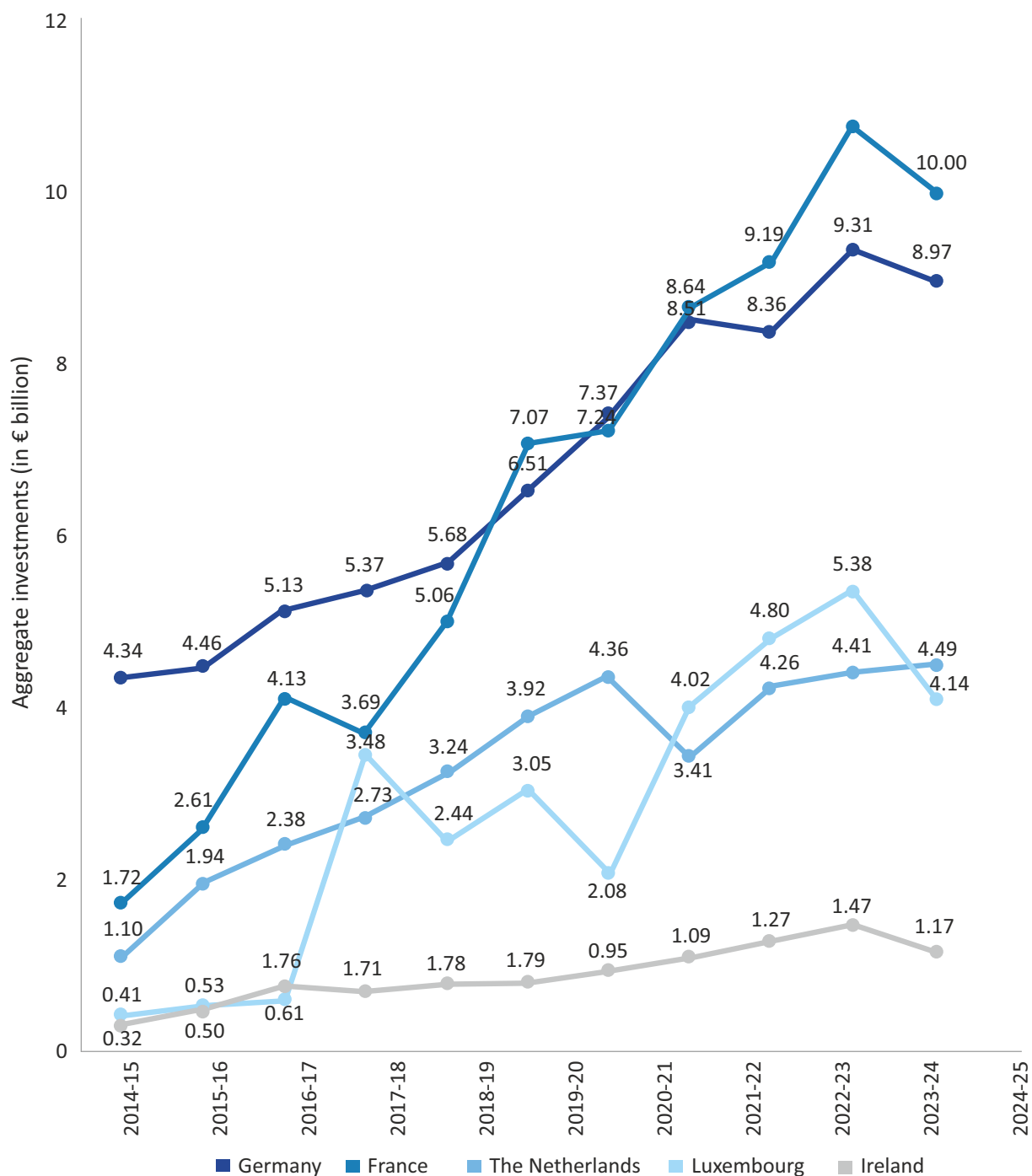
States/UTs	Manufacturing	Administrative and Support Service Activities	Information and Communication	Professional, Scientific, Technical	Financial and Insurance	All Other Sectors	Total Investments
Maharashtra	40.34	20.45	10.27	5.82	22.70	11.01	110.59
Karnataka	17.02	0.48	13.06	3.03	2.33	3.50	39.42
Gujarat	19.63	0.63	0.72	0.13	0.07	4.14	25.32
Haryana	4.88	10.34	2.99	0.07	0.10	1.76	20.14
Delhi	8.35	2.82	2.28	1.53	0.64	3.72	19.34
Tamil Nadu	9.66	1.34	0.58	0.33	0.45	3.79	16.15
Telangana	4.13	0.09	2.46	0.24	0.29	0.24	7.45
All other States/ UTs	9.92	0.35	0.96	0.02	0.28	4.57	16.10
Total	113.93	36.50	33.32	11.17	26.86	32.73	254.5

Source: Based on data from ORBIS, Bloomberg and Refinitiv.

3.4. AGGREGATE INVESTMENTS GENERATED BY FIRMS, BY EU MEMBER STATES

EU firms from Germany, France, The Netherlands, Luxembourg and Ireland are the leading investors in India from 2014-15 to 2024-25 (Figure 10).

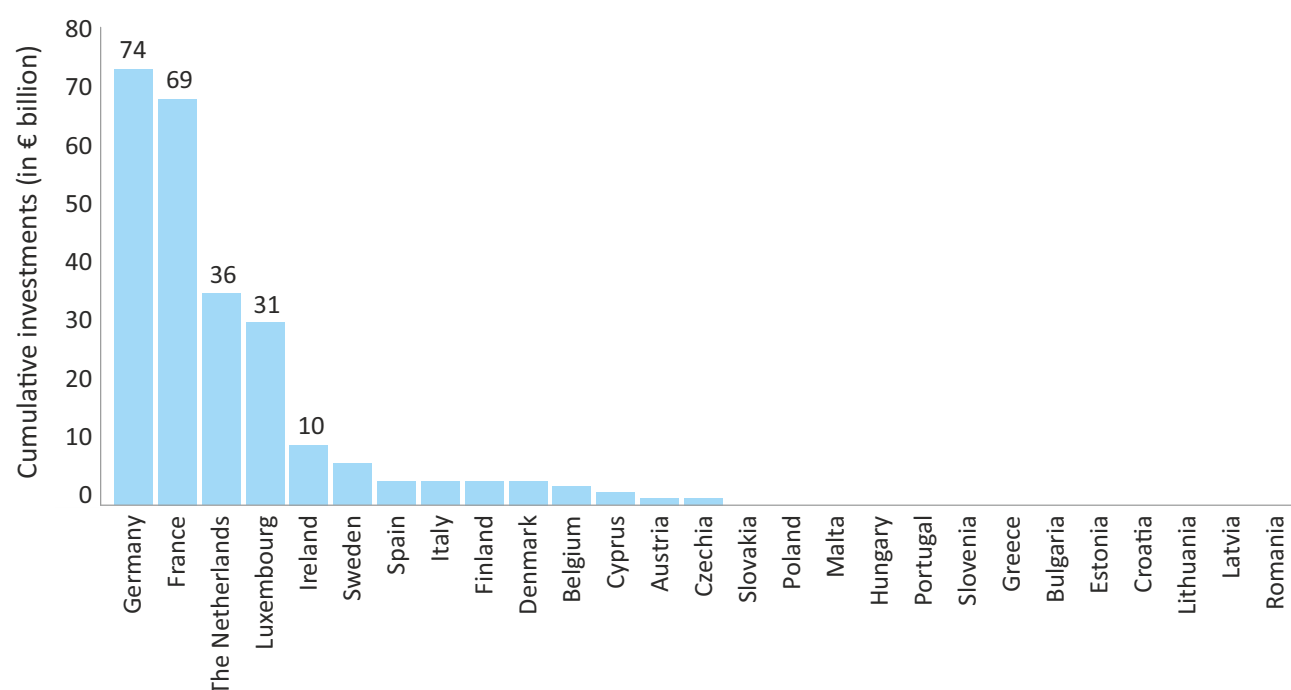
Figure 10: Aggregate investments (in € billion) by EU firms (2014-15 to 2024-25), by top EU Member States



Source: Based on data from ORBIS, Bloomberg and Refinitiv.

EU Member States that have been leading investors since 2014-15, have also driven the greatest cumulative investments from 2014-15 to 2024-25 (Figure 11): **Germany (€74 billion), France (€69 billion), The Netherlands (€36 billion), Luxembourg (€31 billion), and Ireland (€10 billion).**

Figure 11: Cumulative investments (in € billion) by EU firms (2014-15 to 2024-25), by EU Member States



Source: Based on data from ORBIS, Bloomberg and Refinitiv.

MAIN HIGHLIGHTS



EU firms invested nearly €36 billion in 2024-25 and cumulatively €255 billion over the period 2014-15 to 2024-25



From 2014-15 to 2024-25, Maharashtra (€110.6 billion) and Karnataka (€39.4 billion) attracted 60% of total investment and were consistently at the top. Haryana (€20.1 billion), Gujarat (€25.3 billion) and Delhi (€19.3 billion) have witnessed substantive rise in cumulative investments as of 2024-25

EU firms from the Manufacturing sector have cumulatively invested €114 billion in the Indian economy followed by Administrative and Service Sector Support (€37 billion) and ICT (€33 billion) from 2014-15 to 2024-25

Three EU Member States (Germany, France and The Netherlands) have invested a total of €179 billion in India from 2014-15 to 2024-25

