

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA  
UNSTARRED QUESTION NO. 3847  
TO BE ANSWERED ON 16.03.2026

**DEPRECIATION OF INDIAN RUPEE AGAINST US DOLLAR**

**3847. Shri Kalyan Banerjee:**

Will the Minister of Finance be pleased to state:

- (a) whether it is a fact that the Indian rupee has depreciated against the US dollar by about 6.5 % between April 1, 2025 and January 22, 2026 making it among the weakest-performing currencies during the period, if so, the details thereof;
- (b) the reasons for the inability of the Government to arrest the decline in the Indian currency against the US dollar;
- (c) the details of US dollar and other foreign currency reserves liquidated during the last three years to stabilise the Indian rupee against the US dollar;
- (d) whether the Government is concerned the Indian rupee slipped past the Rs. 90-mark against the US dollar while many Asian countries demonstrated higher resilience or strengthened currency during the same period, if so, the details thereof;
- (e) the exchange rate between the rupee and the US dollar in the year 2014 and the present exchange rate in 2026; and
- (f) the steps taken by the Government to prevent depreciation of rupee since 2020?

**ANSWER**

THE MINISTER OF STATE FOR FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a) The Indian rupee (INR) has depreciated by 6.7 per cent against the US dollar (USD) between April 1, 2025 and January 22, 2026. The appreciation/depreciation of other major currencies for the same period is presented in the table below.

Currency	Appreciation (+) / Depreciation (-) % against USD
Euro	+8.7
Yen	-5.3
British Pound	+4.5
Chinese Renminbi	+4.1
Indonesian Rupiah	-1.9
Philippine Peso	-3.3
Brazilian Real	+7.9
Korean Won	+0.5
Turkish Lira	-12.3

Source: Bloomberg

(b), (c) & (d) 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 financial year 2025-26, the depreciation of the INR has been influenced by the increase in trade deficit, amid relatively weak support from the capital account.

The value of the INR is market-determined, with no target or specific level or band. The Reserve Bank of India (RBI) regularly monitors the foreign exchange market and intervenes in situations of excess volatility. The details of RBI's foreign exchange market interventions in the last three years have been given below:

<b>Calendar Year</b>	<b>Net purchase (+)/sale (-) of US dollar (in million)</b>
2023	18,135
2024	-12,350
2025	-51,714

*Source: DBIE, RBI*

(e) The exchange rate of INR against USD at the end of calendar year 2014 was ₹63.04/USD, while that as on March 11, 2026, was ₹92.04/USD.

(f) The RBI monitors key developments across the globe which may have an impact on the 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. The RBI has taken several measures since 2020 to diversify and expand the sources of forex funding to mitigate volatility in the exchange rate. These measures, *inter alia*, include:

- In February 2026, the revised External Commercial Borrowings framework was introduced in terms of which the eligibility norms were simplified, the minimum average maturity period was standardized, end use provisions were eased and operational flexibility was enhanced (including interest rates).
- 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).
- In May 2025, the requirement on Foreign Portfolio Investors (FPIs) to comply with the short-term investment limit and concentration limit for their investments in corporate debt securities was withdrawn.

- With effect from January 2025, persons resident outside India, having a business interest in India, were allowed to open a Special Non-Resident Rupee Account with an authorised dealer in India or its branch outside India to facilitate cross-border payments.
- The ceiling rate for Foreign Currency Non-Resident (Bank) (FCNR(B)) deposits was raised on December 6, 2024, allowing banks to offer higher interest rates on such deposits mobilised till March 31, 2025.
- An operational framework for the reclassification of foreign portfolio investment by FPI to FDI, upon breach of the stipulated limits, was released in November 2024.
- Authorized dealers in India were permitted to allow persons resident outside India to open, hold and maintain an interest-bearing account in Indian Rupees and/or foreign currency for the purpose of posting and collecting margin in India, for a permitted derivative contract entered into by such persons in terms of Foreign Exchange Management (Margin for Derivative Contracts) Regulations in May 2024.
- Incremental 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. Authorised Dealer (AD) Category-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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