

(d) if so, the extent to which the rupee value has gone down against the dollar as on the eve of rouble devaluation and immediately after it and month to month thereafter;

(e) whether the Reserve Bank of India had also announced a package of measures to boost the value of rupee and strengthen the money market and the economy; and

(f) if so, the details of the package?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) and (b) The exchange rate of the rupee against the US dollar has depreciated by about 9.5 per cent to Rs. 42.53 per US dollar on November 27, 1998 as compared to the rate of Rs. 38.47 per US dollar a year ago i.e., on November 27, 1997. Since end August 1998, however, the exchange rate of the rupee has shown marginal appreciation against the US dollar.

(c) and (d) No, Sir. In the month of September 1998, the Russian rouble depreciated by about 52.8 per cent against the US dollar. On the other hand, during the months of September 1998 and October 1998, the value of the Indian rupee against the US dollar appreciated by 0.55 per cent and 0.45 per cent respectively.

(e) and (f) The exchange rate of the rupee is market determined. The exchange rate developments are closely monitored both by the Government and the Reserve Bank of India (RBI). While allowing market developments to be reflected in the exchange rate considerations, such as preservation of improvement of external competitiveness, the RBI, as and when necessary, intervenes in the foreign exchange markets and deploys suitable monetary and other measures. The latest such measures were undertaken by the RBI on August 20, 1998 to prevent speculative sentiments from building up in the domestic foreign exchange market. These include: temporary increase in CRR from 10.0 per cent to 11.0 per cent in order to absorb excess liquidity; hike in Repo rate from 5 per cent to 8 per cent, with the provision to review the rate periodically keeping in view the liquidity conditions; withdrawal of the facility of rebooking cancelled forward contracts for imports; withdrawal of the facility for splitting forward and spot legs for a commitment, extension of time limit for repatriation of export proceeds to be allowed only in exceptional circumstances; and close monitoring of peak interaday positions of the Authorised Dealers (ADs). Besides, ADs were allowed to offer forward cover facilities to Foreign Institutional Investors (FIIs) to the extent of 15 per cent of their investment and flexibility was allowed in the use of Exchange Earner Foreign Currency (EEFC) accounts.

PAN

1110. SHRI RIZWAN ZAHEER KHAN :

SHRI VITHAL TUPE :

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has made 'PAN' essential for opening a new account;

(b) if so, whether the Government are aware that as a result of this decision, common masses depending on small savings would be put to hardship;

(c) whether there is difference of opinion between this RBI and the Government over this issue;

(d) whether blackmarketeers would desist from opening accounts in the banks because of the PAN and thereby try to hide money; and

(e) if so, the steps taken by the Government in the direction?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCE AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) Reserve Bank of India vide circular DBOD. NO. BP. BC. 110/21.02.051/98 dated 18.11.1998 has drawn the attention of all commercial banks to the notification dated 9.10.98 issued by Central Board of Direct Taxes, Department of Revenue, Ministry of Finance relating to quoting of permanent account number (PAN) or General Index Register No. (GIR No.) in all documents in relation to time deposits exceeding Rs. 50,000/- with the banking company, contract of a value exceeding Rs. 10 lakhs for sale and purchase of securities and opening an account with the banking company. The circular has also pointed out that those persons who do not have either PAN or GIR No. can make a declaration in Form No. 60 and persons having agricultural income and not in receipt of any income chargeable to tax can make a declaration in Form No. 61. The banks have been advised to get the Form No. 60 and 61 printed and stocked adequately in branches for the convenience of customers.

(b) There need not be any hardship regarding provision to quote PAN or GIR No. as a person not having either of these can open a bank account by filing a simple declaration to establish his residential address. The notification also makes it clear that requirement to file a declaration is necessary only when the specified transaction is in cash or otherwise than by a crossed cheque or a crossed bank draft.

(c) No, Sir.

(d) and (e) The provisions are expected to be a deterrent against benami accounts entering into banking system and providing safe haven to unaccounted money which will now be vulnerable to search and survey operations.