

Urban Infrastructure

49. The growing pace of urbanisation has brought in its wake an increasing demand for all types of urban infrastructure services. Although urban infrastructure is a State subject, the Central Government renders technical and financial assistance to State Governments and assists them in mobilising institutional finance.

50. The Government's budgetary resources for meeting the growing demands of urban

infrastructure are inadequate. Thus, the step-up in investment is dependent, to a large extent, on the private sector and the ability to raise funds from the capital market. Moreover, agencies like HUDCO, LIC and Infrastructure Leasing and Financial Services Ltd. (IL&FS) are also significant contributors to the urban infrastructure sector. Funds sanctioned by HUDCO for urban infrastructure schemes increased to Rs.1268 crore in 1997-98 from Rs.125 crore in 1991-92.