

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1566  
ANSWERED ON:27.11.2009  
VALUE OF RUPEE  
Rathod Shri Ramesh

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Reserve Bank of India (RBI) has set any target level for the rupee and limit volatility in the market-driven exchange rate;
- (b) if so, the details thereof; and
- (c) the impact of such decision on the consumers in the market?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a) & (b): No Sir.

(c): However, the exchange rate policy is guided by the broad principles of careful monitoring and management of exchange rates with flexibility, while allowing the underlying demand and supply conditions to determine the exchange rate movements over a period in an orderly manner. Subject to this predominant objective, Reserve Bank of India (RBI) intervention in the foreign exchange market is guided by the objectives of reducing excess volatility, preventing the emergence of destabilizing speculative activities, maintaining adequate level of reserves, and developing an orderly foreign exchange market.