

AUTONOMY OF RBI

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Ministry of Finance

Autonomy of RBI

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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 consultation 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.”

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

This was stated by Shri Shiv Pratap Shukla, Minister of State for Finance in a written reply to a question in Lok Sabha today.

DSM/RM/KA

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