

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:409

ANSWERED ON:03.02.2017

Autonomy of RBI

Adsul Shri Anandrao ;Ashok Kumar Shri K.;Kothapalli Smt. Geetha;Mahtab Shri Bhartruhari;Yadav Shri Dharmendra

Will the Minister of FINANCE be pleased to state:

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA

UNSTARRED QUESTION NO. 409

TO BE ANSWERED ON FEBRUARY 3, 2017 / MAGHA 14, 1938 (SAKA)

"AUTONOMY OF RBI"

409. SHRI DHARMENDRA YADAV:

SHRI ANANDRAO ADSUL:

SHRI BHARTRUHARI MAHTAB:

SHRI K. ASHOK KUMAR:

SHRIMATI KOTHAPALLI GEETHA:

Will the Minister of FINANCE be pleased to state:

- (a) whether Reserve Bank of India (RBI) Act, 1934 stipulates that the Central Bank was constituted to regulate the issue of notes and keeping of reserves with a view to secure monetary stability in India, if so, the details thereof;
- (b) whether the autonomy of the RBI has been compromised during the implementation of the Demonetization Scheme in the country damaging the institutional identity and reputation of RBI, if so, the details thereof;
- (c) whether the RBI has received complaints from various quarters including their employees in this regard, if so, the details thereof along with the action taken thereon; and
- (d) the corrective steps taken by the Government to maintain the autonomy of the RBI?

Answer

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ARJUN RAM MEGHWAL)

- (a) Yes, Madam. As per the preamble of the RBI Act, 1934, it is expedient to constitute a Reserve Bank for India to regulate the issue of Bank notes and the keeping of reserves with a view to securing monetary stability in 2[India] and generally to operate the currency any credit system of the country to its advantage.
- (b) The proposal for withdrawal of legal tender status of Rs 500 and Rs 1000 denomination banknotes was deliberated by the Central Board of Reserve Bank of India in detail before it made its recommendations.
- (c) RBI has informed that a forum of Associations / Unions had written a letter and memoranda from different Pradesh Committees were also received.
- (d) No corrective steps are required in view of (b) above.
