



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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**Sources of Variation in Foreign Exchange Reserves in India
during April-September 2013**

Earlier today, the Reserve Bank of India released the [Balance of Payments \(BoP\) data for April-September 2013](#) on its website (www.rbi.org.in). On the basis of these data, the sources of variation in foreign exchange reserves during April-September 2013 have been compiled.

Sources of Variation in Foreign Exchange Reserves: April-September 2013

During April-September 2013, there was a decline in the foreign exchange reserves. The sources of variation in the foreign exchange reserves are set out in Table 1.

Table 1: Sources of Accretion to Foreign Exchange Reserves*			(US \$ billion)	
Items			2012-13 April-September	2013-14 April-September
I.		Current Account Balance	-38.2	-27.0
II.		Capital Account (net) (a to f)	38.6	16.2
	a.	Foreign Investment <i>of which</i>	17.8	6.5
		<i>Foreign Direct Investment</i>	12.0	13.4
		<i>Portfolio Investment</i>	5.8	-6.8
		<i>FII</i>	6.2	-7.0
		<i>ADR/GDR</i>	0.2	0.0
	b.	Banking Capital	14.9	12.0
		<i>Of which: NRI Deposits</i>	9.4	13.8
	c.	Short term credit	9.5	0.6
	d.	External Assistance	0.1	0.1
	e.	External Commercial Borrowings	1.5	2.5
	f.	Other items in capital account	-5.2	-5.4
III.		Valuation change	0.1	-4.1
		Total (I+II+III) @ Increase in reserves (+) / Decrease in reserves (-)	0.4	-14.8

*: Based on old format of BoP

@: Difference, if any, is due to rounding off.

Note: 'Other items in capital account' apart from 'Errors and Omissions' include SDR allocations, leads and lags in exports, funds held abroad, advances received pending issue of shares under FDI and transactions of capital receipts not included elsewhere.

On balance of payments basis (*i.e.*, excluding valuation effects), the foreign exchange reserves declined by US\$ 10.7 billion during April-September 2013 as against an increase of US\$ 0.4 billion during April-September 2012. The foreign exchange reserves in nominal terms (including the valuation effects) declined by US\$ 14.8 billion during April-September 2013 as against an increase of US\$ 0.4 billion during the same period of preceding year (Table 2).

Table 2: Comparative Position of Variation in Reserves			
(US\$ billion)			
Items		2012-13	2013-14
		April-September	April-September
1	Change in Foreign Exchange Reserves (Including Valuation Effects)	0.4	-14.8
2	Valuation Effects (Gain (+)/Loss (-))	0.1	-4.1
3	Change in Foreign Exchange Reserves on BoP basis (<i>i.e.</i> , Excluding Valuation Effects)	0.4	-10.7
Note: Increase in reserves (+)/Decrease in reserves (-). Difference, if any, is due to rounding off.			

The valuation loss, reflecting the appreciation of the US dollar against major currencies, amounted to US\$ 4.1 billion during April-September 2013 as against a marginal gain of US\$ 0.1 billion during the same period of preceding year.

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