



RAJEEV CHANDRASEKHAR
MEMBER OF PARLIAMENT
RAJYA SABHA

Member of Standing Committee on Finance
Member of Consultative Committee on Finance
Member of Parliamentary Forum on Youth
Co-Chairman, Vigilance & Monitoring Committee, Bangalore Urban District

Dear Pranabada

30 July, 2010

Thank you for your response to my Starred Question No.23 of 27 July, 2010 relating to "Disbursement of Credit to Private and Public Sector Undertakings". A copy of the same is enclosed for your ready reference.

In your response, you had mentioned that "the data reporting system of the RBI does not capture credit to the private sector linked to Government or PSU risk/contracts."

Since the revival and performance of the private sector is key to the broad-based revival of the economy, I believe it is appropriate that credit offtake of private sectors is categorized into two baskets – 'credit to pure private sector' and 'credit to private sector that has a significant risk / exposure / backstop to Government / public sector' - since these represent two very different types of credit and risk.

The growth in the private sector should not be restricted only to the second basket – as is the case now, I believe. This will not represent true private sector growth, and hence, the need to tract credit flow into these two categories of private companies independently is important.



I hope you will give the necessary instructions in this regard.

Yours Sincerely,

RAJEEV CHANDRASEKHAR

Shri Pranab Mukherjee
Hon'ble Minister of Finance
Government of India
New Delhi