

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3398  
ANSWERED ON:01.08.2014  
SETTING UP OF ARCS  
Reddy Shri Ponguleti Srinivasa

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

- (a) the measures taken by the Government to provide long term financing for infrastructure projects during the last three years and the current year;
- (b) whether the Government is planning to set up two Asset Reconstruction Companies (ARCs) for the power and road sectors to improve funding of infrastructure sectors; and
- (c) if so, the details thereof and the reasons therefor?

**Answer**

MINISTER OF STATE FOR FINANCE (SMT NIRMALA SITHARAMAN)

(a) Government has taken several steps to provide long term financing for infrastructure projects, which inter-alia include the conceptualization of Infrastructure Debt Funds, Liberalization of FD/ECB limits, Tax Free Bonds, Introduction of Real Estate Investment Trust and Infrastructure Investment Trust etc. Public Private Partnerships in Infrastructure Projects is being promoted to attract private investments in the infrastructure projects. In addition, the budget proposals for the current year include enlarging the Pooled Municipal Debt Obligation Facility to Rs. 50,000 crore as against the present corpus of Rs. 5,000 crore with extension of the facility by five years to March 31, 2019.

(b) & (c) Currently, there is no formal proposal under consideration in the Ministry of Finance, to set up Asset Reconstruction Companies for the power and road sectors.