

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION NO. 813

TO BE ANSWERED ON THE 14TH DECEMBER 2018/AGRAHAYAN 23, 1940 (SAKA)
Standoff between Government and RBI

813. SHRI BHARTRUHARIMAHTAB:

SHRI ANTO ANTONY:

SHRI RAHUL SHEWALE:

Will the Minister of FINANCE be pleased to state:

- (a) whether there is a standoff/rift reported between Government and the Reserve Bank of India (RBI) in the recent past, if so, the details thereof and the major issues between the Government and the RBI;
- (b) whether the Government has not respected the autonomy of RBI and destroyed it by interference in its functioning causing the said standoff, if so, the details thereof and the reasons therefor;
- (c) whether the Government has requested RBI to release more funds from its reserves, if so, the details thereof and the reasons therefor; and
- (d) whether the Government has statistics regarding funds released from its reserves by the RBI, if so, the details thereof during the last five years, year-wise?

ANSWER

**Minister of State in the Ministry of Finance
(SHRI SHIV PRATAP SHUKLA)**

(a) and (b): The autonomy for the Central Bank, within the framework of the Reserve Bank of India (RBI) Act, is an essential and accepted governance requirement. A press release was issued by the Government on 31.10.2018 as below:

“The autonomy for the Central Bank, within the framework of the RBI Act, is an essential and accepted governance requirement. Governments in India have nurtured and respected this. Both the Government and the Central Bank, in their functioning, have to be guided by public interest and the requirements of the Indian economy. For the purpose, extensive consultations on several issues take place between the Government and the RBI from time to time. This is equally true of all other regulators. Government of India has never made public the subject matter of those consultations. Only the final decisions taken are communicated. The Government, through these consultations, places its assessment on issues and suggests possible solutions. The Government will continue to do so.”

(c) and (d): The Government asked RBI for a review of its Economic Capital Framework (ECF) adopted in 2016. As per press release by RBI on 19.11.2018, the Board has decided to constitute an Expert Committee to examine the ECF, the membership and terms of reference of which will be jointly determined by the Government and RBI and that RBI should consider a scheme for restructuring of stressed standard assets of MSME borrowers with aggregate credit facilities of up to Rs. 25 crore, subject to conditions for ensuring financial stability.

The details of RBI surplus transferred to the Government during the last five years are as follows:

Financial year of RBI	Surplus transferred to Government (in crore Rupees)
2013-14	52,679

2014-15	65,896
2015-16	65,876
2016-17	30,659
2017-18	50,000
