

Foreign Exchange Reserves

6.53 The foreign exchange reserves of the country consist of foreign currency assets held by the RBI, gold holdings of the RBI and SDRs. The foreign currency assets at the end of March 2001 amounted to US \$39.55 billion, showing an increase of US \$4.50 billion during 2000-01. The foreign exchange reserves position came under some pressure during the first seven months of 2000-01, reflecting steps (sale of foreign exchange) taken by the RBI to meet part of the excess demand in the foreign exchange market created by the surge in India's oil import bill because of the near tripling of international oil prices within a year or so. An essential component of our strategy to meet the challenge of this extraordinary increase in our oil import bill was to arrange exceptional BOP financing in the form of India Millennium Deposits (IMD)

floated by the State Bank of India. As a result, the foreign exchange reserves increased and, thereby, the confidence in the market was strengthened. The rising trend in foreign exchange reserves continued in 2001-02 as well. As at the end of January, 2002, the foreign currency assets of the RBI reached an all time high level of US \$46.56 billion, showing an increase of US \$7.01 billion during the first ten months of the current financial year. While gold holdings of the RBI are 357.8 tonnes (same as at end-March 2001), the value of these holdings increased by US \$188 million to US \$2913 million at end January, 2002 from US \$2725 million at end-March 2001, reflecting re-valuation gains. Total foreign exchange reserves (including gold and SDRs) at end-January, 2002 amounted to US \$49.48 billion, providing cover for about 10 months of estimated imports in 2001-02.

TABLE 6.11											
Outstanding Balances and Net Flows under various Non-Resident Deposit Schemes											
A. Outstanding Balances under Different Schemes*											
Schemes	(US\$ million)										
				As at the end of							
	March 1993	March 1994	March 1995	March 1996	March 1997	March 1998	March 1999	March 2000	March 2001 (P.E.)	Nov 2001 (P.E.)	
Foreign Currency Non-Resident Accounts (FCNRA)	10617	9300	7051	4255	2306	1	0	0	0	0	
Foreign Currency Non-Resident (Banks) (FCNR(B))	—	1108	3063	5720	7496	8467	7835	8172	9076	9599	
Non-Resident External Rupee Accounts (NR(E)RA)	2740	3523	4556	3916	4983	5637	6045	6758	7147	7987	
Non-Resident (Non Repatriable) Rupee Deposits (NR(NR)RD)	621	1754	2486	3542	5604	6262	6618	6754	6849	7066	
Foreign Currency (Banks & Others) Deposits (FC(B&O)D)	1044	533	—	—	—	—	—	—	—	—	
Total	15022	16218	17156	17433	20389	20367	20498	21684	23072	24652	
B. Net flows under Non-Resident Deposits*											
(US\$ million)											
Schemes	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01 (P.E.)	Apr-Nov 2000-01 (P.E.)	2001-02 (P.E.)
FCNRA	825	-1317	-2249	-2796	-1949	-2270	0	0	0	0	0
FCNR(B)	—	1075	1979	2669	1773	971	-632	337	904	541	523
NR(E)RA	335	728	1049	-208	1244	1197	799	885	860	626	1049
NR(NR)RD	610	1187	742	1279	2246	1256	793	318	553	349	410
FC(B&O)D	350	-576	-533	—	—	—	—	—	—	—	—
Total	2120	1097	988	944	3314	1154	960	1540	2317	1516	1982
P.E. Provisional Estimates.											
* All figures are inclusive of accrued interest.											