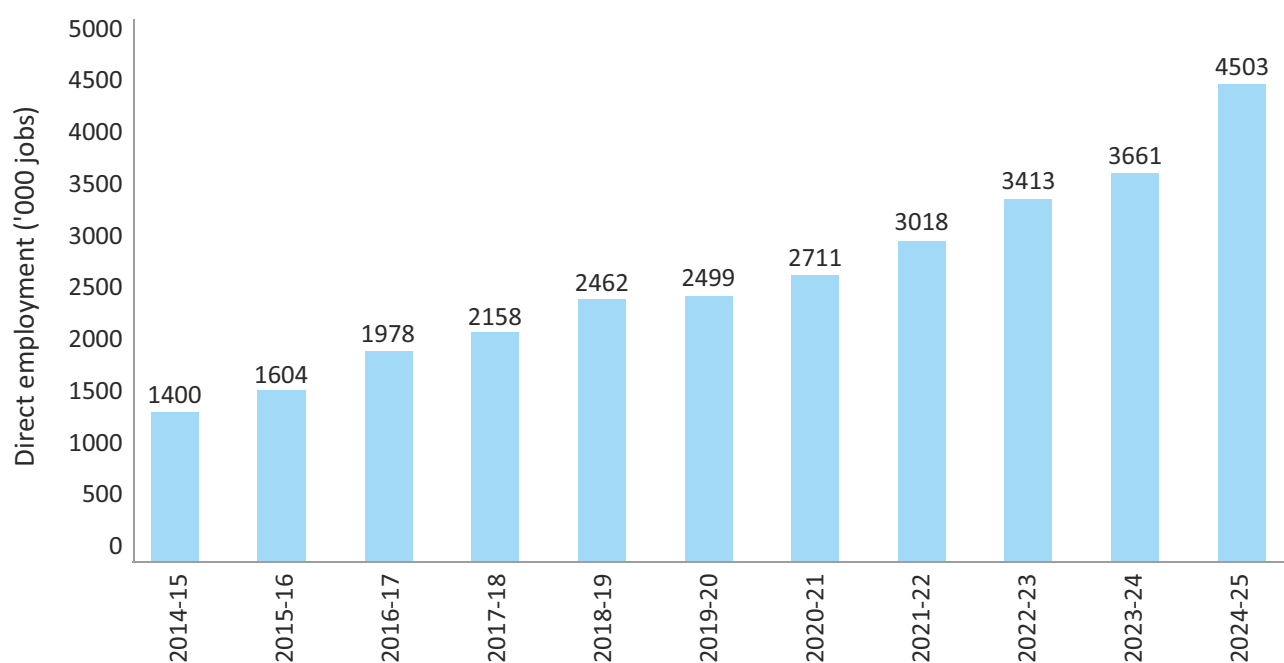
04 Direct and Indirect Employment generated by EU firms

4.1. DIRECT EMPLOYMENT

EU firms in India are significant employers generating directly and indirectly an estimated 6.8 million jobs as of 2024-25, of which direct employment amounted to 4.5 million jobs.¹⁴

Direct employment increased from 1.4 million in 2014-15 to 4.5 million in 2024-25 at a CAGR of 12.4% (Figure 12). The increase is likely due to a combination of factors such as, expansion by EU firms of labour-intensive activities (e.g. in IT and business services or manufacturing operations), and the inclusion or expansion of large firms, newly identified EU affiliates, consolidation.

Figure 12: Estimated direct employment ('000 jobs) by EU firms (2014-15 to 2024-25)

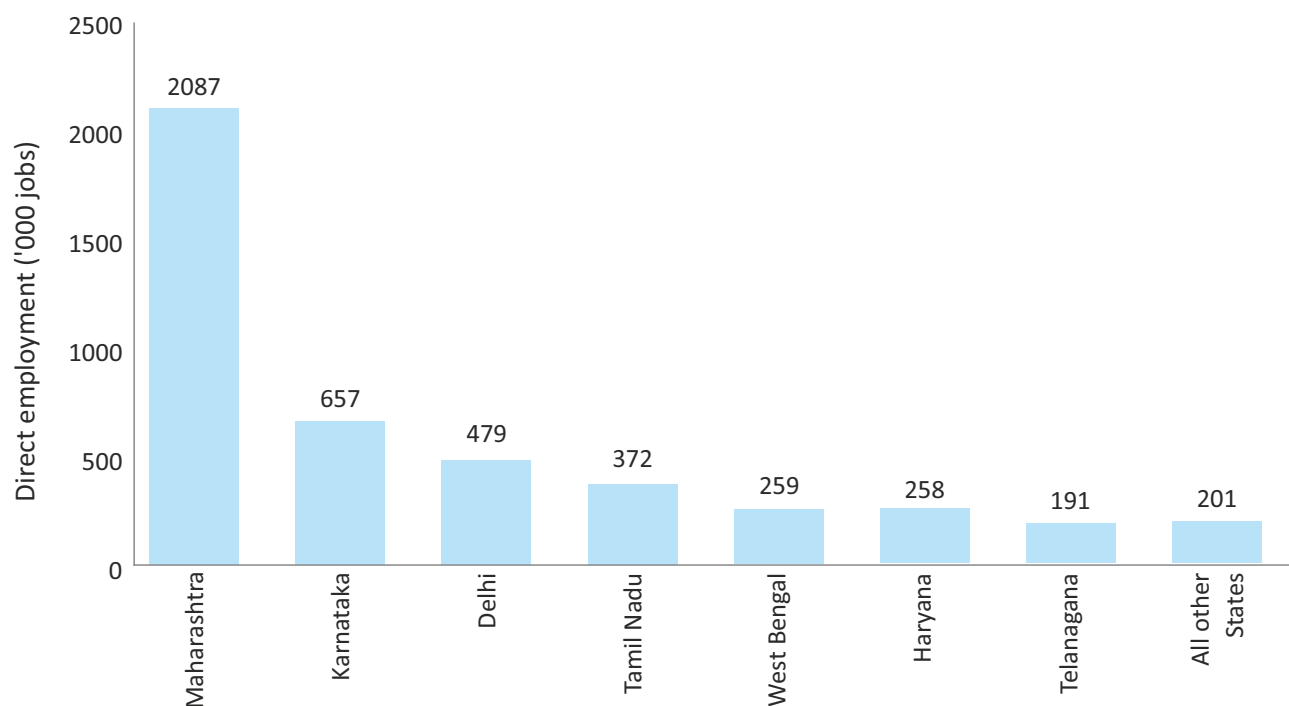


Source: Based on data from ORBIS, Bloomberg, Refinitiv and CMIE Prowess.

Nearly 46.5% of the direct employment generated by EU firms in 2024-25 (Figure 13) is concentrated in Maharashtra (2.1 million). This is followed by Karnataka (~0.7 million), Delhi (~0.5 million), Tamil Nadu (~0.4 million), West Bengal (~0.3 million), Haryana (~0.3 million), and Telangana (~0.2 million).

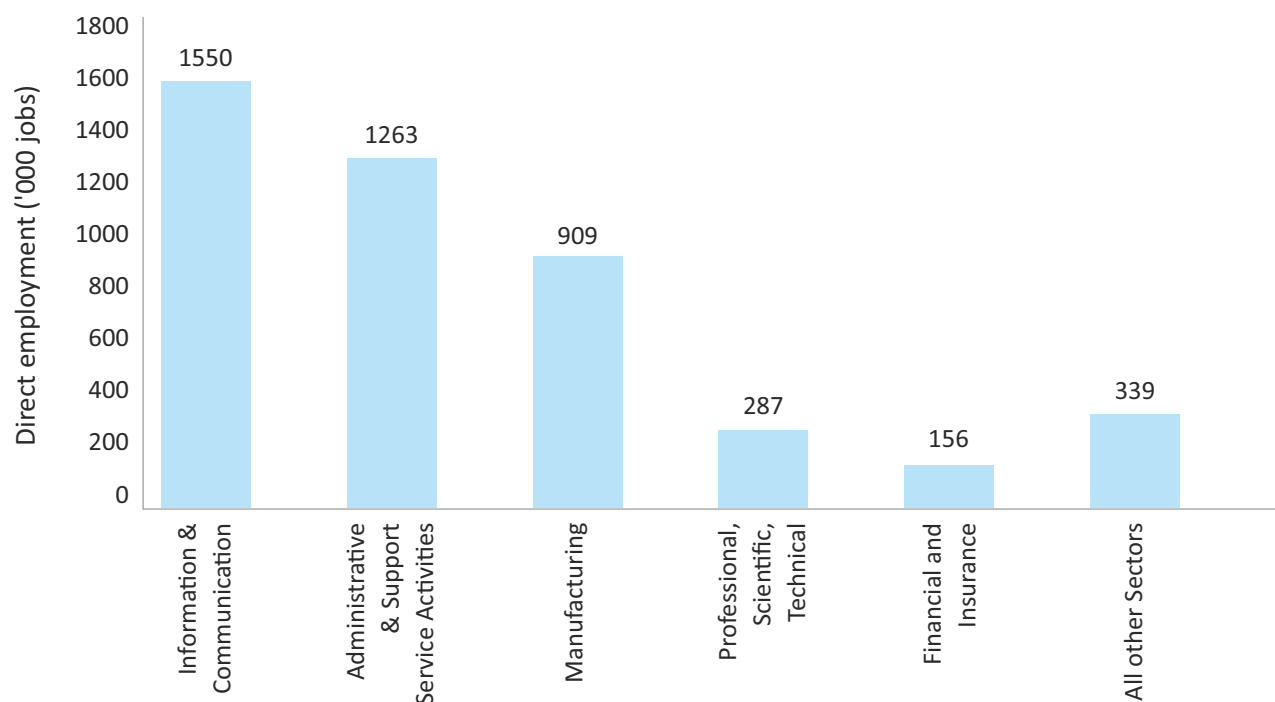
¹⁴ Direct employment established based on primary sources (Bloomberg, Refinitiv, Prowess) was revised down to account for misreporting of firm-level employment data as verified against secondary sources.

Figure 13: Estimated direct employment ('000 jobs) by EU firms (2024-25), by Indian States/UTs



Source: Based on data from ORBIS, Bloomberg, Refinitiv and CMIE Prowess.

