

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:119  
ANSWERED ON:08.08.2012  
FOREIGN EXCHANGE RESERVES  
Patil Shri C. R.

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

- (a) whether the Foreign Exchange Reserves (FER) have reduced considerably in the recent past;
- (b) if so, the details of the FER in the country during each of the last three years and the current year;
- (c) whether the Government proposes to utilise the foreign exchange reserves in a more meaningful and productive manner; and
- (d) if so, the details thereof and if not, the reasons therefor?

**Answer**

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

- (a) Foreign exchange reserves have declined to US\$ 288.8 billion at end July 2012 from US\$ 292.8 billion at end January 2012.
- (b) Details of foreign exchange reserves during last three years and current year are given below:

Sl. Period Foreign Exchange Reserves  
(US\$ billion)

1	2009-10 (end March 2010)	279.1
2	2010-11 (end March 2011)	304.8
3	2011-12 (end March 2012)	294.4
4	2012-13 (end July, 2012)	288.8

(c)&(d) In line with the principles of preserving the long-term value of the foreign exchange reserves in terms of purchasing power, minimising risk and volatility in returns, and maintaining liquidity, the Reserve Bank of India holds foreign currency assets (FCAs) in major convertible currency instruments. These include deposits of other country central banks, the Bank for International Settlement (BIS), and top-rated foreign commercial banks and securities representing debt of sovereign and supranational institutions with residual maturity not exceeding 10 years.