

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 1674**  
TO BE ANSWERED ON 10.12.2024

**DEPRECIATING INDIAN RUPEE**

**1674 Shri Abdul Wahab:**

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that Indian Rupee is depreciating its value globally in the past;
- (b) if so, the details thereof and the reason therefor;
- (c) how many times Indian Rupee has depreciated its value in the past five years, the details thereof, year-wise;
- (d) whether Indian economy is performing badly; and
- (e) the measures taken by Government to stabilize the performance of Indian Rupee?

**ANSWER**

THE MINISTER OF STATE FOR FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a) to (c): The exchange rate of the Indian Rupee (INR) against the US Dollar (USD) has witnessed depreciated in recent years. The calendar year-end values of the INR against USD from 2019 onwards are given in the table below:

<b>Date</b>	<b>USD INR exchange rate</b>	<b>Annual Change (%)</b>
31-Dec-19	71.38	-2.26%
31-Dec-20	73.07	-2.31%
31-Dec-21	74.34	-1.71%
30-Dec-22	82.74	-10.15%
29-Dec-23	83.21	-0.56%
3-Dec-24	84.70	-1.76% <sup>#</sup>
#till Dec 3, 2024		

The value of the INR is market-determined, with no target or specific level or band. Various domestic and global factors influence the exchange rate of the INR, such as the movement of the Dollar Index, trend in capital flows, level of interest rates, movement in crude prices, current account deficit etc. During the current calendar year 2024, one of the main reasons for this depreciation of INR has been the broad-based strength of the USD, which has exerted pressure on emerging market currencies. Further, geopolitical tensions in the Middle East and uncertainty surrounding US election results also added to the headwinds.

(d) India's real GDP grew by 8.2 per cent in 2023-24, posting growth of over 7 per cent for third consecutive year. The real GDP prices grew by 6 per cent per cent in the first half of 2024-25. Private final consumption expenditure and gross fixed capital formation also achieved growth rates of 6.7 per cent and 6.4 per cent respectively in the first half of 2024-25, indicating strong consumption and investment demand in the economy.

(e) The RBI monitors key developments across the globe which may have an impact on USD/INR exchange rate. Among others, it includes monetary policy actions of the major Central banks, major economic data releases across the globe and the impact thereof, OPEC+ meeting decisions, tracking, and analysing tail-events such as geo-political events, daily movements in G-10 and EME currencies et al. RBI regulates the foreign exchange market with a view to ensure its orderly functioning and development and intervenes only to curb undue volatility in the INR.

The RBI had announced various measures in the last three years to diversify and expand the sources of forex funding to mitigate exchange rate volatility and dampen global spill overs. Incremental Foreign Currency Non-Resident (Bank) [FCNR(B)] and Non-Resident (External) Rupee (NRE) deposit liabilities were exempt from the maintenance of CRR and SLR for deposits mobilised up to November 4, 2022. Fresh FCNR(B) and NRE deposits were exempted from the extant regulation on interest rates (interest rates shall not be higher than those offered by the banks on comparable domestic rupee term deposits) till October 31, 2022. Further, the regulatory regime relating to FPI investment in debt flows has been revised to encourage foreign investment in Indian debt instruments. The External Commercial Borrowing limit (under automatic route) was raised to \$1.5 bn and the all-in-cost ceiling was raised by 100 bps in select cases up to December 31, 2022. AD Cat-I banks could utilise overseas foreign currency borrowing for lending in foreign currency to end use prescriptions as applicable to external commercial borrowings.

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