

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1701

ANSWERED ON:16.08.2013

UTILISATION OF FER

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Will the Minister of FINANCE be pleased to state:

- (a) the year-wise details of reserves and sector-wise utilization of foreign exchange during the last three years and the current year till date;
- (b) whether any losses have been suffered during the period;
- (c) if so, the details thereof and the reasons therefor; and
- (d) the corrective measures taken/ proposed to be taken by the Government in this regard?

Answer

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

(a) to (d) Year wise details of foreign exchange reserves during the last three year and in current year is given below:

Year	US\$ billion FCA	Gold #	SDR @	RTP in IMF	Total Foreign
Reserves	Exchange				
2010-11					
(end March 2011)	274.3	22.972	4.569	2.947	304.8
2011-12					
(end March 2012)	260.1	27.023	4.469	2.836	294.4
2012-13					
(end March 2013)	259.7	25.692	4.328	2.301	292.0
2013-14					
(end July 2013)	250.3	20.7	4.369	2.180	277.6

FCA: Foreign Currency Assets, SDR: Special Drawing Rights, RTP in IMF: Reserve Tranche Position in International Monetary Fund. FCA excludes US\$ 380 million since September 16, 2011, excludes US\$ 550 million since February 27, 2012, excludes US\$ 673 million since March 30, 2012 and US\$ 790 million since July 5, 2012, exclude US\$ 950 million since March 2013 and US\$ 99.47 million equivalent of Bhutan currency received from Bhutan under SAARC Swap arrangement. @ Includes SDRs 3,082.5 million allocated under general allocation and SDRs 214.6 million allocated under special allocation by IMF done on August 28, 2009 and September 9, 2009, respectively. # Includes US\$ 6,699 million reflecting the purchase of 200 metric tonnes of gold from IMF on November 3, 2009. 2. Some figures may not tally due to rounding off. Source: Reserve Bank of India

The investment in the domestic economy is made in rupee only. In line with the principles of preserving the long-term value of the reserves in terms of purchasing power, minimizing risk and volatility in returns and maintaining liquidity, the RBI holds foreign currency assets (FCAs) in major convertible currency instruments. These include deposits of other country central banks, the Bank for International Settlements (BIS) and top-rated foreign commercial banks, and in securities representing debt of sovereigns and supranational institutions with residual maturity not exceeding 10 years, to provide a strong bias towards capital preservation and liquidity. The annualized rate of return, net of depreciation, on the multi-currency multi-asset portfolio of the RBI declined from 1.7 per cent in 2010-11 to 1.5 per cent in 2011-12.