

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:566

ANSWERED ON:09.07.2004

VALUE OF RUPEE

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Will the Minister of FINANCE be pleased to state:

- (a) Whether the value of rupee started depreciating steadily against the dollar and other major foreign currencies in the inter-bank foreign exchange market;
- (b) If so, the details thereof during the last three months;
- (c) The reasons for the depreciation of rupee value;
- (d) The per capita foreign loan till date; and
- (e) The steps taken by the Government to strengthen the rupee against major foreign currencies?

Answer

MINISTER OF STATE (REVENUE) IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) and (b): The average monthly exchange rate of the Rupee vis-à-vis US Dollar, Pound Sterling, Euro and Japanese yen during April-June 2004 is shown in the table below:

Month	Rs/Dollar	Rs/Pound Sterling	Rs/Euro	Rs/Yen
April`04	43.93	79.24	52.66	40.81
May`04	45.25	80.88	54.35	40.37
June`04	45.51	83.21	55.25	41.59

(c) The movement of the Rupee against major currencies is broadly market determined.

(d) India's per capita external debt at the end of March 2004 was US\$ 104.9.

(e) India's exchange rate policy focuses on managing volatility with no fixed rate target, allowing the underlying demand and supply conditions to determine the exchange rate movements over time in an orderly way. The RBI continues to monitor closely the developments in the financial markets at home and abroad, and carefully coordinates its market operations with appropriate monetary, administrative and other measures, as considered necessary from time to time.