

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA  
UNSTARRED QUESTION NO.759

TO BE ANSWERED ON FRIDAY, DECEMBER 14, 2018 { AGRAHAYANA 23, 1940  
(SAKA) }

**New Capital Framework for the RBI**

QUESTION

759. SHRI KONDA VISHWESHWAR REDDY: SHRIMATI RAKSHATAI KHADSE

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to introduce a new capital framework for the Reserve Bank of India (RBI), if so, the details thereof;
- (b) whether Government has had a joint meeting with RBI board for transfer of passing the excess contingency reserves to the Government, if so, the details thereof and the types of reserve funds RBI is maintaining during the last three years;
- (c) whether the Government with RBI has jointly decided on the panel constitution to identify the excess capital, along with its terms of reference, if so, the details thereof; and
- (d) whether the Government seeks to reduce reserves of the RBI, if so, the details of the excess reserve threshold determined by it along with the operational challenges that might arise in doing the same?

ANSWER

Minister of State in the Ministry of Finance  
(SHRI P. RADHAKRISHNAN)

- (a) to (d): The Government did ask RBI for a review of its Economic Capital Framework adopted in 2016. The matter was discussed by the Central Board of RBI, in its meeting held on November 19, 2018 and the Board has decided to constitute an Expert Committee to examine the Economic Capital Framework of RBI. The Terms of Reference and Composition of the Expert Committee are to be jointly determined by the Government and RBI.

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