

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:7008

ANSWERED ON:07.05.2010

REPORT BY RBI

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**Will the Minister of FINANCE be pleased to state:**

(a) whether the analysis report prepared by the Reserve Bank of India (RBI) has revealed that major industrial companies are foremost in earning the foreign exchange as they constitute a major share of the exports from the country;

(b) if not, the facts in this regard;

(c) whether the foreign exchange earned by these companies is mostly utilised in foreign countries;

(d) if so, the facts in this regard; and

(e) the extent to which increase in foreign exchange earning/expenditure abroad of these companies has been noted during the period from 2004-05 to 2009-10?

**Answer**

MINISTER OF STATE FOR FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b) The Reserve Bank of India analyses the financial performance of various types of companies in the private corporate sector based on the audited annual accounts of select sample companies. Information on earning of foreign exchange and exports based on select sample companies during 2004-05 to 2008-09 are given below.

(Per cent)

2004-05 2005-06 2006-07 2007-08 2008-09#

Number of Companies 2214 3016 3016 3114 1558

Export to Sales ratio 18.6 16.8 18.9 19.4 19.0

Ratio of sample companies  
exports to total non-oil  
exports 40.5 38.9 45.8 46.3 37.0

Ratio of sample companies  
earnings in foreign currencies  
to total inflows in the  
current account 26.9 25.2 27.6 25.7 24.1

Memo (in Rs.Crore)

Earnings in foreign  
currencies 128721 217391 303388 325169 386818

Earnings out of Exports      102364 157389 223319 250841 265097

**#Data based on large public limited companies and is provisional**

(c) to (e) Growth rate of earnings and expenditure in foreign currencies including on account of exports and imports based on select sample companies during 2004-05 to 2008-09 are given below.

Growth rate of sample companies

(Per cent)

2004-05 2005-06 2006-07 2007-08 2008-09#

Number of Companies    2214 3016 3016 3114 1558

Total earnings in foreign  
currencies    42.3 16.5 39.6 22.3 17.9

Earnings out of Exports    46.3 13.0 41.9 23.7 14.4

Total expenditure in foreign  
currencies    42.3 28.0 32.5 30.7 20.2

Expenditure on Imports    42.0 29.0 31.8 27.0 19.5

**#Data based on large public limited companies and is provisional.**