

Change in the established practice of appointment of RBI Governors

214. SHRI MAJEED MEMON: Will the Minister of FINANCE be pleased to state:

(a) the total sanctioned strength of Governors *i.e.* Governor and Deputy Governors in the Reserve Bank of India and their mode of appointment;

(b) whether any departure from the established practice has now been made for the appointment of Deputy Governors, if so, the details of the established practice in the matter and the departure so made; and

(c) the reasons necessitated for a change in the established practice in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SANTOSH KUMAR GANGWAR): (a) Section 8(1)(a) of the Reserve Bank of India Act, 1934 provides that there shall be one Governor and not more than four Deputy Governors to be appointed by the Central Government on the Central Board of Reserve Bank of India. Deputy Governors are appointed on the basis of Appointments Committee of the Cabinet (ACC) approved guidelines, which provides that Search Committee constituted for the purpose will recommend the person to be appointed as Deputy Governor. Whereas, the appointment of Governor, Reserve Bank of India is approved by Prime Minister's Office on the recommendations of Finance Minister.

(b) and (c) No, Sir. ACC Guidelines for appointment of the Deputy Governors are still same. However, the composition of the Search Committee has now been changed. Now, a Search Committee namely, Financial Sector Regulatory Appointments Search Committee (FSRASC) has been constituted with the approval of ACC. The Committee will recommend names for appointment of Chairperson and Members of Financial Sector Regulatory Bodies including those of Governor and Deputy Governors.

Flood relief package sought by Government of Puducherry

215. SHRI N. GOKULAKRISHNAN: Will the Minister of FINANCE be pleased to state:

(a) the details of the relief package sought by Government of Puducherry towards the recent heavy floods during November-December, 2015;

(b) amount sanctioned by the Government as a relief package;

(c) amount released to Government of Puducherry;

(d) whether an amount of ₹ 50 crores was adjusted by re-appropriation from Plan to Non-Plan budget estimates of 2015-16; and

(e) if so, does it mean that there was actually no financial relief over and above the budget of Union Territory of Puducherry and will Government consider providing financial relief during the supplementary demands of 2016-17?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ARJUN RAM MEGHWAL): (a) to (d) Union Territory of Puducherry has submitted memoranda projecting overall losses and seeking an assistance of ₹ 491.90 crore for flood of November-December, 2015. As an interim assistance, a sum of ₹ 50 crore was released to the Government of Puducherry on 16.12.2015 for providing relief to the affected people, by re-appropriation of the amount from the Plan to the Non Plan Head of Expenditure.

(e) A High Level Committee has approved an amount of ₹ 35.14 crore as a Special Assistance to Puducherry, for the flood of November-December, 2015.

Measures taken to check inflationary trend

216. SHRI NEERAJ SHEKHAR: Will the Minister of FINANCE be pleased to state:

(a) whether Consumer Price Index has reached 21 months high at 7.55 per cent in the month of May, 2016;

(b) whether Government has failed in checking inflationary trend completely;

(c) if so, the details thereof and the reasons for the same; and

(d) the details of fresh effective measures Government proposes to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ARJUN RAM MEGHWAL): (a) to (c) As per the latest estimates released by the Central Statistics Office (CSO), the rate of monthly inflation based on Consumer Price Index (Combined) for the month of May, 2016 stood at 5.76 per cent. The Government has been successful in bringing down the average inflation from around 9-10 per cent in 2012-2014 to 5.9 per cent in 2014-15 and further to 4.9 per cent in 2015-16. The recent spurt in inflation has been mainly on account of price rise in a few items such as pulses, vegetables and sugar.

(d) The Government has been regularly monitoring prices and availability of essential commodities. Regular review meetings on price and availability situation are being held at the highest level. It has undertaken a number of measures to curb inflation, in particular, food inflation. The steps taken, *inter-alia*, include, (i) increased allocation of ₹ 900 crore for Price Stabilization Fund in the budget