

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1995
ANSWERED ON:15.03.2002
FOREIGN EXCHANGE RESERVE
BRAHMANAND MANDAL

Will the Minister of FINANCE be pleased to state:

- (a) the foreign exchange reserve of the country as on March 31, 2001;
- (b) whether the foreign exchange reserve has recorded a new high record recently;
- (c) if so, the comparative figure for the last two years; and
- (d) the steps taken by the Government to maintain adequate quantity of foreign exchange in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a): India's foreign exchange reserves (including gold and SDRs) held by the Reserve Bank of India amounted to US \$42,281 million as on March 31, 2001.

(b) & (c): As per the latest information available for the period upto the week ended March 1, 2002, the foreign exchange reserves reached a new high level of US \$50,777 million at the end of February, 2002. This compares with US \$35,903 million at the end of February, 2000 and US \$41,608 million at the end of February, 2001.

(d): The level of foreign exchange reserves at present is comfortable, considering the requirements for essential imports, short-term liabilities including debt service payments, and other unforeseen contingencies. The Government and the Reserve Bank of India monitor closely the developments in the balance of payments and take such measures, as are considered necessary, from time to time, to increase exports, invisible receipts, including remittances and to enhance inflows of capital, particularly foreign direct investments, so as to help maintain adequate level of foreign exchange reserves.