Figure 14: Estimated direct employment ('000 jobs) by EU firms (2024-25), by top sectors



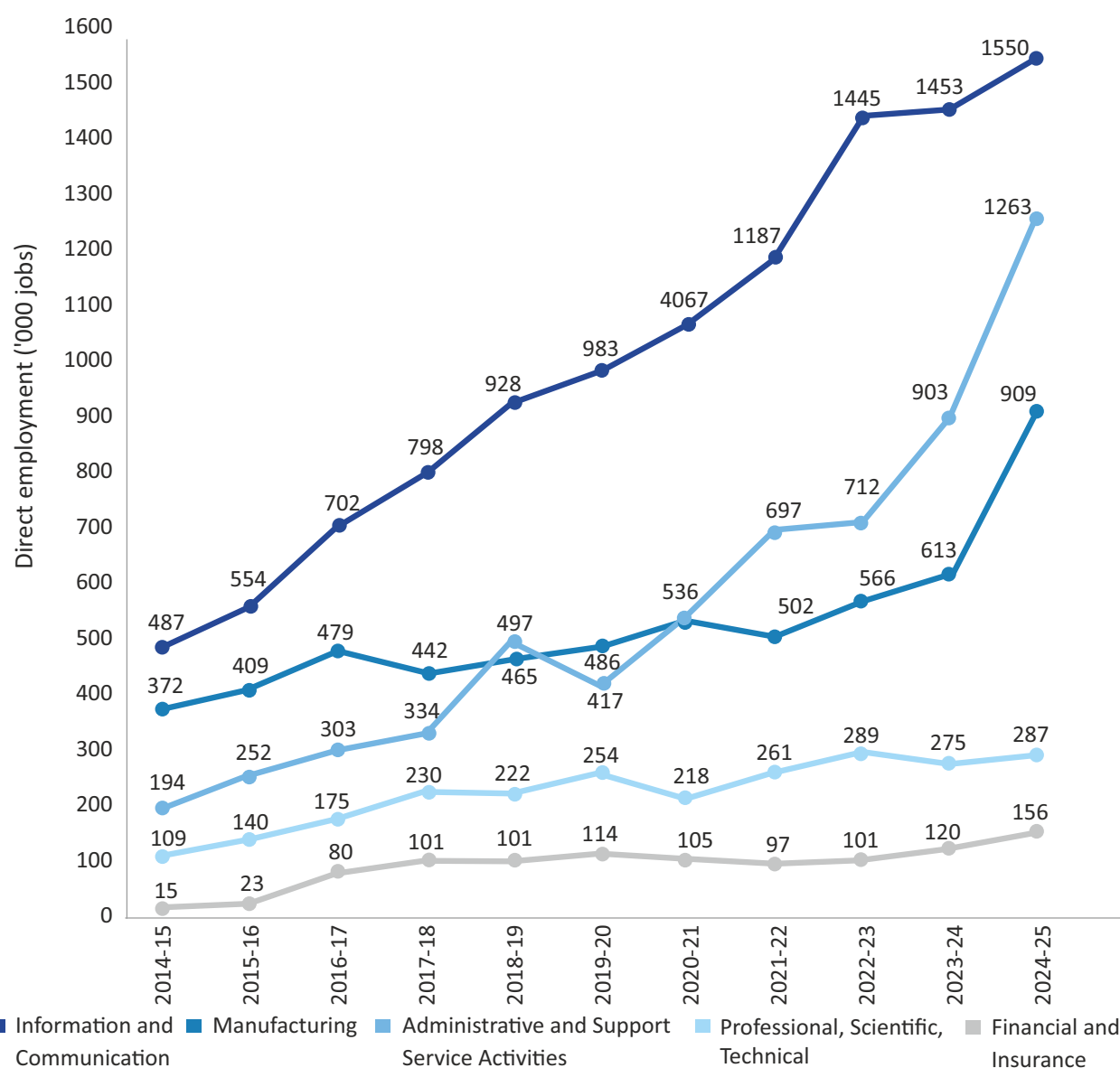
Source: Based on data from ORBIS, Bloomberg, Refinitiv and CMIE Prowess.

Top sectors with estimated direct employment contribution are (**Figure 14**) **ICT (34%)**, **Administrative and Support Service Activities (28%)**, Manufacturing (20%), Professional, Scientific, Technical (6%), and Financial and Insurance (3%).

Major findings on **direct employment across sectors** indicate the following trends for the period 2014-15 to 2024-25 (Figure 15):

- **Services sectors (ICT at 34% of all direct employment generated in 2024-25 and Administrative and Support Service Activities at 28%) generated the highest direct employment**, with CAGR of 12.1% over 2014-15 to 2024-25, from 0.9 million to 2.8 million. This shows the scale of EU firms' role in India's expanding service economy.
- Other services sectors (such as Professional, Scientific, Technical; Financial and Insurance) are growing sources of EU employment contribution (nearly 9% in 2024-25). It increased from 0.12 million in 2014-15 to 0.4 million in 2024-25, growing at a CAGR of 12.3%.
- **Manufacturing is a strong employer (20% of direct employment in 2024-25)**, reflecting EU's strength in industry and production. It increased from 0.4 million in 2014-15 to 0.9 million in 2024-25, growing at a CAGR of 8.5%.
- The employment footprint demonstrates both the scale (steadily rising from only 1.4 million to 4.5 million from 2014-15 to 2024-25) and diversity (across Services and Manufacturing) of the EU business presence in India. The footprint covers both traditional industries like Manufacturing and high-value services like ICT.

Figure 15: Estimated direct employment ('000 jobs) by EU firms (2014-15 to 2024-25), by top sectors



Source: Based on data from ORBIS, Bloomberg, Refinitiv and CMIE Prowess.

Table 7 shows that the employment generation in top States by sectors.

Table 7: Estimated direct employment ('000 jobs) (2024-25), by Indian States/UTs and by sector

States/UTs	Information and Communication	Administrative and Support Service Activities	Manufacturing	Professional, Scientific, Technical	Financial and Insurance	All Other Sectors	Total Direct Employment
Maharashtra	899	550	284	101	77	176	2087
Karnataka	272	73	92	107	62	52	658
Delhi	101	228	82	36	8	24	479
Tamil Nadu	22	183	100	19	2	46	372
West Bengal	1	127	125	4	1	1	259
Haryana	90	73	66	6	1	22	258
Telangana	130	9	39	10	0	3	191
All other States/UTs	35	20	121	4	5	14	199
Total	1550	1263	909	287	156	338	4,503

Source: Based on data from ORBIS, Bloomberg and Refinitiv.

Note: State-wise numbers are marginally different than the total due to certain firms not reporting their state of operations; to ensure consistency, we have aligned the figures by allocating numbers that cannot be linked to any specific state under 'All other States/UTs'. State and sector breakdown details are only available for 2023-24 and 2024-25.

Main findings show the following:¹⁵

- **Maharashtra leads in direct employment generation** across most sectors (at 2.1 million jobs in 2024-2025).
- Karnataka and Delhi follow (with each registering increases of 25.8% and 28% in jobs respectively between 2023-24 to 2024-25) reflecting their strong ICT, Professional Scientific, Technical and Administrative and Service Support Activities.
- In 2024-25, Tamil Nadu (372,000), Haryana (258,000) and Telangana (191,000), and West Bengal (259,000) contributed significantly to direct employment, largely through Manufacturing and Service activities.

4.2. INDIRECT EMPLOYMENT

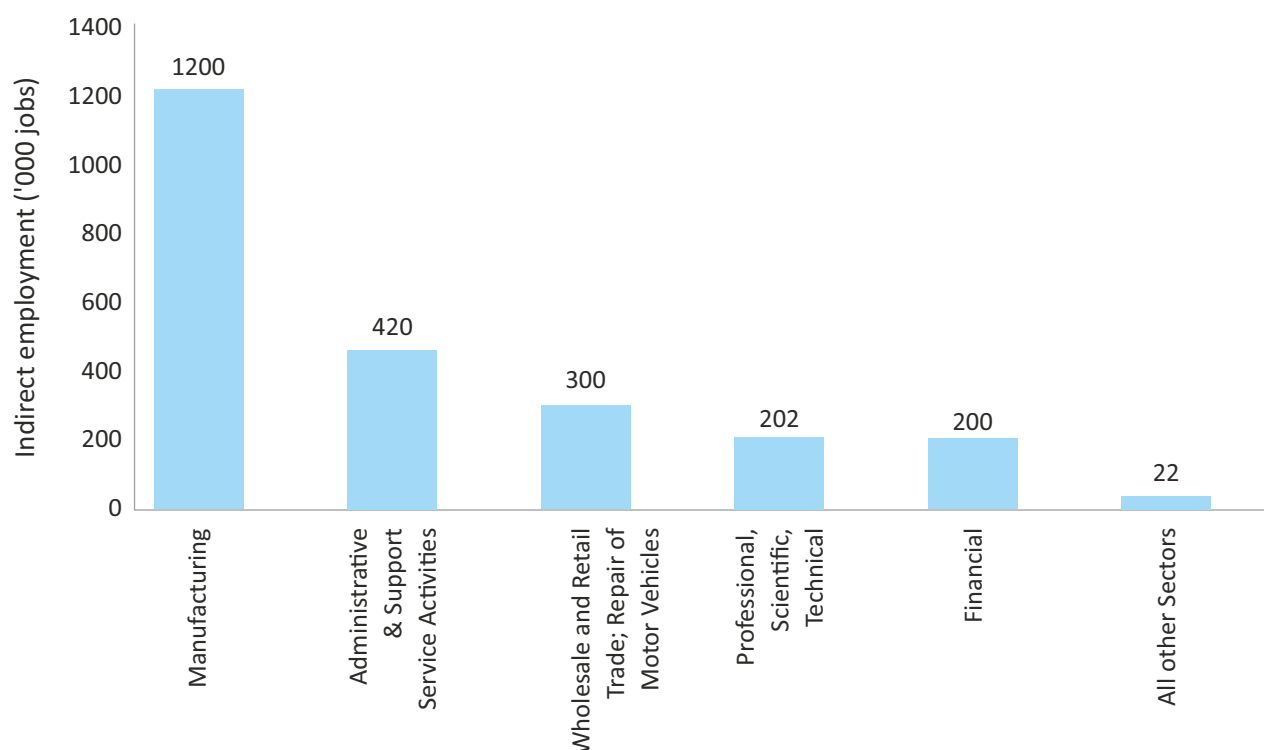
The study provides novel estimates on indirect employment¹⁶ for 2024-25 based on the 6,023 EU firms and India's national information on employment across sectors. It **grew from 2 million in 2023-24 to 2.3 million 2024-25**, increasing by 15%.

