

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 2939
TO BE ANSWERED ON AUGUST 03, 2018

RUPEE VOLATILITY

2939. SHRI B. VINOD KUMAR:

Will the Minister of FINANCE be pleased to state:

- (a) whether the rupee ended at 49.57/58 against the dollar, its lowest since 15 May, 2009, if so, the details thereof;
- (b) whether the currency's fall is the largest single-day fall since 12, November, 2008 when it dropped 2.6 per cent during the peak of the global financial crisis post the Lehman Brothers bankruptcy, if so, the details thereof;
- (c) whether India has adequate foreign exchange reserves to deal with the current volatility in the rupee, if so, the details thereof;
- (d) whether the Government plans to raise funds through Foreign Currency Non-Repatriable (FCNR) deposits, sovereign bond or through other routes to increase forex reserves; and
- (e) if so, the details thereof along with the reaction of the Government and the measures taken?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PON RADHAKRISHNAN)

(a) The value of Indian rupee vis-à-vis the US dollar (Reference rate) was Rs. 69.053 per US dollar on July 24, 2018, its lowest since May 15, 2009 when it was Rs. 49.55 per US dollar.

(b) The Indian rupee fell by around 4.1% against US dollar on 28 August 2013 (when it fell from Rs. 65.67 per US dollar on 27 August 2013, to Rs. 68.36 per US dollar on 28 August 2013). This is the largest single day fall in percentage terms since 12 November, 2008 when it fell by approximately 2.52%, (from Rs. 47.59 per US dollar on 11th November 2008 to Rs. 48.79 per US dollar on 12th November 2008) (based on RBI reference rates).

(c) As on July 20, 2018 India's foreign exchange reserves were at US dollar 405.14 billion, which appear adequate for over 10 months import cover and to deal with the volatility of the Indian rupee vis-à-vis US dollar.

(d) At present, there is no plan to raise funds from Foreign Currency Non-Repatriable (FCNR) deposits, sovereign bond or through any specific route to raise forex reserves.

(e) Does not arise.
