

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6906

ANSWERED ON:07.05.2010

INFRASTRUCTURE SECTOR

Kashinath Shri Taware Suresh;Kumar Shri P.;Owaisi Shri Asaduddin;Patil Shri Sanjay Dina ;Singh Shri Dhananjay ;Singh Shri Sukhdev

Will the Minister of FINANCE be pleased to state:

- (a) whether Government proposes to raise funds for investment in the infrastructure sector and has projected capital requirement during the Twelfth Plan period to cross \$1 trillion;
- (b) if so, the details thereof alongwith details of encouragement given to private participation in this regard;
- (c) whether the Government proposes to allow private sector companies to issue long term infrastructure bonds;
- (d) if so, the details thereof and details of monitoring proposal in this regard;
- (e) whether Government proposes to allow tax benefits on these bonds on the lines of Government owned companies;
- (f) if so, the details thereof and other plans made by Government to meet the capital requirement of infrastructure sector; and
- (g) the steps taken by the Government to put in place a monitoring mechanism in this regard?

Answer

To be answered by Minister of State in the Ministry of Finance(SHRI NAMO NARAYAN MEENA)

(a) and (b): Yes, sir. According to the preliminary estimate worked out by Planning Commission the investment in the infrastructure sector during the 12th Plan is expected to be of the order of Rs. 40,99,240 crores or USD 1,024,81 billion.

(c) to (g): In tune with the policy thrust of promoting investment in the infrastructure sector, the Finance Bill, 2010 has proposed to insert a new section 80CCF in the Income-tax Act, 1961 to provide that subscription during the financial year 2010-11 made to long-term infrastructure bonds (as may be notified by the Central Government), to the extent of Rs. 20,000/-, shall be allowed as deduction in computing the income of an individual or a Hindu undivided family. This deduction will be over and above the existing overall limit of tax deduction on savings of upto Rs.1 lakh under section 80C, 80CCC and 80CCD of the Act.