

to government

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The Reserve Bank on Friday decided to transfer Rs 99,122 crore as surplus to the exchequer, a move that will help the government to channelise more resources to combat the second wave of COVID-19 pandemic.

The decision to transfer the surplus amount for the accounting period of nine months ended March 31, 2021 was taken at a meeting of the central board of the [RBI](#), held through video conferencing, under the chairmanship of Governor Shaktikanta Das.

The surplus is commonly called 'dividend'.

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The RBI has followed a July-June financial year since 1940, when it moved away from a January-December financial year.

The RBI also decided to maintain a Contingency Risk Buffer at 5.50 per cent in line with recommendations of the Bimal Jalan Committee report. The panel had prescribed a Contingency Risk Buffer range of 6.5 per cent to 5.5 per cent for the RBI.

The RBI Board, according to a release, also reviewed the current economic situation, global and domestic challenges and recent policy measures taken by the Reserve Bank to mitigate the adverse impact of the second wave of COVID-19 on the economy.

With the change in the Reserve Bank's accounting year to April-March (earlier July-June), the Board discussed the working of the RBI during the transition period of nine months (July 2020-March 2021).

During the meeting, the board "approved the Annual Report and accounts of the Reserve Bank for the transition period.

"The Board also approved the transfer of Rs 99,122 crore as surplus to the central government for the accounting period of nine months ended March 31, 2021 (July 2020-March 2021), while deciding to maintain the Contingency Risk Buffer at 5.50 per cent."

The RBI had transferred Rs 57,128 crore as surplus to the central government for the accounting year 2019-20.

A year before that (2018-19), the RBI had transferred Rs 1.76 lakh crore which included Rs 1.23 lakh crore as dividend and Rs 52,637 crore excess provisions identified as per the revised Economic Capital Framework (ECF).

In the Budget 2021-22, the government had pegged the dividend/ surplus of Reserve Bank of India, nationalised banks and financial institutions at Rs 53,510.61 crore. For the fiscal year 2020-21, it was revised downwards to Rs 61,826.29 crore, from the earlier estimate of Rs 89,648.51 crore.

The 589th meeting of the Central Board was attended by Deputy governors Mahesh Kumar Jain, Michael Debabrata Patra, M Rajeshwar Rao and T Rabi Sankar.

Other directors of the Central Board, N Chandrasekaran, Satish K Marathe, S Gurumurthy, Revathy Iyer and Sachin Chaturvedi also attended the meeting.