

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:5021  
ANSWERED ON:02.09.2011  
DEBT BURDEN OF STATES  
Ajnala Dr. Rattan Singh

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

- (a) Whether infrastructure projects implemented in States do not earn sufficient income to pay even the interest component, and
- (b) If so, the details thereof State-wise and reaction of the Union Government thereto?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) and (b); The financing requirements of infrastructure projects in States are met either through overall budgetary support, loans raised or Public Private Partnerships (PPPs). No agency of the Central Government undertakes a centralized analysis of the interest component of individual infrastructure projects at the State level. Infrastructure . projects generate positive externalities in terms of fiscal stimulus to the economy and overall economic growth. Hence, the investments in infrastructure are encouraged by the Union Government. The interest component of PPP project is met by the private sector entities to whom the projects are awarded.