

Firms lukewarm to capex on green energy in FY25

NSO data shows just 2.75% of firms planned capex for 'diversification'

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Less than 5 per cent of private companies in FY25 intended to allocate their capital expenditure (capex) to diversification and green technologies, shows a survey, the first of its kind, of the private corporate sector's capex intentions. The National Statistics Office (NSO) on Tuesday released the results of the survey.

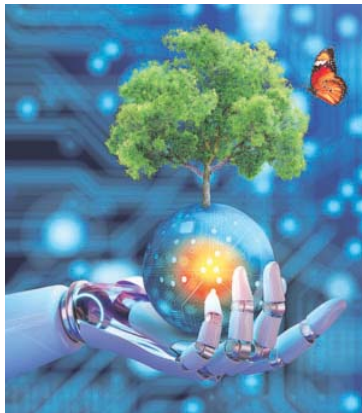
Merely 1.38 per cent of the private enterprises intended to use their capex on "energy transition/conservation".

On the other hand, only 2.75 per cent of private enterprises intended to spend their capex on "diversification".

The NSO data showed private enterprises in as many as 10 out of 17 fields allocated nothing to energy transition and conservation, reflecting India Inc's apathy to green and futuristic technologies.

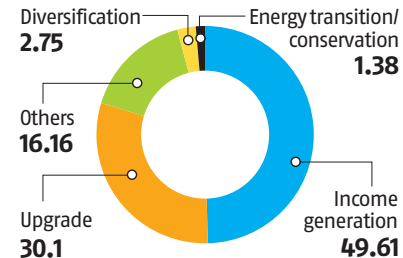
The data further showed the share of enterprises intending to use their capex for "energy transition/conservation" was the highest in manufacturing (4.36 per cent), followed by "water supply, sewerage, waste management and remediation activities" (0.96 per cent) and "electricity, gas, steam, air conditioning supply" (0.76 per cent).

On the other hand, the share of enterprises intending to allocate capex to diversification stood highest in "agriculture, forestry, and fishing" (17.31 per cent), followed by "administrative and support



INTENTION METER

Percentage distribution of enterprises by objective of investment in 2024-25



Source: Forward looking survey on private sector investments, NSO

service activities" (14.11 per cent) and "education" (5.3 per cent).

Besides, the data showed around 49.6 per cent of private enterprises did capex in 2024-25 primarily for "income generation".

An additional 30.1 per cent invested to "upgrade", while 16.2 per cent spent on the "others" category.

The survey, done between November 2024 and January 2025 by the NSO, recorded capex trends of private enterprises for FY22, FY23 and FY24, along with the intended investments lined up for FY25 and FY26.

While the survey's sample size was 5,380 firms, it clocked a response rate of 58.3 per cent, with just 2,172 enterprises sharing their capex data for the five-year

period. The survey covered manufacturing firms with a turnover of ₹400 crore or more, with the cutoff set at ₹300 crore for trade enterprises and ₹100 crore for other players.

The survey showed India's private sector, after ramping up its capital investment plans to a post-pandemic high of ₹6.56 trillion in 2024-25, was likely to pare the outlays for this year by about 25 per cent to nearly ₹4.9 trillion.

"The slightly lower intended capex for 2025-26, though still above 2023-24 levels, reflects cautious planning after a strong 2024-25. Overall, the trend indicates growing corporate confidence and a judicious approach to investment amid improving economic certainty," the NSO said in a statement.