

**Exchange Value of Rupee**

12. SHRI K. P. UNNIKRISHNAN:

SHRI BHOGENDRA JHA:

SHRI RAJENDRA AGNIHOTRI:

Will the Minister of FINANCE be pleased to state:

(a) whether the rupee has been devalued and its exchange value readjusted against the foreign currencies;

(b) if so, the reasons therefor;

(c) whether the International Monetary Fund had insisted upon such a devaluation;

(d) if so, the details thereof;

(e) whether there is any difference between the official and unofficial exchange value of the rupee as against major currencies; and

(f) if so, the value of the rupee in the official and unofficial rates of exchange as on July 5, 1991?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR):

(a) The exchange rate of rupee against foreign currencies is adjusted from time to time and recently there have been steep adjustments on 1st July, 1991 and 3rd July, 1991.

(b) Exchange rate adjustments had been necessitated by the growing external and internal imbalances in the economy. The balance of payments situation had become very critical as reflected by a sharp drawdown of reserves. Since October, 1990 there has been an appreciation in the real effective exchange rates of the rupee as a result of a relatively high rate of inflation in the country vis-a-vis India's major trading partners and a much slower rate of depreciation in the normal exchange rate leading to

an erosion in the international competitiveness of the economy. It was equally necessary to stem the destabilising market expectations which were generated by perceptions about the exchange value of the rupee.

(c) No, Sir.

(d) Does not arise.

(e) The Government and Reserve Bank of India require that all transactions are operated at official rates only and hence identifying the difference between official and unofficial exchange value of the rupee does not arise.

(f) The exchange value of the rupee in respect of major currencies as on 5th July, 1991 is as follows:—

(Rs. per unit of foreign currency)

US Dollar	25.96
Pound Sterling	41.72
Deutsche Mark	14.18
Japanese Yen	0.186

**Impact of Devaluation of Rupee on Industries Dependent on Imports**

703. SHRI V. SREENIVASA PRASAD:

SHRI M. V. CHANDRASHEKARA MURTHY:

SHRI BHAGEY GOBARDHAN:

Will the Minister of COMMERCE be pleased to state:

(a) whether the recent devaluation of rupee has hit the industries which are dependent on imports;

(b) whether only the exporters have been benefited by the devaluation; and

(c) if so, the steps proposed to be taken to rectify the situation in the interest of importers?

**THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM):** (a) and (b) The downward adjustment in the value of rupee effected by the Reserve Bank of India on 1st and 3rd July, 1991 is expected to restrain imports, improve India's export earnings, and encourage capital flows by restoring confidence in the Rupee.

(c) The Government have recently introduced far-reaching reforms in the export-import policy aimed at reducing controls through licensing, strengthening export incentives and linking import capability in a wide range of imports to export earnings.

#### **Firing in Karan Sub-Sector**

**704. SHRI V. SREENIVASA PRASAD:**

**SHRI M. V. CHANDRA-SHEKARA MURTHY:**

Will the Minister of DEFENCE be pleased to state:

(a) whether the Pakistani troops resorted to heavy firing on Indian posts in the Karan sub-sector of Kupwara in J&K on June 29 and July 1, 1991;

(b) if so, the number of jawans killed due to firing by Pakistani troops;

(c) whether the Indian forces returned the fire;

(d) the details of the incident; and

(e) the steps taken by the Government to face such challenges?

**THE MINISTER OF DEFENCE (SHRI SHARAD PAWAR):** (a) Yes, Sir.

(b) There were no casualties on the Indian side.

(c) and (d) Yes, Sir. Our troops effectively returned the fire.

(e) Our troops are fully equipped and trained to meet all contingencies, to ensure our territorial integrity.

#### **Reward to Informers of Income-tax Evaders**

**705. SHRI KARIA MUNDA:** Will the Minister of FINANCE be pleased to state:

(a) whether the informants of Income-tax evaders in Delhi during 1990 and 1991 have been rewarded;

(b) if not, the reasons therefor; and

(c) the time by which the cash reward will be given to the informants of Income-tax evaders?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR):** (a) Yes, Sir. Reward including interim reward was paid to 17 and 24 informants respectively during the financial years ending on 31st March, 1990 and 1991 in Delhi.

(b) Does not arise.

(c) Under the guidelines for reward to informants, an informant can be paid final reward only after entire tax directly attributable to information furnished by him, as determined in the assessments, has been realised after all the appeals relating to the assessments have been disposed of and the assessments have become final. Hence the time taken for the grant of final reward will vary from case to case.

#### **[Translation]**

**Repair of Bridge on National Highway No. 25 at Shivpuri Bhognipur**

**706. SHRI SANTOSH KUMAR GANGWAR:** Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether a bridge situated at Shivpuri Bhognipur on the National Highway No. 25 was blown off in October, 1990;