

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (d) State Bank of India, Leader of Consortium of lender banks, has informed that no such lifeline has been extended to Kingfisher Airlines Ltd. by them during the current financial year.

Recommendation of Eleventh Finance Commission

†651: SHRI ASHK ALI TAK: Will the Minister of FINANCE be pleased to state:

(a) whether Government proposes to include the remaining amount in Calamity Relief Fund (CRF) at the end of financial year 2004-05 in the state plan according to the recommendations of Eleventh Finance Commission;

(b) if so, by when the orders will be issued; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) No such proposal is under consideration.

(b) and (c) Do not arise.

Impact of interest rate hike on exchange value of rupee

†652. SHRIMATI HEMA MALINI:

SHRI PRABHAT JHA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the rupee is persistently depreciating against dollar and it had touched its all time minimum recently;

(b) if so, the details thereof;

(c) whether it is a fact that persistent depreciation of rupee is due to regular increase in interest rate by the Reserve Bank of India (RBI);

(d) if so, the details thereof; and

(e) if not, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) In the current fiscal 2011-12, the rupee has shown depreciating trend between August and December 2011 as indicated below. The main reasons for rupee depreciation were the supply-demand imbalance in the domestic foreign exchange market on account of slowdown in FII inflows, strengthening of US dollar in the international market due to the *safe haven* status of US Treasuries and heightened risk aversion due to the euro area sovereign debt crisis.

The Reserve Bank of India has taken a number of steps to augment supply of foreign exchange and to curb speculation in the foreign exchange market to stem rupee decline. As a result of this rupee has stabilized in recent months as indicated below.

†Original notice of the question was received in Hindi.