

# RBI okays ₹87K-cr surplus transfer to govt for 2022-23

MANOJIT SAHA

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The board of the Reserve Bank of India on Friday approved ₹87,416 crore of surplus transfer to the government for 2022-23 and said it maintained the contingency risk buffer 50 basis points higher at 6 per cent for the year.

The surplus is almost three times the amount in 2021-22 (₹30,307 crore), though the figures are not exactly comparable as 2021-22 was a nine-month accounting year for the RBI.

The Indian central bank shifted its accounting year (AY) from July-June to April-March last year, in sync with the government's fiscal year.

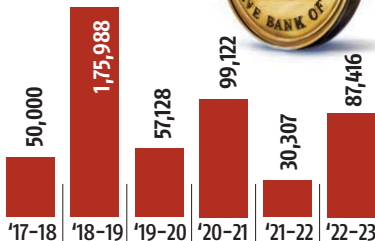
In AY22, the contingency buffer was kept at 5.5 per cent; provision towards the contingency fund was around ₹1.15 trillion.

The surge in surplus is due to higher income during AY23, boosted by selling of foreign exchange reserves.

“The board in its meeting reviewed

## REVENUE BOOST

Amt (₹ cr)  
RBI's surplus transfer to govt in past years



Source: RBI

the global and domestic economic situation and associated challenges, including the impact of current global geopolitical developments,” the central bank said in a statement.

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RBI SURPLUS A WELCOME FISCAL BOOST FOR CENTRE

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### LRS...

“This has now been addressed,” said Bankbazaar.com CEO Adhil Shetty. Deepesh Raghaw, a Sebi-registered investment advisor (RIA) and founder of PersonalFinancePlan, saw the move as fair. “When they travel abroad, most individuals carry foreign currency as well. Therefore, the ₹7 lakh threshold for imposing TCS appears adequate,” he said. Earlier, experts had also pointed out that the deducted amount would not reflect in individuals’ Form 26AS if their credit card issuer made a mistake in TCS deduction or did not deposit the amount in time. “The rollback of the measure will protect individuals from such compliance-related hassles,” said Abhishek Kumar, Sebi RIA and founder of SahajMoney.

Taxmann Deputy General Manager Naveen Wadhwa, however, sounded a note of caution. “This (TCS) relaxation shall not be available for any remittances made from India. Thus, any remittance for investment, ticket booking, purchase of goods, payment of subscription fees, etc, shall continue to be subject to TCS at 20 per cent,” he said.

### RBI...

“The board also discussed the working of the Reserve Bank during the year April 2022-March 2023 and approved the Annual Report and accounts of the Reserve Bank for the accounting year 2022-23. The board approved the transfer of ₹87,416 crore as surplus to the central government for the accounting year 2022-23, while deciding to keep the contingency risk buffer at 6 per cent,” the statement added.

Economists said the higher surplus transfer was mainly due to sale of foreign exchange reserves. However, since the RBI has a large investment in US treasuries, a sharp rise in yields have dented profits.

“Gains from record gross foreign exchange sales in 2022-23 would be the major driver of bumper surplus, albeit with the profit being partly offset by higher provisioning on MTM (mark-to-market) losses on foreign securities. Besides, the higher contingency buffer at 6 per cent of balance sheet versus 5.5 per cent in the past, also ate into the profit,” said Madhavi Arora, lead economist, Emkay Global. “The dividend could bring in additional revenue of around 0.2 per cent of GDP, which could partly offset possible losses amid lower tax revenues, divestment, etc,” Arora said, adding the surplus was in line with the expectations.

### No lapses...

Sebi is investigating allegations of violations of minimum public shareholding (MPS) and related-party transactions (RPT) norms. It is expected to reach a conclusion by August 14, the new deadline set by the court to complete the probe.

“At this stage, taking into account the explanations provided by Sebi, supported by empirical data, prima facie, it would not be possible for the committee to conclude that there has been a regulatory failure around the allegation of price manipulation,” the six-member panel has said in its 173-page report.

The members of the committee are Justice A M Sapre, O P Bhat, Justice J P Devadhar, K V Kamath, Nandan Nilekani, and Somasekharan Sundaresan.

On the allegation of stock price manipulation at Adani