Top sectors that are involved in generating indirect employment (**Figure 16**) are **Manufacturing (1.2 million in 2024-25, an increase from 0.9 million in 2023-24); Wholesale and Retail Trade, Repair (0.3 million in 2024-25, a decrease from 0.4 million in 2023-24); Administrative and Support Services (0.4 million in 2024-25, an increase from 0.35 million in 2023-24);** Transport (0.2 million in 2024-25, an increase from 0.1 million in 2023-24); and Professional, Scientific and Technical Activities (0.2 million in 2024-25, an increase from 0.1 million in 2023-24).

¹⁵ Note that state-sector breakdown details are only available for 2023-24 and 2024-25.

¹⁶ Indirect jobs are jobs indirectly generated in other sectors through the demand for inputs and services. I-O approach allows to estimate indirect jobs created due to productive linkages to other sectors.

Figure 16: Estimated indirect employment ('000 jobs) (2024-25), by top sectors



Source: Based on data from OECD IO Tables, International Labour Organisation (ILO).

Note: Indirect employment can only be estimated for the latest year and sectors – in the absence of state-level input-output information and more recent national IO tables, we provide these estimates for 2024-25. Values rounded-off to the nearest digit.

Indirect employment estimates are limited to a sectoral analysis for 2024-25 due to a lack of detailed I-O information for Indian States/UTs. Further, trends over time cannot be discerned due to lack of consistent I-O information for India to cover the full-time period of analysis.

MAIN HIGHLIGHTS



6,023 EU firms generated a total of 6.8 million jobs in India, of which 4.5 million is direct employment and 2.3 million is indirect employment



Direct employment generated by EU firms in India is concentrated in **Maharashtra (2.1 million)**, **Karnataka (~0.7 million)** and **Delhi (~0.5 million)**

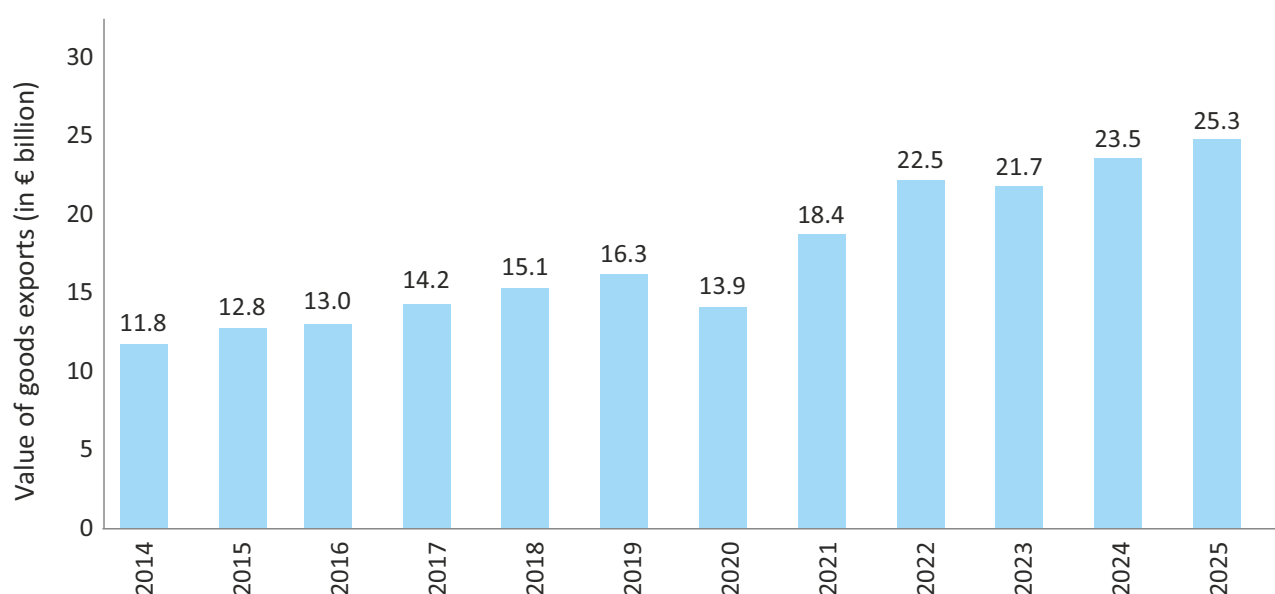
Services sectors (ICT and Administrative and Service Support Activities) dominate direct employment generation (2.8 million)

Indirect employment generation is concentrated in **Manufacturing (1.2 million)**, **Administrative and Support Services (0.4 million)** and **Wholesale and Retail Trade (0.3 million)**

05 Total Exports attributable to EU firms¹⁷

A total of **€25.3 billion** of Indian goods exports is attributable to EU firms in 2025 – rising from nearly €12 billion in 2014 (Figure 17) at a CAGR of 7.6%. This accounts for **about 6.5% of the total value of goods exports from India**, an increase from about 6% in 2024.¹⁸

Figure 17: Value of goods exports (in € billion) attributable to EU firms (2014 to 2025)



Source: Based on data from UN Comtrade and OECD BaTiS.

Exports of goods by EU firms with breakdown by sectors in 2025 is shown in **Table 8**.

¹⁷ The analysis in this section covers 2014-2025 to align with the use of underlying financial data for 2014-15 to 2024-25 and trade data for CY2014-CY2025. Each year covered considers the overlap e.g. 2014 for CY2014 and 2014-15. To give an estimate for the full relevant period, we present 2014 to 2025 where year “2014” can be read as aligning the FY and CY years.

¹⁸ Trade in services exports are not possible to attribute in a similar manner due to lack of information for relevant apportioning.

Table 8: Value of goods exports (in € million) attributable to EU firms (2014 to 2025), by sector

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Agriculture, Fishing	1.40	1.28	1.19	1.30	1.28	1.17	1.28	1.79	1.94	1.59	1.71	1.83
Mining, Energy	6.59	7.86	15.05	4.17	4.28	5.25	2.43	3.08	3.22	8.14	14.83	12.61
Manufacturing	11777.00	12801.23	12935.20	14152.10	15057.92	16240.48	13882.85	18321.04	22384.93	21583.94	23314.19	25131.01
Electricity	7.93	8.49	9.30	11.11	9.66	12.13	11.69	13.84	11.24	13.71	11.37	16.34
Other Utilities	0.30	0.35	0.68	0.19	0.19	0.24	0.11	0.14	0.15	0.37	0.67	0.42
Other Service Activities	7.83	6.33	7.53	7.06	10.60	19.42	17.87	30.03	45.50	68.60	92.03	132.93
Information and Communication	4.12	3.15	3.10	3.22	4.75	7.97	6.57	7.52	9.73	16.62	14.51	16.72
Professional, Scientific and Technical Activities	0.03	0.43	0.34	0.13	0.15	0.09	0.03	0.06	0.02	0.021	0.01	0.01
Administrative and Support Service Activities	13.97	14.51	16.74	12.42	16.38	17.63	9.06	12.44	15.56	6.20	16.72	14.83
Arts, Recreation (eg: Product Launch, Exhibition etc)	0.19	0.27	0.25	0.25	0.36	0.35	0.32	0.25	0.40	0.40	0.49	0.34
Total	11819.36	12843.90	12989.38	14191.95	15105.57	16304.73	13932.21	18390.19	22472.69	21709.59	23466.53	25327.04

Source: Based on trade data from UN Comtrade and OECD BaTiS using NACE 2-digit (simplified) sector classification. Services used in the production of goods are also included.

Attributing export values to foreign firms in any given country is complex due to incomplete information on trade flows by foreign firms and correspondence with trade data typically reported at HS or ISIC classifications at national level. The study presents novel estimates of potential export values that are attributable to EU firms.¹⁹

Table 9 shows goods exports by EU firms by manufacturing sub-sectors. **EU firms engaged in manufacturing of machinery and furniture (manufacture of furniture; other manufacturing; repair and installation of machinery; manufacture of machinery and equipment not elsewhere classified) have dominated exports,** rising from about €5 billion in 2014 to nearly €10 billion by 2025.

¹⁹ While these estimates can be provided at the sector-level with necessary information available across sectors and where the shares are non-negligible, a similar analysis at the state-level is not possible in the absence of reliable information of state-level contribution of EU firms to outputs.

Table 9: Value of goods exports (in € billion) attributable to EU manufacturing firms (2015 to 2025), by sector

NACE section	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Machinery	2.248	2.336	2.28	2.52	2.841	3.009	2.534	3.349	4.213	4.299	5.105	5.82
Furniture	2.612	2.88	3.068	3.147	3.202	3.457	2.714	3.598	4.323	4.136	4.233	4.161
Chemicals	1.422	1.517	1.542	1.777	2.201	2.324	2.044	2.539	3.082	2.645	2.86	2.656
Computer, Electronics	0.34	0.369	0.387	0.405	0.49	0.659	0.572	0.766	1.105	1.375	1.725	2.202
Electricals	0.611	0.716	0.726	0.776	0.88	1.012	0.891	1.14	1.537	1.609	1.719	1.954
Motor Vehicles	0.993	1.134	1.278	1.33	1.412	1.428	0.976	1.285	1.645	1.58	1.657	1.934
Basic Pharmaceuticals	0.585	0.753	0.779	0.766	0.817	0.971	1.067	1.1	1.278	1.314	1.402	1.581
Basic metal	0.967	1.12	0.991	1.317	1.022	1.024	1.071	1.884	1.806	1.448	1.383	1.467
Food/beverage	0.534	0.527	0.51	0.6	0.572	0.602	0.608	0.727	0.924	0.87	0.877	0.961
Coke	0.367	0.238	0.215	0.271	0.347	0.339	0.223	0.402	0.732	0.639	0.544	0.637
Textiles/leather	0.433	0.504	0.483	0.491	0.468	0.483	0.384	0.513	0.563	0.508	0.526	0.546
Other transport	0.267	0.26	0.23	0.284	0.282	0.345	0.273	0.317	0.336	0.361	0.479	0.375
Fabricated metal	0.159	0.178	0.164	0.174	0.184	0.202	0.17	0.225	0.277	0.269	0.278	0.287
Non-metallic	0.097	0.115	0.123	0.125	0.146	0.169	0.169	0.201	0.233	0.246	0.235	0.246
Rubber	0.082	0.087	0.089	0.096	0.101	0.111	0.094	0.132	0.163	0.145	0.154	0.16
Paper	0.056	0.065	0.067	0.07	0.09	0.105	0.091	0.141	0.164	0.137	0.137	0.141
Wood	0.002	0.003	0.003	0.003	0.003	0.003	0.002	0.003	0.004	0.003	0.003	0.003
Total	11.775	12.802	12.935	14.152	15.058	16.243	13.883	18.322	22.385	21.584	23.317	25.131

Source: Estimates generated based on trade data from UN Comtrade using NACE 2-digit (simplified) sector classification for manufacturing sections in NACE.

