



Ministry of Finance

Utilisation of Foreign Exchange Reserves

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India's foreign exchange reserves (FER) increased from US\$ 341.6 billion at end March 2015 to US\$ 360.2 billion at end March 2016 and US\$ 360.8 billion as on 20th January 2017. India's foreign exchange reserves (FER) comprise foreign currency assets, gold, Special Drawing Rights (SDRs) and Reserve Tranche Position (RTP) with the IMF. The level of foreign exchange reserves is largely the outcome of Reserve Bank of India's intervention in the foreign exchange market to stabilise the rupee value. 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 Reserve Bank of India holds foreign currency assets (FCAs) in major convertible currency instruments. These include deposits with other country central banks, the Bank for International Settlements and top-rated foreign commercial banks, and in securities representing debt of sovereigns and supranational institutions, etc. The Government and the RBI closely monitor the situation and take appropriate policies as and when required.

This was stated by Shri Arjun Ram Meghwal, Minister of State in the Ministry of Finance in written reply to a question in Lok Sabha today.

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