

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO.2387
ANSWERED ON MONDAY, THE 13th DECEMBER, 2021

Transfer of Funds by RBI

2387. SHRI DIBYENDU ADHIKARI:

Will the Minister of FINANCE be pleased to state:

- (a) Whether the Reserve Bank of India (RBI) has recently transferred ₹ 99,000 crores as surplus to the Government and if so, the details thereof;
- (b) Whether RBI sold 85.2 billion dollars of its foreign exchange reserve from July 2020 to August 2021 and if so, the details thereof;
- (c) The rules under law and Act of the RBI for directly financing the Government's expenditure; and
- (d) The reasons as to why RBI needs to sell this high amount of foreign exchange reserve?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

- (a) The Reserve Bank of India (RBI) has transferred an amount of ₹ 99,122 crore as surplus to Government of India for the accounting year 2020-21, after making necessary provisions as per RBI Act, 1934.
- (b) During July 2020 to August 2021, the Reserve Bank of India engaged in net purchases of US Dollars as shown in the Annexure.
- (c) The Government expenditure is financed by mobilising resources through various sources viz., tax and non-tax receipts, non-debt capital receipts etc. Government also borrows the funds from market and other sources to finance the excess of expenditure over receipts. RBI facilitates Government to avail WMA/OD to a certain extent by charging interest.
- (d) Regulation and management of foreign exchange in the country is an important function of RBI with an objective to facilitate external trade & payments and to promote orderly development and management of foreign exchange market in India. RBI purchased more amount of US Dollars than it sold and thus remained net purchaser of US Dollars during the period July 2020 to August 2021.

Annexure

Month	Net Purchase/ Sale of Foreign Currency (US\$ Million)	Purchase (+) (US\$ Million)	Sales (-) (US\$ Million)
August-2021	3,747.00	10,887.00	7,140.00
July-2021	7,205.00	16,160.00	8,955.00
June-2021	18,633.00	21,923.00	3,290.00
May-2021	5,842.00	7,142.00	1,300.00
April-2021	4,212.00	8,182.00	3,970.00
March-2021	-5,699.00	20,250.00	25,949.00
February-2021	-1,219.00	23,352.00	24,571.00
January-2021	2,854.00	18,225.00	15,371.00
December-2020	3,991.00	10,014.00	6,023.00
November-2020	10,261.00	14,289.00	4,028.00
October-2020	15,640.00	15,640.00	0.00
September-2020	8,172.00	13,322.00	5,150.00
August-2020	5,307.00	8,524.00	3,217.00
July-2020	15,973.00	16,903.00	930.00
Total	94,919.00	2,04,813.00	1,09,894.00