MAIN HIGHLIGHTS

The estimated exports of goods attributable to EU firms in India amounted to €25 billion in 2025 which accounted for 6.5% of total India's goods exports

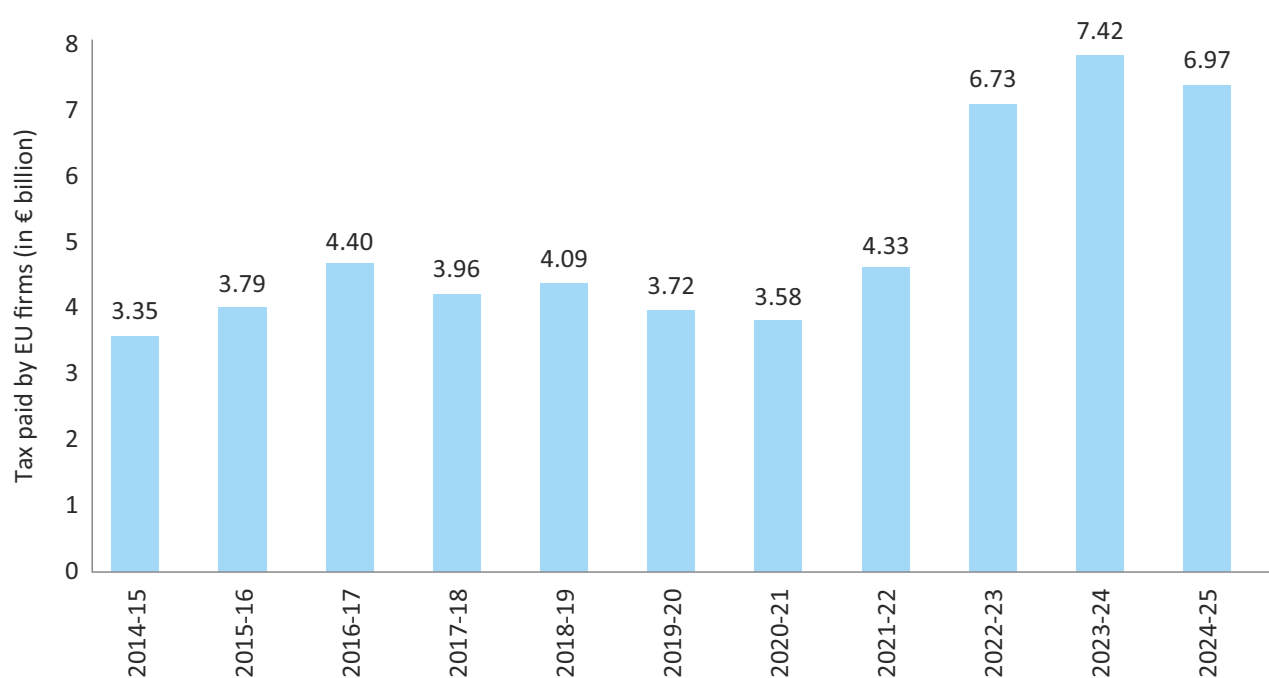


EU firms' goods exports were primarily concentrated in manufacturing. Product categories with the highest exports value were machinery, furniture and chemicals

06 Corporate Income Tax paid by EU firms

Estimates show that **EU firms paid about €7 billion corporate income tax in 2024-25 (Figure 18)**. This has risen from €3.4 billion in 2014-15, at a CAGR of 7.6%.

Figure 18: Estimated corporate income tax paid by EU firms (in € billion) (2014-15 to 2024-25)

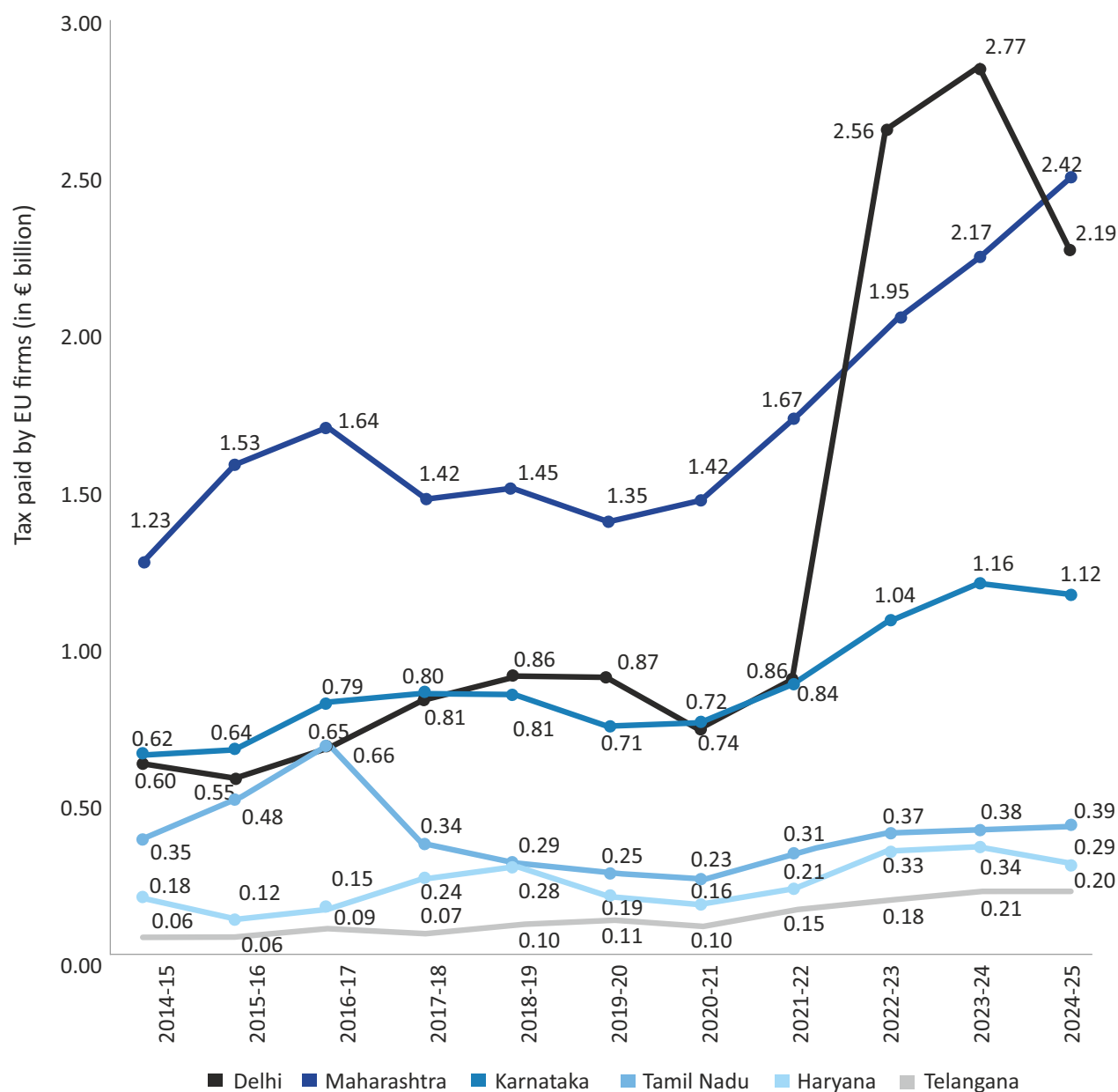


Source: Based on data from ORBIS, Bloomberg, Refinitiv, CMIE Prowess.

6.1. CORPORATE INCOME TAX PAID BY EU FIRMS, BY INDIAN STATES/UTs

Figure 19 shows the estimated corporate income tax paid by EU firms across States/UTs. In 2024-25, **EU firms located in Maharashtra paid €2.4 billion of corporate income tax, followed by Delhi (€2.2 billion), and Karnataka (€1.1 billion).**

Figure 19: Estimated corporate income tax paid (in € billion) of EU firms (2014-15 to 2024-25), by Indian States/UTs



Source: Based on data from ORBIS, Bloomberg, Refinitiv, CMIE Prowess.

