**Forex reserve of the country**

831. SHRI AVINASH PANDE: Will the Minister of FINANCE be pleased to state:

(a) the details of India's foreign debt, currency-wise and organisation-wise;

(b) the details of India's Forex Reserve, currency-wise;

(c) the details of Fiscal Deficit;

(d) whether India's Forex reserve is less than total external debt and whether such a trend is cause of concern; and

(e) if so, the steps taken to control it?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) India's external debt stock stood at US$ 316.9 billion at end-June, 2011. US dollar denominated debt was the largest component in India's external debt (54.2 per cent). Debt denominated in the Indian Rupee (19.2 per cent), Japanese Yen (11.1 per cent), SDR (9.5 per cent) and the Euro (3.7 per cent) were the other components.

Organization-wise details of India's sovereign external debt on Government Account under External Assistance during 2010-11 (at end-March, 2011) are in Table below:—

*Table: India's Sovereign External Debt*

| Sl. No. | Category | end-March, 2011 (in US$ million) |
|---|---|---|
| 1 | 2 | 3 |
| **A.** | **Multilateral (1 to 5)** | **42,578** |
| | 1. IDA | 26637 |
| | 2. IBRD | 8774 |
| | 3. ADB | 6813 |
| | 4. IFAD | 312 |
| | 5. Others | 42 |
| **B.** | **Bilateral (6 to 11)** | **19,810** |
| | 6. Japan | 14744 |
| | 7. Germany | 2662 |
| | 8. United States | 333 |

| 1 | 2 | 3 |
|---|---|---|
| | 9. France | 392 |
| | 10. Russian Federation | 1674 |
| | 11. Others | 5 |
| **C.** | **External Debt on Government Account under External Assistance (A+B)** | **62.388** |

(b) India's foreign exchange reserves comprising Foreign Currency Assets, Gold, SDR and Reserve Tranche Position in IMF stood at US $ 316.2 billion at end-October 2011. Foreign Currency Assets are primarily held in the US dollar, Euro, Pound Sterling, Australian dollar and Japanese Yen.

(c) The combined fiscal deficit of the Central Government and State Governments is estimated at 6.8 per cent of the GDP in BE 2011-12.

(d) and (e) The ratio of India's foreign exchange reserves to total external debt stood at almost 100 per cent at end-June, 2011. The prudent external debt management policy followed by the Government of India emphasizes monitoring of long and short term debt, raising sovereign loans on concessional terms with long maturities, regulating external commercial borrowings through *end-use* and *all-in-cost* restrictions and rationalizing interest rates on Non-Resident Indian (NRI) Deposits. As a result, the external debt to GDP ratio has declined from 21.1 per cent in 2001-02 and to 17.3 per cent in 2010-11.

**Measures to control external capital flows**

832. SHRI N.K. SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government is contemplating any control on capital flows to minimize the percentage of volatile external flows;

(b) if so, the details thereof; and

(c) the total value of external flows of foreign exchange reserves over the past three months, month-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) No, Sir. Volatility is inherent in any market. It is an outcome of perceptions of the investors — domestic and overseas, retail and institutional — about the economy, the sector and the company. The domestic fundamentals of economy are strong and intact.

(c) Capital flows on account of Foreign Direct Investment (FDI) and Portfolio Investment