

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS  
  
LOK SABHA

STARRED QUESTION NO.\*104

TO BE ANSWERED ON FRIDAY, THE 22<sup>nd</sup> DECEMBER, 2017/ PAUSHA 01, 1939 (SAKA)

DEVELOPMENT OF INFRASTRUCTURE

QUESTION

**\*104 SHRI RAMSINH RATHWA:**

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

- (a) whether the Government has taken cognizance of the need for the development of infrastructure in the country and if so, the details thereof;*
- (b) the details of the infrastructure projects along with the funding there of, project-wise;*
- (c) the manner in which the Government will arrange funds for these projects; and*
- (d) the role likely to be played by the debt-burdened banks in the development of infrastructure in the country?*

ANSWER

**MINISTER OF FINANCE  
(SHRI ARUN JAITLEY)**

- (a) to (d): A statement is placed on the table of the House.

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**Statement placed on the Table of Lok Sabha in reply to parts (a) to (d) of the Lok Sabha Starred Question No.104 (Position No. 4) to be answered on Friday, the 22<sup>nd</sup> December, 2017 regarding DEVELOPMENT OF INFRASTRUCTURE, by SHRI RAMSINH RATHWA, Member of Parliament.**

**(a) to (d):** Government is very much conscious that development of infrastructure is crucial to boosting growth and expanding services in the country. NITI Aayog's Three year Action Agenda (2017-18 to 2019-20) has also spelt out how infrastructure development is one of the most crucial elements of economic transformation. The total allocation for infrastructure sector in Budget 2017-18 stands at Rs. 3,96,135 crores. The Government recently announced a major infrastructure push with launch of Bharatmala programme.

Infrastructure projects in the country are implemented in public, public-private and private modes. Public sector projects are also implemented by the Central Government, State Governments and Local Bodies. There is no central/single registry of infrastructure projects along with their funding in the country. As per NITI Aayog, the revised projections for investment in infrastructure in the period 2012-17 are Rs. 38,22,822 crore which is 1.6 times the investment of Rs. 23,77,746 crore achieved in the period 2007-12 at current prices.

The Government has taken a number of steps to mobilize funds from various sources for development of infrastructure including launching of innovative financial vehicles such as Infrastructure Debt Funds (IDFs), Real Estate Investment Trusts (REITs)/Infrastructure Investment Trusts (InvITs), National Investment and Infrastructure Fund (NIIF), laying down a framework for municipal bonds, allowing complete pass through of income tax to securitization trusts including trusts of Asset Reconstruction Companies (ARCs), take-out finance etc.

Infrastructure projects are typically characterized by large financial outlays and long gestation period. While banks, have played a pivotal role in providing finance to infrastructure and supporting economic growth, bank financing of infrastructure is constrained by their inherent asset-liability mismatch. In addition, there is growing trend of stressed assets from this sector in bank balance sheets. Government has modified guidelines for advances to infrastructure sector including allowing banks to have flexible structuring and refinance of project loans, bringing in 5/25 Scheme to extend long tenor loans to infrastructure projects etc.

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