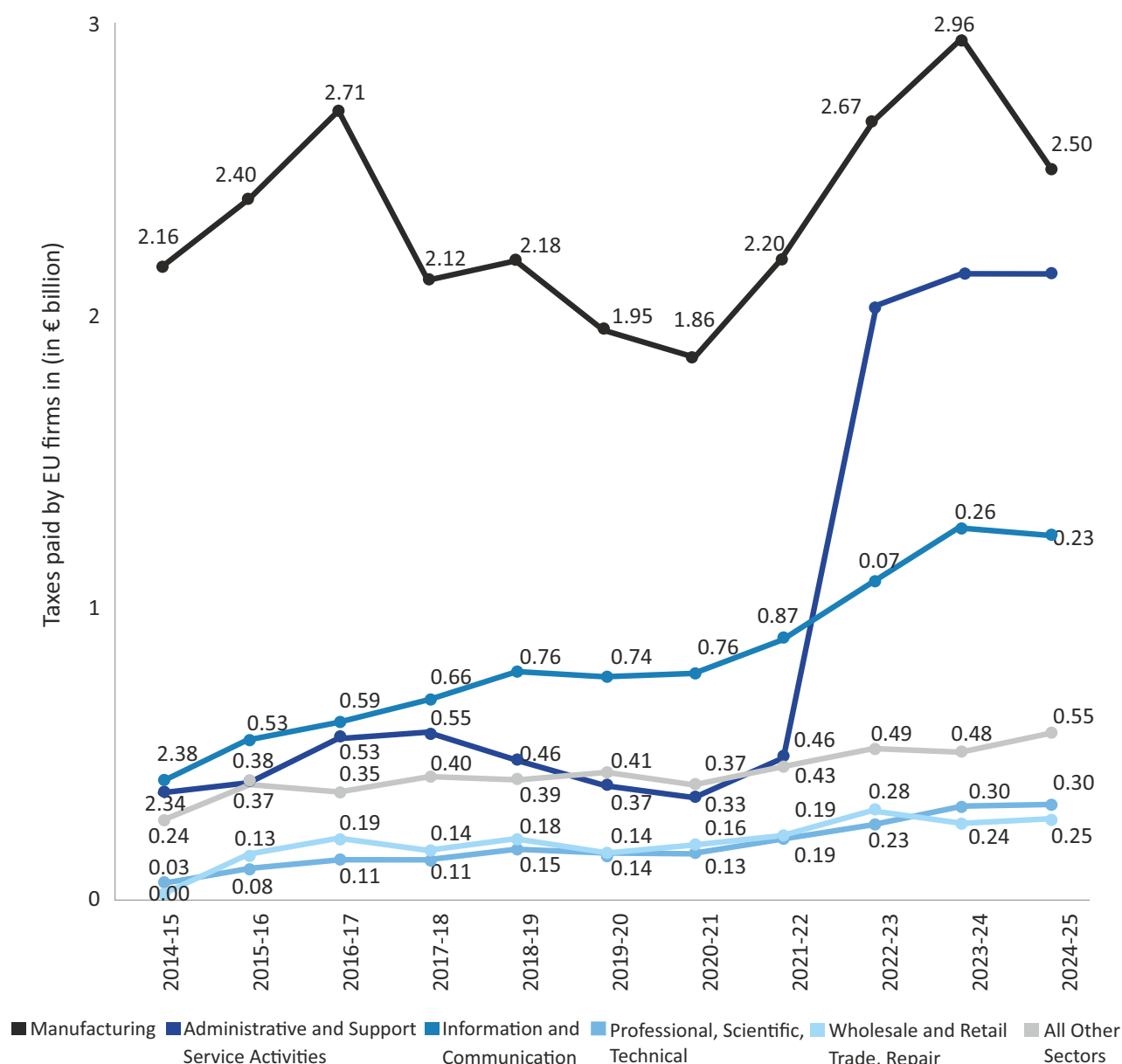
6.2. CORPORATE INCOME TAX PAID BY EU FIRMS, BY SECTOR

The evolution of corporate income tax paid by EU firms between 2014-15 and 2024-25 with breakdown by sector is shown in **Figure 20**. **Manufacturing firms continue to be the biggest contributor at nearly €2.5 billion** (rising from 2.1 billion in 2014-15),²⁰ followed by firms in Administrative and Support Service Activities (€2.1

²⁰ Note the small decline in tax paid by EU manufacturing firms from 2023-24 to 2024-25 – this decline is despite higher turnover and is likely related to the increased investment observed for the manufacturing sector. Greater capital expenditure can raise depreciation and other allowable deductions, reducing taxable profits in the short term. Investment-related financing, start-up and expansion costs may also compress margins temporarily, meaning that stronger sales and productive capacity do not immediately translate into higher tax payments.

billion from €0.3 billion in 2014-15); ICT (€1.2 billion from €0.4 billion in 2014-15); Professional, Scientific, Technical (€0.30 billion from €0.03 in 2014-15); and Wholesale and Retail Trade (€0.25 billion from only 0.1 billion in 2015-16 – and negligible amounts in 2014-15).

Figure 20: Estimated corporate income tax paid (in € billion) of EU firms (2014-15 to 2024-25), by sector



Source: Based on data from ORBIS, Bloomberg, Refinitiv, CMIE Prowess.

6.3. CORPORATE INCOME TAX PAID BY EU FIRMS, BY STATE-SECTOR COMBINATION

Corporate income tax paid by EU firms for 2024-25 with breakdown by States/UTs and sectors is shown in **Table 10**.²¹ Estimated corporate income tax paid was the highest in Maharashtra in Manufacturing sector (€1.14 billion in 2024-25).

²¹ State-wise numbers are marginally different than the total due to certain firms not reporting their state of operations

Table 10: Estimated corporate income tax paid by EU firms (in € billion) (2024-25), by Indian States/UTs and by sector

States/UTs	Manufacturing	Administrative and Support Service Activities	Information and Communication	Professional, Scientific, Technical	Financial and Insurance	All Other Sectors	Total Taxes
Maharashtra	1.14	0.24	0.52	0.10	0.15	0.27	2.42
Delhi	0.18	1.79	0.11	0.06	0.01	0.04	2.19
Karnataka	0.50	0.03	0.36	0.09	0.01	0.14	1.13
Tamil Nadu	0.25	0.02	0.01	0.02	0.02	0.07	0.39
Haryana	0.14	0.03	0.07	0.01	0.00	0.04	0.29
Gujarat	0.06	0.01	0.11	0.01	0.00	0.01	0.20
Telangana	0.11	0.01	0.01	0.00	0.00	0.03	0.16
All other States/UTs	0.13	0.01	0.02	0.01	0.00	0.01	0.19
Total	2.51	2.14	1.21	0.30	0.19	0.61	6.97

Source: Based on data from ORBIS, Bloomberg, Refinitiv, CMIE Prowess.

MAIN HIGHLIGHTS



EU firms paid €7 billion as corporate income tax in 2024-25. This stands at a CAGR of 7.6% from €3.4 billion in 2014-15

EU firms in Maharashtra paid €2.4 billion of corporate income taxes in 2024-25, followed by Delhi (€2.2 billion), and Karnataka (€1.1 billion)

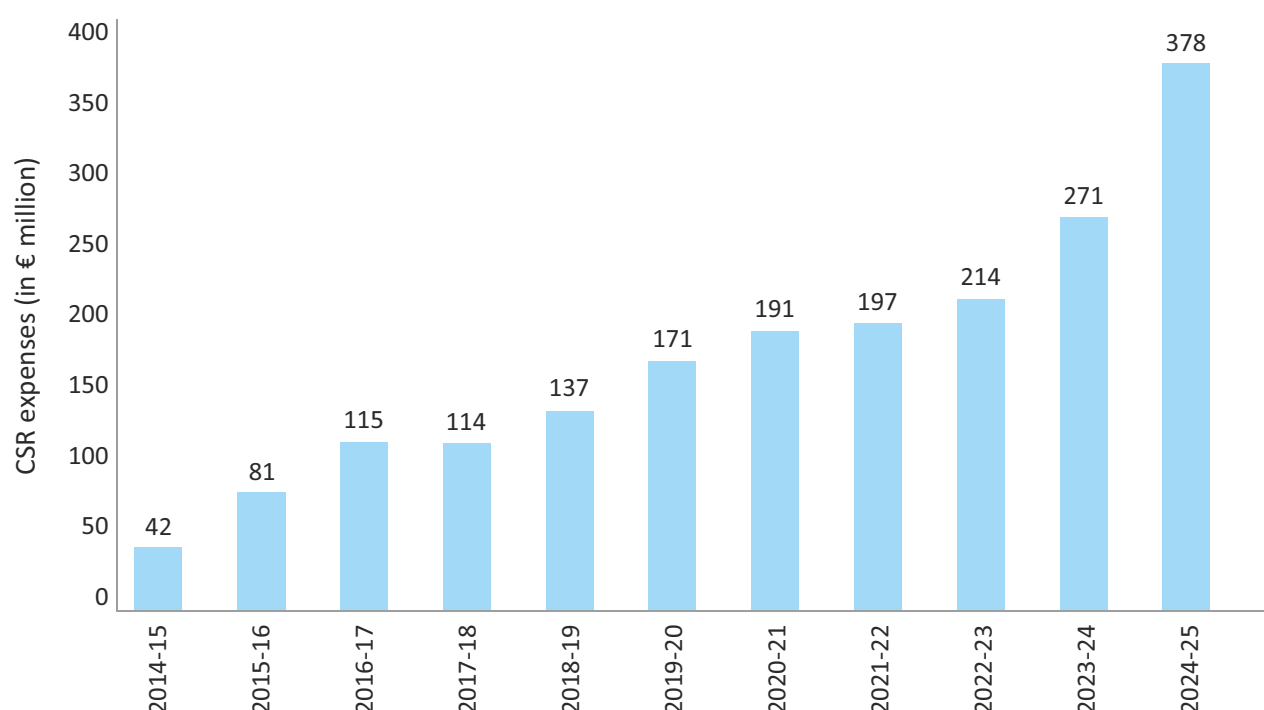


EU firms in Manufacturing sector were the biggest contributors of corporate income tax (€2.5 billion rising from €2.2 billion in 2014-15), followed by Administrative and Service Support firms (€2.1 billion, an increase from 0.3 billion in 2014-15) and ICT firms (€1.3 billion, an increase from €0.4 million in 2014-15)

07 Estimated CSR Expenses incurred by EU firms

The study estimates **EU firms' CSR expenses at nearly €378 million in 2024-25 (Figure 21)**. This is an increase of 24.6% CAGR from €42 million in 2014-15, and a 39.5% increase from €271 million in 2023-24. The rise can be explained by the implementation of India's mandatory CSR regime, the scale and profitability growth of EU business activity in India, and a greater emphasis on responsible business and corporate reputation.²²

Figure 21: Estimated CSR expenses (in € million) incurred by EU firms (2014-15 to 2024-25)



Source: Based on data from Ministry of Corporate Affairs of India, ORBIS, Bloomberg, Refinitiv, and CMIE Prowess.

7.1. CSR EXPENSES INCURRED BY EU FIRMS, BY SECTOR

Estimated CSR expenses have been rising steadily from 2014-15 across top five NACE sectors (**Table 11**), namely **Manufacturing, ICT, Administrative and Support Service Activities, Financial and Insurance, and Wholesale and Retail Trade and Repair**. The analysis shows that:

- CSR expenses of EU firms in Manufacturing have increased from 2014-15 to 2024-25, from €17.1 million in 2014-15 to an estimated €235.4 million in 2024-25. CSR expenses of Manufacturing firms grew by 73%

²² The increase in CSR expenses may not track any contemporaneous change in firm numbers or turnover as CSR obligations in India are linked to average net profits over the preceding three financial years. Rising profitability among established firms can therefore generate substantial increases in CSR expenditure even where the number of firms or current-year turnover changes only modestly. In this study, the most plausible explanation would be the lagged profitability of EU firms. Moreover, jumps in CSR in Indian firms has been reported in the media – see for e.g. <https://indianexpress.com/article/business/csr-spending-by-listed-firms-jumps-23-in-fy25-led-by-strong-profit-growth-10645607>

compared with €136.07 million in 2023-24. The sharp increase may partly reflect the inclusion or expansion of large firms, usage of net profit total of the past 3 years on eligible CSR activities i.e., previously unspent CSR commitments.

