

RBI must revise sectorial exposure for easier funding for infrastructure



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After a prolonged period of price volatility, the prevailing political stability combined with a strong governance has ushered in a price stability both at Wholesale Price Index (WPI) and Consumer Price Index (CPI) levels.

Owing to this, monetary pol-

icy controlled market price stability, may not be a necessity in the near term. At the same time the country has capacities idling in majority of the manufacturing sector varying between 15 per cent and 50 per cent of their installed base. Perking up the consumption rate is the only way to accelerate capacity utilisation, which

would eventually necessitate further capacity creation. We have to work on the assumption that the growing population in India, almost at the rate of 20 million per year, and the rapid urbanisation underway will need multiplication of the existing capacity in every commodi-

ty, consumable, durable and infrastructure. This will also fulfil the dire need of our nation to provide gainful employment to the largest emerging workforce of the world.

Making capital available at globally competitive rates and ensuring currency stability to attract foreign investments are the minimum expectations we have from the monetary policy

The Reserve Bank of India (RBI) being the pivotal fulcrum of the financial nervous system of the country's governance process has a prime responsibility to lay down and articulate the policy guidelines that clarifies the direction in which the Indian economy will be guided to advance.

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the minimum expectations we have from the policy guidelines that are going to be announced by the Governor in the coming week. We are certainly with him in setting stronger guidelines and stipulations to protect the bank lending from turning into non-performing assets.

But a revision in the sectorial allocation will be a necessity to make capital available for segments like power, oil & gas, cement, steel, roads and other infrastructure to turn the economy around. I am confident that we have at the helm of RBI an elevated thinker who take cognisance of this in making India march forward.

The author is managing director and chief executive officer at Thermax. The views expressed are personal.