GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
RAJYA SABHA UNSTARRED QUESTION NO. 2000
TO BE ANSWERED ON MARCH 10, 2026 / 19 PHALGUNA, 1947 (SAKA)

Disparity between Growth in currency in circulation vis-a-vis gold reserves

2000 **Shri Sanjay Raut:**

Will the Minister of ***Finance*** be pleased to state:

(a) whether Gold holdings of the Reserve Bank of India increased from about 557.75 metric tonnes as on 31 March 2014 to about 879.58 metric tonnes as on 31 March 2025, a net addition of about 321.8 metric tonnes;
(b) whether currency in circulation during the same period rose from about ₹13 lakh crore to ₹36.8 lakh crore;
(c) whether Government/RBI acknowledge that currency in circulation nearly tripled while Gold reserves grew at a much slower pace; and
(d) the economic rationale for this divergence and any assessment of its implications for monetary stability and confidence in the Indian rupee?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d): As per Reserve Bank of India (RBI), the total gold reserves held by RBI as on June 30, 2014 and March 31, 2025 are as under:

As on	Total gold reserve held by RBI
June 30, 2014	557.75 metric tonnes
March 31, 2025	879.58 metric tonnes

Note: The accounting year of RBI changed to April-March (from July-June) since FY 2020-21.

The value of Currency in Circulation (CiC) as on March 31, 2014 and March 31, 2025 was ₹13,00,200 crore and ₹37,24,417 crore respectively.

The Currency in Circulation includes banknotes, e₹ and coins. The increase in CiC is a function of demand of a growing economy, and is driven by the growth in GDP, inflation, interest rate, etc. As per Section 33 of the Reserve Bank of India Act, 1934, assets, that can be held as backing for Notes in Circulation (NiC), consist of gold coin, gold bullion, foreign securities, rupee coin and rupee securities, to such aggregate amount as is not less than the total notes in circulation. NiC, at any given point of time, is fully backed by eligible assets, as mandated by the Reserve Bank of India Act, 1934.

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