- ICT firms have increased CSR expenses from €5.2 million in 2014-15 to €72.3 million in 2024-25 with a CAGR of 30.6%.

Table 11: Estimated CSR expenses (in € million) incurred by EU firms (2014-15 to 2024-25), by sector

Sector	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Manufacturing	17.09	43.84	62.94	55.96	66.05	85.16	91.70	96.20	100.20	136.07	235.39
Information and Communication	5.23	18.90	24.14	27.26	31.69	29.31	37.06	41.64	47.40	50.80	72.27
Administrative And Support Service Activities	13.91	5.50	7.89	7.72	12.72	19.37	20.13	21.39	22.09	24.74	26.78
Financial and Insurance	0.00	0.42	3.86	4.87	5.77	11.87	10.55	10.48	12.19	23.11	12.28
Wholesale And Retail Trade; Repair	0.00	0.76	2.32	3.12	5.13	6.84	9.85	8.69	8.71	11.37	8.42
All other sectors	7.22	11.65	13.81	15.53	15.32	18.29	22.12	18.85	23.27	25.81	22.36
Total	41.45	80.07	114.96	114.46	136.68	170.84	191.41	197.25	213.86	271.9	377.5

Source: Based on data from Ministry of Corporate Affairs of India, ORBIS, Bloomberg, Refinitiv, and CMIE Prowess.

7.2. CSR EXPENSES INCURRED BY EU FIRMS, BY STATE-SECTOR COMBINATION

In 2024-25 (**Table 12**), CSR expenses of EU firms are estimated as most substantive in specific states and sectors:

- **Maharashtra (€126.7 million) and Gujarat (€68.3 million)** were home to EU firms with the most CSR expenses, which were attributable largely to Manufacturing firms.
- In **Maharashtra, ICT firms (€38.3 million) and Administrative and Service Support Activities firms (€14 million)** were sizable CSR contributors.

Table 12: Estimated CSR expenses (in € million) incurred by EU firms (2024-25), by Indian States/UTs and by sector

States/UTs	Manufacturing	Information and Communication	Administrative and Support Service Activities	Financial and Insurance	Professional, Scientific, Technical	All Other Sectors	Total CSR expenses
Maharashtra	51.6	38.3	14.04	9.01	6.06	7.72	126.73
Gujarat	64.75	0.6	0.31	0.01	0.13	2.48	68.28
Karnataka	18.43	20.25	0.98	0.75	-3.24	3.87	41.04
Delhi	7.44	4.68	8.65	0.43	1.59	2.52	25.31
Tamil Nadu	14.53	0.84	0.29	1.41	0.91	4	21.98
Telangana	7.12	5.33	0.21	0.33	0.37	0.54	13.91
Haryana	7.24	1.84	1.1	0.15	0.6	2.09	3.026
All other States/UTs	64.19	0.43	1.2	0.19	0.49	0.78	7.28
All States/UTs	235.3	72.27	26.78	12.28	6.91	24	377.5

Source: Based on data from Ministry of Corporate Affairs of India, ORBIS, Bloomberg, Refinitiv, and CMIE Prowess.

MAIN HIGHLIGHTS



EU firms contributed nearly €378 million for CSR purposes in 2024-25, an increase from €42 million in 2014-15, at a CAGR of 24.6%

In terms of sectors, the highest estimated expenditure on CSR was in manufacturing (€235.4 million) followed by ICT (€72.3 million)



In terms of states, EU firms in Maharashtra contributed the highest estimated CSR expenses (€126.7 million), followed by Gujarat (€68.3 million) and Karnataka (€41 million)

Key Insights on EU firms'

Economic Footprint in India



The number of EU firms in India has been steadily increasing, from 3,452 in 2014-15 to 6,023 in 2024-25, at 5.7% CAGR. Most of these firms are concentrated in a few states - Maharashtra (36%), Karnataka (16%), Delhi (15%), Tamil Nadu (12%), and Haryana (7%).



Total turnover generated by the EU firms in India has grown from €74.1 billion in 2014-15 to €191.5 billion in 2024-25, at nearly 10% CAGR.



EU firms in India generated an estimated 6.8 million jobs as of 2024-25, including 4.5 million direct jobs and 2.3 million indirect jobs. The estimated direct employment has grown at 12.4% CAGR, from approximately 1.4 million in 2014-15 to 4.5 million in 2024-25.



An estimated €255 billion investments can be attributed to EU firms in India over 2014-15 to 2024-25. Investments rose at 14% CAGR from an estimated €9.5 billion in 2014-15 to an estimated €36 billion in 2024-25.



EU firms paid €7 billion of corporate income tax in 2024-25, an increase from €3.4 billion in 2014-15, at a CAGR of 7.6%.



EU firms exported goods worth €25 billion in 2025, constituting 6.5% of India's total goods exports. EU firms' goods exports²³ increased from €12 billion in 2014.



Estimated CSR expenses of EU firms rose from €42 million in 2014-15 to €378 million in 2024-25, at 24.5% CAGR.

²³ The Leontief input-output approach starts from exports as final demand, and then estimates the upstream production required to satisfy those exports. Therefore, the goods export represents final demand.

Technical Annex: Methodology

SCOPE OF THE STUDY

Period and geographical coverage: Firm-level data are reported by financial year (FY) (2014-15 to 2024-25). All Indian States/UTs and EU-27 Member States were analysed (excluding United Kingdom).

Frequency of data reported: Annual reporting, depending on the variable.

All estimates are expressed in Euros (€) (million or billion).

DATA SOURCES AND COMPILATION

The EU Economic Footprint study uses a data-driven approach and draws on several data sources to capture the impact of EU businesses in India.

The analysis compiled firm-level and macroeconomic data from commercial databases, such as ORBIS, Bloomberg, and Refinitiv. Trade in goods and services data are from UN Comtrade and Organisation for Economic and Cooperation Development (OECD) for exports attributable.

To build a coherent picture, data from these portals were cleaned, merged, and cross-checked against official statistics, such as the Annual Survey of Industries (ASI) and Eurostat. Estimations were done using a combination of the firm-level data with ASI and input-output (IO) tables. These triangulations allowed generation of reliable estimates for the study at the state and sector level for 2014-15 to 2024-25.

DATA HANDLING AND VALIDATION

The study applied the following rules to manage data gaps and ensure comparability:

- *Using data reported by firms* through balance sheets, where available.
- *Addressing missing values* through linear interpolation or imputation, depending on the variable. For example, the interpolation for turnover where a panel dataset across time could be created; CSR expenses were imputed in line with India's CSR legislation when not reported. Tax estimates were imputed based on average payable taxes.
- *Screening for outliers* through descriptive statistics. Data was reviewed across different data portals and outliers were addressed.

Estimates were cross-checked with official sources wherever possible. For example,

- State and sector level estimates were matched against official Indian sources such as ASI and Ministry of Commerce and Industry (MoCI) press releases.
- EU firm-level information was compared with reports published by the European Commission.
- Available inputs from Trade Counsellors of EU Member States in India, were referred to.

The estimates are consistent with the most recently available official data for all variables, which strengthens confidence in the results.

CAVEATS

The study is based on firm-level and macroeconomic data drawn from, and compiled, using multiple sources. While it is ensured data is accurate and complete, the following caveats apply.

Financial reporting gaps: Commercial databases such as ORBIS, Bloomberg, and Refinitiv draw on company financial statements, which do not always have complete information for each year.

To address this, supplementary sources (e.g. Prowess) were used. Where necessary, interpolation or imputation techniques were applied using variable-specific logic. These adjustments ensure that the interpretation of results is not affected.

State-level estimates: Official annual data at the state-level are not publicly available.

The study developed state and sector level estimates using economic estimation strategies, which include multipliers for indirect employment and apportioning factors based on state economic output. All totals were cross-checked against official datasets (e.g. UN Comtrade, OECD).

Reporting over time: At the firm-level, the study tracks EU Firms as of latest available year for which the data and estimates are most reliable. The study also attempts to provide trends over time as feasible. However, it is important to note that not all firms tracked for latest year were operational in previous years or may not have reported information to the data portals.

To address the above limitation, trends are made available at the sector-level over time (with some exceptions). These can be reliably interpreted; however, the same information cannot be reported at the state-level.

NUMBER OF FIRMS

Step 1: Criteria used to track EU affiliate firms:

- *Firms incorporated or domiciled in India with a parent company in EU.*
- *Companies with immediate parent or ultimate parent based in any EU Member State.*

Step 2: Apply filters on ORBIS for 2024-25 (Location-India; Ownership-EU Member States).

TOTAL – 5,120 firms

Step 3: Comparison with secondary information on EU firms in India.

Step 4: Shortlist of firms from Refinitiv database.

TOTAL – 1,934 firms

Step 5: Firms identified from other sources.

TOTAL - 2 firms

Step 6: Combining ORBIS, Refinitiv and other sources (adjusting for duplicate entry of firms – 1,033 firms; taking into consideration mergers, acquisitions and exit of EU firms tracked in 2023-24).

TOTAL – 6,023 firms in 2024-25 (5833 firms in 2023-24)

Step 7: Identify the State/UT of the firms:

Geographical identifiers to document the State or UT where the firms are located.

Manual check with firm names where geographical identifiers were missing (<5-6% firms).

- Step 8:** Identify the sector of the firms:
Sector identifiers to document the sector in which the firms operate in.
Manual check with firm names where sector identifiers were missing (<5% firms).

