

'India has to spend Rs. 50 lakh cr on infra'

Stepping on the gas: Accelerating private sector investments is an essential complementarity, says Crisil. Reuters

India would need to spend about Rs. 50 lakh crore between fiscal 2018 and 2022 to build its infrastructure in a sustainable manner, rating agency Crisil said.

"India will see close to Rs. 3,000 crore investment per day in infrastructure sector, and 56% more than the Rs. 37 lakh crore projected spend between fiscals 2013 and 2017," said Ashu Suyash, MD and CEO, Crisil Ltd. while unveiling the agency's Infrastructure Yearbook 2017.

"Spending of such magnitude requires expeditious resolution of the problem of stressed assets in banking, front-ending of bankable projects, comprehensive re-tooling of public-private-partnership frameworks, and deepening of the infrastructure financing ecosystem, which is of tremendous importance," she said.

The report comes two days after the Centre announced it would spend about Rs. 7 lakh crore to build more than 83,000 kms of highways by 2022.

On Thursday, the agency also unveiled Crisil Infralnvex, an 'investability' index that would track, measure and assess the development, maturity and investment attractiveness of infrastructure sectors. "For years now, the government has been doing the heavy lifting in terms of infrastructure investments. However, having only the public investment cylinder firing is not good enough. Accelerating private sector investments is an essential complementarity, and the other cylinder that needs to fire," Crisil said.

'Most attractive'

"The Crisil Infralnvex scores for 2017 show power transmission sector the most attractive to invest in currently, followed by roads and highways, and renewable energy," said Sameer Bhatia, president of the Crisil Infrastructure Advisory. NITI Aayog CEO Amitabh Kant pitched for channelling insurance and pension funds for financing infrastructure projects as also for a complete re-examination of the viability gap funding (VGF) scheme. Infrastructure sector has suffered in India due to under-investment for a long time, he said. "We need to build up environment to tap pension and insurance funds for investments in infrastructure projects... VGF scheme needs a complete re-examination," Mr. Kant said at the Crisil India Infrastructure Conclave here.

He said in the last three years, the Centre had put in 'lots of resources' in building infrastructure such as roads and airports, almost making up for private sector investment in such projects. "You can do it in the short run but not for the long run. The challenge is to bring private investments back in the infrastructure sector."

(With inputs from PTI)

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