

India is rapidly emerging as one of the growth poles of the global economy. There is a need for democratic consensus building across all sections of society, ensuring that the pursuit of growth is combined with due attention to India's inclusive path of development. Infrastructure is one of the prime movers of economic development. Since independence, the government has been giving priority to this development while fixing the main outlays.

Meeting the development challenges of the economy successfully will have significant implications for overall infrastructure development. High growth in gross domestic product (GDP) results in increased output of goods and services, basically having implications in terms of increasing energy, road, port & water requirements of the country. Thus, it is seen that Key infrastructure industries showed an improved growth of 7.4% in March over 6.8% a year ago, raising prospects of a steady overall industrial growth during the month. However, the overall performance in fiscal 2010-11, improved by a narrow margin to 5.9 per cent from 5.5 per cent in the previous year. The infrastructure growth was led by crude oil and finished steel which expanded by 12.1% and 9.9% respectively in March, against 3.5% and 7.7% a year ago. During the fiscal 2010-11, the crude oil output grew by 11.9%, as against a 0.5% in 2009-10. Coal output remained constant during April-March 2010-11. The sector grew by 7.9% in 2009-10.

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Performance of the six core sectors - crude oil, petroleum refinery, cement, electricity, finished steel and coal - have a weight of 26.7% in the overall Index of Industrial Production (IIP). Announcing the Union Budget 2011-12, finance minister proposed an allocation of Rs.2, 14,000 crore for infrastructure sector, which is 23.3% higher than current year. This amounts to 48.5% of the gross budgetary support to plan expenditure. In order to give a boost to infrastructure development in railways, ports, housing and highways development, government has proposed to allow tax-free bonds of Rs.30,000 crore to be issued by various government undertakings in the year 2011-12. This includes Indian Railway Finance Corporation Rs.10, 000 crore; National Highway Authority of India Rs.10, 000 crore; HUDCO Rs.5000 crore and Ports Rs.5000 crore.

To fund the country's ambitious infrastructure agenda is a challenge. The Economic Survey 2010-11 said, adding the government needs to tackle this with innovative ideas and policy interventions. Projected investment required for infrastructure development during the 12th Plan period (2012-17) is Rs. 40.99 trillion. Half of this is expected to come from the private sector.

As ecological concerns becoming an uncertain block for development, there is urgent need to streamline land acquisition and environment clearance for infrastructure projects. To combat the chronic shortage of power generation, India has an installed power generation capacity of 170,000MW and production by refineries increased 19.46% in 2009-10 to 177.97 mt, which are phenomenal increase towards development of infrastructure.

Cost of supply of power to rural areas could be reduced by minimizing the actual cost or by treating part of the cost as a capital subsidy. Improvement of road, power supply and telecom facilities to the villages is essential for infrastructure development and thus rural populace are to be brought into the mainstream development programme. Concerted and sincere efforts can lift rural India and along with the whole of India, out of poverty trap.

Cost and management accountants can play a major role in this area. Proper operation and implementation will be possible only with rigorous monitoring and proper control of cost. By the expertise of the cost and management accountants, crisis in this sector should be converted into efficiency. Discussion in this issue has been attempted to throw some light up on crisis faced in the infrastructure sector.