ESTIMATED TURNOVER OF EU FIRMS IN INDIA

- Step 1:** *Compile information on turnover using company statements in Bloomberg and Refinitiv, including compiling data on gross revenue. Data is harmonised to ensure actual turnover data is collected.*
- Step 2:** A panel dataset (unbalanced) for turnover was compiled, given firms do not consistently report information.
- Step 3:** The method of linear interpolation (i.e. estimating values based on the trend or pattern) is used to fill relevant gaps. *In Linear Interpolation, the value y at x is found by finding the closest points (x_0, y_0) and (x_1, y_1) , such that $x_0 < x$ and $x_1 > x$ where y_0 and y_1 are observed and calculating $y = y_1 - y_0 \frac{x - x_0}{x_1 - x_0} + y_0$. If there are multiple observations with the same value for x_0 , then y_0 is taken as the average of the corresponding y values for those observations. (x_1, y_1) is handled in the same way.*

The estimates were validated using ASI data (for industry) and turnover information from Eurostat.

INVESTMENT BY EU FIRMS

- Step 1:** Compilation of investments using company statements in Bloomberg and Refinitiv from the reported value of long-term, cash and short-term investments.
- Step 2:** Combine the reported value of long-term, and cash and short-term investments.

DIRECT EMPLOYMENT GENERATED BY EU FIRMS

- Step 1:** Direct employment was compiled using the company statements in Bloomberg and Refinitiv, harmonised as needed and compiled into one variable.
- Step 2:** Fill in missing values from Centre for Monitoring Indian Economy (CMIE) Prowess data.
- Step 3:** To address inconsistencies in reporting, data imputation and smoothing was done using the ratio of average employees/turnover. Additional checks were done at the firm-level, where employment growth exceeded the 95th percentile of its sector and firm-size group and employment growth exceeded turnover growth by more than 50 percentage points. Correction factors were introduced in case of misreporting upon verification against secondary sources.

INDIRECT EMPLOYMENT GENERATED BY EU FIRMS

Indirect employment is computed using the Leontief Inverse method:

- Step 1:** Estimation of overall indirect employment.

- Step 1:** Estimation of overall indirect employment:

$$\text{Indirect employment } E = (I - A)^{-1}f - Ef$$

The Leontief inverse matrix $L = (I - A)^{-1}$, where I is the identity matrix; A is the matrix of technical coefficients measuring the share of inputs from each industry per unit of output; f is a vector of final demand, total gross output supported by this final demand is given by Lf .

Step 2: Apportioning to EU firms:

$$EUshare_s = \frac{EU\ Turnover_s}{Output_s}$$

The turnover of EU firms in India by NACE sector (s) for the period 2024-25 from Bloomberg. The Input Output table (IO) for 2019 is projected to 2023-24 using data on GVA growth (2019 to 2023-24) by sector.

Note: Indirect employment is computed using the Leontief Inverse method. This method allows to account for the employment directly supported by the industry as well as indirect employment supported through the use of intermediate inputs with IO tables; and estimated for EU firms using an apportioning factor based on firm's turnover as a share of Indian sectoral output. The study explored IO tables across different sources – namely, India's Ministry of Statistics and Programme Implementation (MOSPI) tables (2007-08); Tables from Brookings Institute (2015-16); Tables from OECD (2019-20). To ensure an alignment with most recent years as in our firm-level data, we adopt the OECD input-output tables for 2019. Using the OECD IO tables for India also ensures that the analysis can be done at the ISIC 2-digit level which corresponds directly to the NACE 2-digit in our firm-level data.

EXPORTS ATTRIBUTABLE TO EU FIRMS

Step 1: Compile information on Indian exports for 2014-25 from UN Comtrade (concordance from ISIC Rev. 3.1 to Rev. 4) and OECD BaTiS.

Step 2: EU exports across sectors:

$$Total\ Exports * EU\ share_s$$

$$Where\ EU\ share_s = \frac{EU\ Turnover_s}{Output_s}$$

Where EU share per sector (s) at the 2-digit NACE sector – with the simple logic of EU firm contribution to exports being directly related to contribution to sectoral output.

Exports were estimated with data on total Indian exports per 2-digit NACE sector from UN Comtrade and OECD BaTiS.

UN Comtrade reports data by calendar year (CY), while Orbis, Bloomberg and Refinitiv report company data by financial year. The analysis in this section covers 2014-2025 to align with the use of underlying financial data for 2014-15 to 2024-25 and trade data for CY2014-CY2025. Each year covered considers the overlap e.g. 2014 for CY2014 and 2014-15. To give an estimate for the full relevant period, we present 2014 to 2025 where year “2014” can be read as aligning the FY and CY years.

The study allocated a proportion of goods exports attributable to EU firms in goods and services sector based on total number of EU firms' share of output in a sector. As this is a share, any marginal differences between CY and FY reporting do not cause any inconsistencies.

Note: Data was retrieved from Bloomberg and Refinitiv, but there was very limited data due to gaps in reporting. Less than 10% of firms report exports information in any given year. At such low coverage, data were deemed to not be possible for further analysis.

CORPORATE INCOME-TAX LIABILITY OF EU FIRMS

Step 1: Compile reported tax information from Bloomberg and Refinitiv with the working definition: “Corporate Income Tax: amount owed for the year net of credits”.

Step 2: Fill in missing values from CMIE Prowess data.

Step 3: Imputed tax where companies have not reported any information:

- calculate income tax rate for those reporting revenues and income tax - removing values less than zero and higher than 50%
- calculate the yearly average rate by NACE 4-digit and year.
- for those remaining NACE 4-digit sectors that remain missing --> the average tax rate is calculated by NACE 2-digit.

ESTIMATED CSR EXPENSES INCURRED BY EU FIRMS

Step 1: Compile reported CSR expenses from India's MoCI dataset.

Step 2: Fill in missing values from Bloomberg and Prowess.

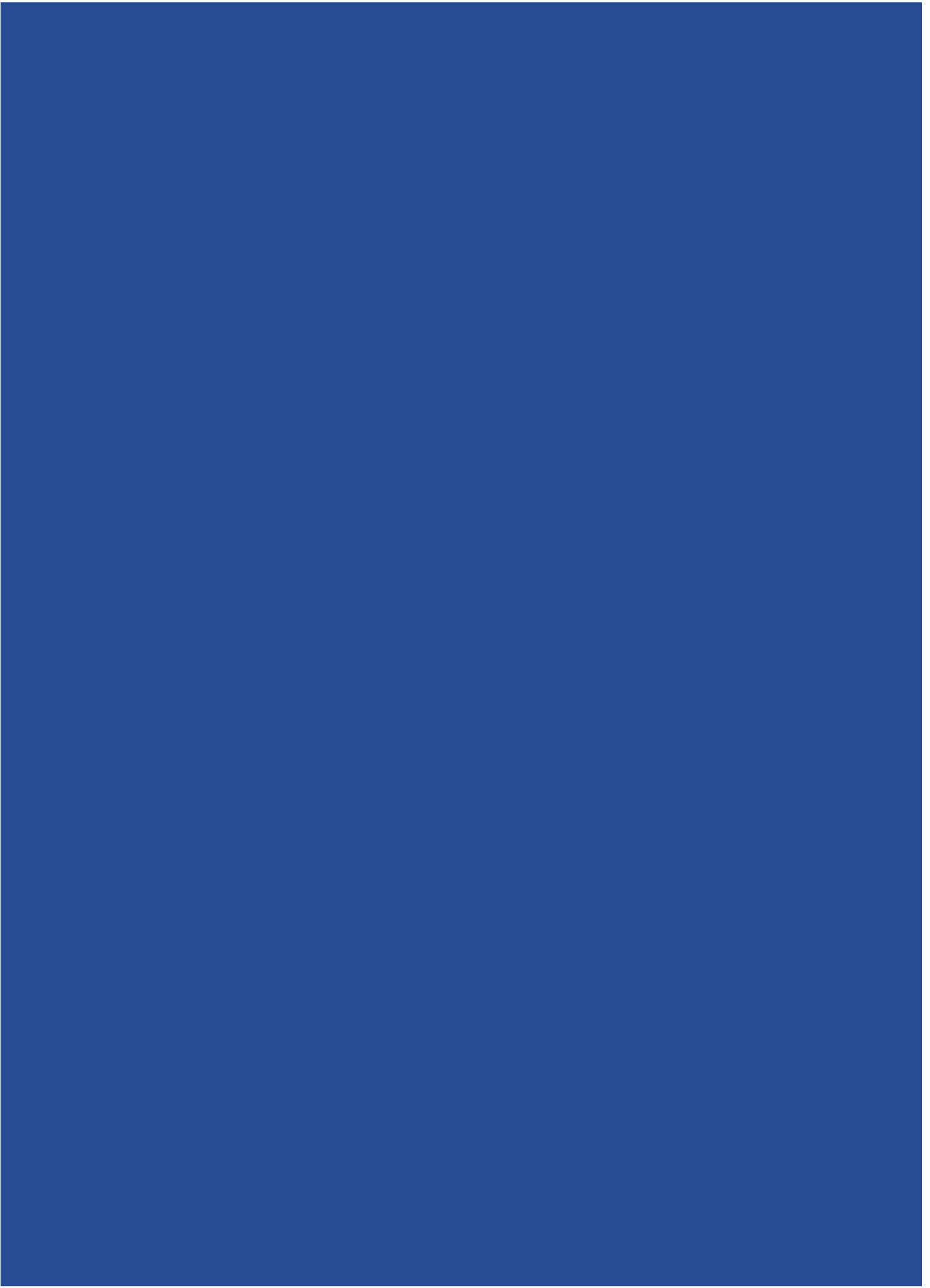
Step 3: Imputed CSR expenses where companies have not reported any information.

CSR rule: if any of the thresholds are met, companies in India must spend 2% of the average profits of the last 3 years: “company registered under the Companies Act, 2013 (including its holding or subsidiary, and a foreign company with operations in India) must undertake CSR activities if it meets any one of the following thresholds during the immediately preceding financial year:

- Net Worth of ₹500 crore or more, or
- Turnover of ₹1,000 crore or more, or
- Net Profit of ₹5 crore or more”

So, for those companies meeting the thresholds but not appearing in the MoCI dataset:

- calculate average profitability by NACE 4-digits and year, using average profit/revenues - removing outliers if >1 (100%).
- calculate the yearly average rate by NACE 4-digit and year.
- for those remaining NACE 4-digit sectors that remain missing --> the average CSR expense is taken by NACE 2 digits.
- Imputed CSR expenses are 2% of the average profitability.



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