

Bill No. 197 of 2022

THE RESERVE BANK OF INDIA (AMENDMENT) BILL, 2022

By

SHRI GOPAL CHINAYYA SHETTY, M.P.

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further to amend the Reserve Bank of India Act, 1934.

BE it enacted by Parliament in the Seventy-third Year of the Republic of India as follows:—

1. (1) This Act may be called the Reserve Bank of India (Amendment) Act, 2022.

Short title and
commencement.

5 (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. In section 47 of the Reserve Bank of India Act, 1934, the following proviso shall be inserted, namely:—

Amendment of
section 47.

10 “Provided that the Central Government may, in public interest for the development and welfare of the citizens, give directions to allocate the surplus profit of the bank to the Scheduled Banks for distribution to the beneficiaries of the various welfare schemes run by the Central Government.”.

STATEMENT OF OBJECTS AND REASONS

Our constitution has provided for the establishment of constitutional autonomous bodies for a specific purpose and also by the Government through Parliament to further the goal of democracy and to achieve specific objectives to perform various functions. Constitutional and non-constitutional autonomous bodies established by the Government, are completely independent in their functioning and they allocate Government funds.

Our country is the largest democratic country in the world and our country has a democratic system of governance of the people, by the people and for the people. Democracy is a system of such governance under which the people have the right to choose their ruler as they wish. Various welfare schemes are implemented for all-round development of the country by the ruler elected through the people, but it has often been seen that some autonomous bodies of the country unnecessarily create obstacles in the welfare schemes run by the Government, which is not fair for a democratic country.

Today our country occupies a prominent place among the countries with the fastest economic development of the world. But, it is also true that a large section of our population is still living below poverty line. Today we need money to improve the standard of living of poor citizens and solve the challenging problems like education, health services, housing, clean drinking water, irrigation, roadways, food, employment etc. for the rapid all-round development of the country.

In a developed country like America, the Central Bank transfers the reserve/surplus amount to the Government more than a certain limit, and in England also, there is a provision to transfer such surplus money between the Central Bank and the Government. When there is a system to transfer surplus funds to the Government in the developed countries of the world, in our developing country like India, it is not appropriate to create obstacles to transfer the surplus funds to the Government for carrying out development related work.

By investing the surplus money in the development related work of the country, it will not only help in the rapid development of our country, but also help the poor people of the country to get benefited by the schemes of public interest to be operated from this amount and make way for them to join the mainstream of the nation which is the urgent need of the hour.

The autonomous institutions of the country, which are allocated funds by the Government for the performance of their functions, have the moral duty to take positive action by cooperating with the Government to promptly carry forward the public welfare schemes implemented by the Government for the development of the country and not to create a hindrance in this path. Therefore, it is necessary in the interest of the country that whenever the Central Government instructs the Reserve Bank of India to implement the welfare schemes run for the development of the country, the banks should accept them immediately in public interest without putting any objection.

Therefore, the intention of making further amendments in the Reserve Bank of India Act, 1934 is to implement central public welfare schemes without any hindrance to ensure all-round development of the country.

Hence this Bill.

NEW DELHI;
8 August, 2022.

GOPAL CHINAYYA SHETTY

ANNEXURE

EXTRACT FROM THE RESERVE BANK OF INDIA ACT, 1934
(2 OF 1934)

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47. After making provision for bad and doubtful debts, depreciation in assets, contributions to staff and superannuation fund and for all other matters for which provision is to be made by or under this Act or which are usually provided for by bankers, the balance, of the profits shall be paid to the Central Government.

Allocation of
surplus profits.

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further to amend the Reserve Bank of India Act, 1934.

(Shri Gopal Chinayya Shetty, M.P.)