

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

RAJYA SABHA
STARRED QUESTION NO. 316
TO BE ANSWERED ON 01.04.2025

₹ DEPRECIATION DUE TO EXITING FOREIGN INVESTORS

316 Shri Ritabrata Banerjee:

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

- (a) whether it is a fact that the current bout of Rupee depreciation against US Dollar is primarily due to the exit of foreign investors from India; and
- (b) if so, the details thereof and the reasons therefor?

ANSWER

THE MINISTER OF FINANCE
(SMT NIRMALA SITHARAMAN)

- (a) and (b): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO THE RAJYA SABHA STARRED
QUESTION NO. 316 RAISED BY SHRI RITABRATA BANERJEE**

FOR 1st APRIL 2025

ON

₹ DEPRECIATION DUE TO EXITING FOREIGN INVESTORS

(a) and (b): Various domestic and global factors influence the exchange rate of the Indian Rupee (INR) against the US Dollar (USD), such as the movement of the Dollar Index, trend in capital flows, level of interest rates, movement in crude prices, current account deficit etc.

Since the commencement of the last quarter of calendar year 2024, INR along with other major Asian currencies depreciated against the USD amid global uncertainties. US Dollar Index rose 3.7% during October 1, 2024, to March 26, 2025, with all Asian currencies depreciating against the USD. INR has depreciated 2.2% against the USD during this period, least among major Asian currencies. South Korean Won, Indonesian Rupiah and Malaysian Ringgit depreciated by 10.5%, 8.7% and 6.9% respectively during this period. Further, all G-10 currencies (except Swedish Krona) also depreciated during October 1, 2024 to March 26, 2025 with Euro and British Pound depreciating by 3.4% and 3.6%, respectively.

Further, foreign portfolio investment (FPI) outflows of around USD 19.9 billion from Indian markets during October 1, 2024 to March 26, 2025 was also one of the contributory factors for the depreciation of INR against the USD.
