

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4122

ANSWERED ON:05.09.2012

FOREIGN EXCHANGE RESERVES

Mitra Shri Somendra Nath;Nagar Shri Surendra Singh;Singh Shri Ravneet;Virendra Kumar Shri

Will the Minister of FINANCE be pleased to state:

(a)the details of foreign exchange reserves as on 1 September, 2012 along with the names of the countries whose currencies are available in the said reserves;

(b)whether there is continuous decline in the foreign exchange reserves in the country;

(c)if so, the details thereof during each of the last three years and the current year along with the amount of it utilized by the Government/RBI;

(d)the effect on the prices of commodities due to non-utilization of the said reserves; and

(e)the steps taken by the Government to check depletion in the foreign reserves of the country?

Answer

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

(a) The Foreign Exchange Reserves comprising Foreign Currency Assets (FCA), Gold, Special Drawing Rights and Reserve Tranche Position with International Monetary Fund stood at US\$ 290.2 billion as on August 24, 2012. The foreign currency assets are maintained in major international currencies like the US dollar, euro, pound sterling, Australian dollar and Japanese yen etc.

(b) & (c) The foreign exchange reserves during the last three years and the current year and its utilisation is given below:

Sl	Year	Foreign exchange reserves (US\$ billion)	Sale / Buy of (US\$ billion)
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1	2009-10 (end March 2010)	279.1	(-) 2.6
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2	2010-11 (end March 2011)	304.8	(+) 1.7
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3	2011-12 (end March 2012)	294.4	(-) 20.1
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4	2012-13 (as on August 24, 2012) (up to July 2012)	290.2	(-) 1.6
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Note: Sale (-) / Buy (+) of US dollar Source: Reserve Bank of India (RBI)

(d) The foreign exchange reserves have no direct bearing on prices of commodities.

(e) The level of foreign exchange reserves is largely the outcome of the Reserve Bank of India's intervention in the form of buy / sale of

US dollar in the foreign exchange market to smoothen exchange rate volatility, valuation changes due to inter se movement of US dollar against other international currencies in the reserve basket and aid receipts. The foreign exchange reserve position remains at a comfortable level as indicated by the import cover of around seven months at end March 2012.