

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 2867
TO BE ANSWERED ON DECEMBER 28, 2018

DEPRECIATION OF RUPEE

2867. SHRI E.T. MOHAMMED BASHEER:
PROF. K.V. THOMAS:

Will the Minister of FINANCE be pleased to state:

- (a) the details of the rupee-dollar rate during the last five years;
(b) whether the value of rupee has come down with compared to the previous years, if so, the details thereof;
(c) the steps taken by the Government to address the crucial issue of depreciation of Indian rupee; and
(d) the total amount of black money extinguished following demonetisation?

ANSWER

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

(a) & (b) The average rupee-dollar exchange rate during the last five years is given in Table 1. Rupee depreciated by about 11 per cent, on an average, from Rs. 61 per US dollar in 2014 to Rs. 68.36 per US dollar in 2018 (up to December 19, 2018).

Table 1: Average US\$ / INR Closing Rate

Calendar Year	Rupees per US dollar
2014	61.03
2015	64.16
2016	67.19
2017	65.12
2018 (upto December 19, 2018)	68.36

Source: Reserve Bank of India.

During 2018, the rupee witnessed a general depreciating trend up to early October due to rising crude oil prices and rising interest rates in the US, international trade concerns and geo-political issues resulting in foreign portfolio investment outflows.

The rupee touched a low of Rs.74.49 per US dollar intra-day on October 11, 2018. However, the rupee recovered subsequently and closed at Rs.70.40 per US dollar on December 19, 2018. The general appreciating trend of the rupee since October reflects the easing of crude oil prices, and net foreign portfolio inflows among other factors.

(c) The exchange rate of rupee is market determined. The Reserve Bank of India (RBI), however, intervenes in the domestic foreign exchange market to manage excessive volatility and maintain orderly conditions without having any fixed target or band for the exchange rate.

(d) One of the instruments to assess the reduction in black money is to view the post-demonetisation increase in direct tax revenue and direct tax filers, as compared to pre-demonetisation period. The details regarding the numbers of returns filed and direct tax collected in pre and post demonetisation years, is given in **Table-2**:

Table 2: Direct Tax collection and number of returns filed

Years	Direct Tax Collection (Rs. In Crores)	Growth in Direct Tax Collection (in percentage)	No. of Returns filed (including revised returns)	Growth in No. of Returns filed (in percentage)
2014-15	695792	-----	40433614	-----
2015-16	741945	6.6	46304045	14.5
2016-17	849713	14.5	55709086	20.3
2017-18	1002741	18.0	68532510	23.0

Source : Incometax.gov.in

The year 2016-17 which included some impact of demonetisation, saw significant growth in direct tax collection and number of direct tax filers as compared to 2014-15. The growth continued in 2017-18 as well.
