

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS**

**LOK SABHA**

**STARRED QUESTION NO. \*12.**

**TO BE ANSWERED ON NOVEMBER 18, 2019 {KARTIKA 27, 1941 (SAKA)}**

**RBI'S SURPLUS TRANSFER**

**QUESTION**

**\*12. SHRI GOPAL CHINNAYA SHETTY:**

**Will the Minister of FINANCE be pleased to state:**

(a) whether the issue of surplus reserves of the Reserve Bank of India (RBI) has been resolved with the transfer of capital for this year as per the recommendations of the Bimal Jalan Committee submitted in July 2019;

(b) if so, the details thereof;

(c) whether the Government is likely to get additional dividend from the RBI in the future as per the recommendations given by the said Committee; and

(d) if so, the quantum of dividend likely to be received from the RBI in the coming years?

**ANSWER**

**MINISTER OF FINANCE  
(SMT. NIRMALA SITHARAMAN)**

(a) to (d): A statement is laid on the Table of the House.

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**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA  
STARRED QUESTION No. \*12 FOR 18<sup>th</sup> NOVEMBER, 2019 RAISED BY SHRI  
GOPAL CHINNAYA SHETTY REGARDING RBI'S SURPLUS TRANSFER.**

(a) and (b): As decided by the Central Board of the Reserve Bank of India (RBI) in its meeting held on November 19, 2018, the RBI, in consultation with the Government of India, constituted an Expert Committee under the Chairmanship of Dr. Bimal Jalan on December 26, 2018 to review the extant Economic Capital Framework of the RBI and, *inter alia*, to suggest an adequate level of risk provisioning that the RBI needs to maintain and propose a suitable surplus distribution policy taking into account all the likely situations of the RBI.

The Expert Committee submitted its report to RBI on August 14, 2019. The Central Board of RBI, in its meeting held on August 26, 2019, accepted all the recommendations of the Committee and finalised the RBI's accounts for 2018-19 using the revised framework to determine risk provisioning and surplus transfer. The transfer of surplus to the Government for the year 2018-19, ending June 30, 2019 was made in accordance with the recommendations of the Committee and accordingly a sum of ₹1,75,987 crore was transferred by RBI to the Government of India comprising ₹1,23,350 crore of surplus for the year 2018-19, of which an amount of ₹28,000 crore was already paid as interim dividend on March 28, 2019, and ₹52,637 crore of excess provisions identified as per the revised Economic Capital Framework (ECF).

(c) and (d): The surplus distribution policy of RBI is determined in accordance with section 47 of the RBI Act, 1934. The Surplus Distribution Policy as recommended by the Expert Committee and as accepted by the Central Board of RBI is detailed in the paragraphs 4.84 - 4.87 of the Report of the Committee. The quantum of surplus transfer to the Government in the coming years would depend on RBI's net income, 'required realized equity' as a per cent of RBI's balance sheet and 'available realized equity' as a per cent of RBI's balance sheet in the coming years, and shall be governed by the legal provisions of the RBI Act, 1934 read with the recommendations of the Committee as accepted by RBI.

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