

Value of Rupee

2586. **ASHOK ANANDRAO DESHMUKH:** Will the Minister of FINANCE be pleased to state:

(a) whether the value of rupee is continuously falling in the domestic as well as international markets;

(b) if so, the reasons therefor;

(c) the value of rupee assessed at the end of 1980-81 and 1990-91 on the basis of 1970 as base year; and

(d) what was the exchange value of rupee in the international market at the end of 1970-71, 1980-81 and 1990-91 in comparison to major currencies of the world?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) to (d): Internal value of Indian Rupee, measured as a reciprocal of the All India Consumer Price Index for Industrial Workers (Base 1970-100) was 44 paise at the end of 1980-81 and 19 paise at the end of 1990-91 respectively. The external value of the Indian rupee vis-a-vis leading currencies of the world as at the end of 1970-71, 1980-81 and 1990-91 was as indicated in the table below. The decline in the internal value of the rupee reflects the secular rise in the level of consumer prices. In a regime of floating exchange rate where the exchange value of the rupee is linked to a basket of currencies, frequent adjustments in the exchange value vis-a-vis other currencies is a normal phenomenon.

*Rupees per unit of foreign currency
(end March)*

<i>Currency</i>	<i>1970-71</i>	<i>1980-81</i>	<i>1990-91</i>
Us Dollar	7.502	8.190	19.620
Pound Sterling	18.132	18.379	34.051
Deutsche Mark	2.067	3.897	11.427
Yen	0.021	0.039	00.139
French Franc	1.361	1.652	3.373

**Opening of Branches of Indian Banks
Abroad**

2587. **SHRI P.C. CHACKO:** Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to amend the branch licensing policy of Banks;

(b) if so, whether the Indian Banks are proposed to be permitted to open bank

branches outside the country especially in Gulf countries;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH) (a) to (c). Reserve Bank of India have reported that there is no proposal, at