

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

**LOK SABHA**  
**UNSTARRED QUESTION NO. 801**  
TO BE ANSWERED ON DECEMBER 12, 2022

**DECLINE IN FOREX RESERVES AND DEPRECIATION OF INDIAN CURRENCY**

801. SHRI V.K. SREEKANDAN

Will the Minister of FINANCE be pleased to state:

- (a) whether there was a decline of US \$ 85 billion in the foreign exchange reserves in the first half of the current fiscal year;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether in emerging markets, the Indian rupee is amongst the most depreciated currencies; and
- (d) if so, the details thereof?

**ANSWER**

THE MINISTER OF STATE FOR FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a) & (b): The Foreign Exchange Reserves of India stood at US\$ 607.31 billion as on March 31, 2022. They declined by US\$ 74.65 billion to US\$ 532.66 billion as on September 30, 2022. The changes in the Foreign Exchange Reserves are mainly due to the revaluation of Foreign Currency Assets to reflect prevailing global market conditions and on account of market intervention operations of the Reserve Bank of India to smoothen exchange rate volatility.

(c) & (d): Exchange rate of the Indian Rupee (INR) is market-determined. INR, which had earlier weakened by 8.7% against the US dollar (till October 19, 2022) has since pared some of the losses and its depreciation stands at about 6.9% in the current financial year (till November 30, 2022).

In comparison to emerging market peer currencies, INR movement has been relatively stable. Further, it has performed better than most Asian peer currencies, including Chinese Renminbi (10.6%), Indonesian Rupiah (8.7%), Philippine Peso (8.5%), South Korean Won (8.1%), Taiwanese Dollar (7.3%) etc during the financial year. Moreover, INR has fared better than other emerging market currencies such as Turkish Lira (21.2%), South African Rand (15.1%) and Brazilian Real (8.7%).

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