

**GOVERNMENT OF INDIA  
CORPORATE AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:4559  
ANSWERED ON:03.05.2012  
INVESTMENT BY FOREIGN INVESTORS  
Meghwal Shri Arjun Ram

**Will the Minister of CORPORATE AFFAIRS be pleased to state:**

(a) whether the Government is aware of the fact that the less interest shown by the foreign institutional investors in India during the last three years resulting in scenario for decline and instability in corporate sector of India;

(b) if so, the details thereof;

(c) whether the Government is aware of the fact that the proposal of General Anti Avoidance Rule on foreign investors under the new taxation rule is causing present downward trend in the financial sector and the corporate sector of India is facing severe problem of new investment; and

(d) if so, the details thereof?

**Answer**

THE MINISTER OF STATE IN THE (SHRI R.P.N. SINGH ) MINISTRY OF CORPORATE AFFAIRS

(a) to (d) Investments by Foreign Institutional Investors (FIIs) depend upon various factors including global market conditions, geopolitical developments and domestic market conditions. There is no evidence that less interest has been shown by the FIIs during the last three years. The investments increased by 2.65 percent in the year 2010-11 as compared to 2009-10 and while in 2011-12 such investments decreased by 3.6 per cent. These marginal variations cannot be taken as decline and instability in Corporate Sector in India.