

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5265

ANSWERED ON:10.12.2010

FOREIGN EXCHANGE RESERVES AND VALUE OF RUPEE

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Will the Minister of FINANCE be pleased to state:

- (a) whether a large amount of the country's foreign exchange reserves has depleted in the last six months;
- (b) if so, the reasons therefor and steps taken in this regard by the Government;
- (c) whether the fast depletion of foreign exchange reserves has serious implications and depreciation on the value of rupee; and
- (d) if so, the steps Government proposes to take in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (d) The foreign exchange reserves of India was US\$ 273.5 billion at end May 2010 and US\$ 292.4 billion at end November 2010.

The monthly average rupee exchange rate (average of buying and selling by Foreign Exchange Dealer Association of India (FEDAI)) was Rs.45.8 per US dollar in May, 2010 and Rs.45.0 per US dollar in November, 2010 indicating an appreciation of 1.8 per cent against US dollar during the period.