

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 244
TO BE ANSWERED ON 02.02.2026

IMPACT OF CURRENCY STABILISATION MEASURES AND CAPITAL OUTFLOWS

244. Shri S Jagathratchakan:

Will the Minister of Finance be pleased to state:

- (a) the amount spent by the Reserve Bank of India during the last 12 years to stabilise the Indian Rupee against the US Dollar, year-wise;
- (b) whether recent changes in tariff policies, domestic or global, have had any impact on the value of the Rupee and foreign exchange stability and if so, the details thereof;
- (c) the extent of net outflows by Foreign Institutional Investors (FIIs) from the Indian markets during the said period and their impact on the Rupee; and
- (d) the steps being taken by the Government and the RBI to manage currency volatility and mitigate the impact of capital outflows?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

- (a) The details of the Reserve Bank of India's (RBI) foreign exchange market interventions during the last 12 years have been given below:

Year	Net sale (-) / purchase (+) of USD (USD Billion)
2014	32.48
2015	36.58
2016	9.35
2017	27.98
2018	-15.88
2019	40.27
2020	87.74
2021	33.35
2022	-46.24
2023	18.14
2024	-12.35
2025 (upto November 2025)	-41.69

Source: RBI

(b) Changes in tariffs applied by trading partner countries can influence trade flows and, in turn, have a bearing on the trade balance and the demand for currency, influencing exchange rate. However, the exchange rate of the Indian Rupee (INR) is influenced by various domestic and global factors, including, *inter alia*, movement of the Dollar Index, trend in capital flows, level of interest rates, movement in crude prices, and the current account deficit, etc. Thus, the impact of tariff policies on the exchange rate movement cannot be isolated.

(c) As stated in (b), capital flows are one of the factors influencing exchange rate movements of the INR. The net inflows/outflows by FPIs from the Indian markets during the past 12 years are given below:

Year	Net FPI Inflows (+) / Outflows (-) (in USD Billion)
2014	42.69
2015	10.60
2016	-3.19
2017	30.78
2018	-11.33
2019	19.41
2020	14.04
2021	7.07
2022	-17.94
2023	28.70
2024	19.94
2025	-11.84

Source: NSDL

(d) The value of the INR is market-determined, with no target or specific level or band. The RBI regularly monitors the foreign exchange market and intervenes in situations of excess volatility. Further, 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 their impacts thereof, OPEC+ meeting decisions, tracking, and analysing geo-political events, daily movements in G-10 and EME currencies, etc. Some of the measures taken by the RBI recently to enhance foreign exchange inflows and better the ease of doing business, *inter-alia*, include:

- Relaxation in repayment of export credit was provided to exporters in November 2025 whereby the maximum credit period was enhanced from one year to 450 days for pre-shipment and post-shipment export credit disbursed till March 31, 2026.
- In October 2025, the time period for forex outlay was increased from four months to six months in case of Merchanting trade transactions. Separately, Authorised Dealer banks were allowed to lend in Indian Rupees to a person resident outside India in Bhutan, Nepal or Sri Lanka, including a bank in these jurisdictions for cross border trade transactions.
- In August 2025, persons resident outside India that maintain a Special Rupee Vostro Account for international trade settlement in INR were permitted to invest their rupee surplus balance in the aforesaid accounts in Central Government Securities (including T-Bills).
