

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2853
ANSWERED ON:30.03.2012
INVESTMENT BY INDIAN COMPANIES
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Will the Minister of FINANCE be pleased to state:

- (a) whether there has been a sharp decline in the investments in the country by Indian Companies;
- (b) if so, the details thereof for the last three years and the current year till date;
- (c) whether the Government has taken steps to analyse the factors responsible for the same; and
- (d) if so, the details and plans for the future in this regard?

Answer

Minister of State for Finance (Shri Namo Narain Meena)

(a) & (b) : As per the sample data of non-government non-financial public limited companies collected by Reserve Bank of India, the investment declined by 12.7 percent in 2009-10 over 2008-09 and then increased by 4.7 per cent in 2010-11.

(c) & (d) : Decline in investments by companies has been due to sliding corporate margins on account of rising costs of interest payment, staff cost and raw material cost. The Government has taken several policy measures to boost industry and infrastructure sectors and attract more investment into these sectors. The Government has announced a National Manufacturing Policy and has also approved a harmonized master list of infrastructure sub-sectors to facilitate flow of resources. The Budget 2012-13 focus on creating conditions for a revival of growth in private investment.