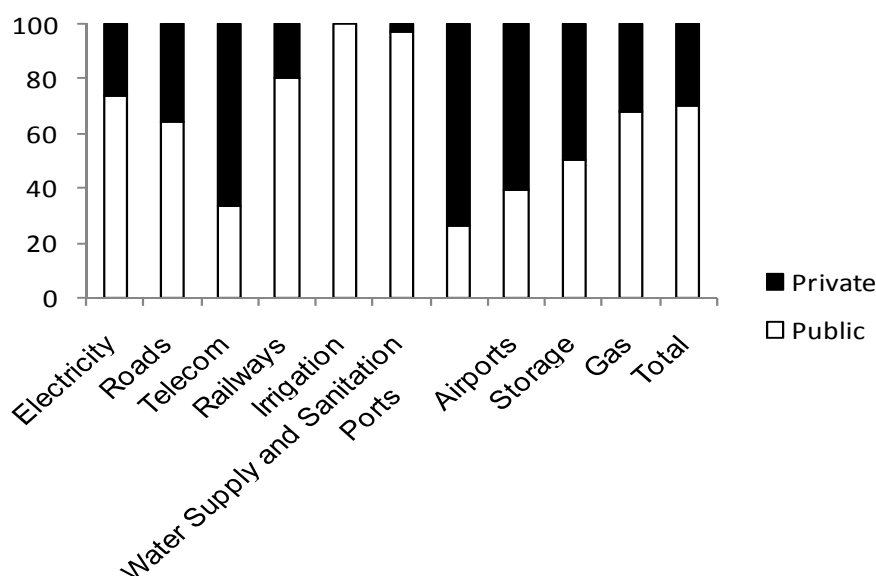


### Exhibit 2.2 Expected public-private sector investment contribution, 2007-12 (per cent)



Source: Planning Commission.

The expected private sector contribution is quite high, a feature that sets India apart from most other emerging economies, where infrastructure investment, aside from ports, is mostly dominated by state firms. In comparison, private opportunities in India's infrastructure sector are much greater. According to Indian industry participants, though, only about US\$30 billion of private investment had been committed as of August 2007. Since infrastructure projects have long gestation periods, most of the projects involving private investments for the 2007-12 plan need to be tied up early. Still, there has been a big increase; in the 15 years spanning 1990 to 2004, private investment in India's infrastructure sector totalled US\$42 billion.

#### Financing bottlenecks?

The combination of significant opportunities for private investment with only modest progress to date in financing such involvement raises the question of whether there are bottlenecks in infrastructure financing. Our view, based on extensive interviews with government and private investors, is that the shortfall is due to a lack of "bankable" projects rather than access to funding.

There are potential difficulties in lining up the funds for the government's ambitious infrastructure spending programme

due to the lack of a well-developed domestic debt market. Private investors may also face funding difficulties as a result of limited exit options on equity investments and controls on foreign commercial borrowings depending on exchange rate movements.

These issues will matter more when the project pipeline is much bigger than it is today. For now, potential investors with viable projects should not encounter significant problems funding them. The challenges are more on the regulatory side as well as the formulation of “bankable” projects.