

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1586

ANSWERED ON:01.12.2006

PRIVATE SECTOR INVESTMENT IN INFRASTRUCTURE PROJECTS

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

- (a) The amount of private sector funds invested in developing infrastructure projects like roads, power, railways etc. during each of the last three years;
- (b) The projected requirement of funds to develop core sector projects in the next five years;
- (c) whether the Government proposes to formulate policy for introducing new financial instruments in the market to attract larger private sector funds to develop the debt market for meeting the shortfall in availability of funds to maintain higher rate of growth in GDP; and
- (d) if so, the details thereof?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI P.K. BANSAL)

(a) The expenditure incurred by private sector during the last three years in respect of highway projects implemented by NHAI are Rs. 2071.94 cr in 2003-04, Rs.1712.84 cr in 2004-05, Rs.849.08 cr in 2005-06 respectively. As far as the Railways are concerned during the last three years Rail Vikas Nigam Limited has mobilised Rs.40 cr as private equity and Rs.300 cr as debt in Kutch Railway Company. In addition, RVNL has mobilized debt through IRFC amounting to Rs.145 cr. Hassan-Mangalore Rail Development Company has mobilised Rs.10 cr as private equity and Rs 40 cr as debt in the above period. As per the Ministry of Power private investment in power sector is not monitored after the requirement of Techno-economic clearance of power projects has been dispensed with under the Electricity Act, 2003. However, the estimated expenditure incurred in the 5 medium and large sized hydro power projects and 9 medium and large sized thermal power project i presently under construction in the private sector and being monitored by CEA have been given in the Annexure.

(b) The Committee on Infrastructure, headed by the Prime Minister, has estimated the investment requirements in some of the key sectors as Rs. 2,20,000 crore in the National Highways sector by 2012; Rs.40,000 crore for Airports by 2010 and Rs.50,000 crore for the Ports sector by 2012.

(c) and (d) So far there is no such proposal to formulate policy for introducing new financial instruments in the market. However, a high-level expert committee on corporate bonds was set up in 2005-06. The committee has submitted its report and Government has accepted the recommendation to create a single, unified exchange-traded market for corporate bonds.