

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 4864
TO BE ANSWERED ON 23.03.2026

DECLINE IN VALUE OF RUPEE

†4864. **Shri Kuldeep Indora:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware of the fact that the Indian Rupee (INR) has recently breached the level of Rs. 91 per US dollar, marking one of the sharpest declines in the past several months, if so, the details thereof;
- (b) the reasons as to why the Government has not been able to stop this continuous depreciation so far and the specific internal and external economic factors responsible for the same;
- (c) the average number of days taken for the rupee to depreciate by every 5 per dollar interval;
- (d) the impact of this devaluation on fuel prices, inflation, import costs and the common citizen; and
- (e) the concrete and the time-bound steps proposed by the Government and the Reserve Bank of India (RBI) to stabilize the exchange rate and prevent volatile fluctuations in the future?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) The Indian rupee (INR) first breached ₹91 per US Dollar (USD) on December 16, 2025. It closed at ₹92.43 per USD on March 16, 2026. The month-wise appreciation/depreciation of the INR against the USD over the last 12 months is presented below.

Month	Appreciation (+) / Depreciation (-) of INR against the USD
March 2025	2.40
April 2025	1.15
May 2025	-1.27
June 2025	-0.20
July 2025	-2.11
August 2025	-0.69
September 2025	-0.66
October 2025	0.02
November 2025	-0.76
December 2025	-0.47
January 2026	-2.30
February 2026	1.11

Source: Bloomberg

(b) 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. 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. Additionally, increasing crude oil prices amid the ongoing conflict in the Middle East have added further pressure on the INR. The details of RBI's foreign exchange market interventions in the last three years are given below:

Calendar Year	Net purchase (+)/sale (-) of USD (in million)
2023	18,135
2024	-12,350
2025	-51,714

Source: RBI

(c) The number of working days taken for the INR to depreciate by every ₹5 per USD interval is given below.

Date	USD-INR Exchange Rate (on closing basis)	No. of Working Days
31-Jul-00	45	-
20-Nov-08	50	2,149
21-May-12	55	846
26-Jun-13	60	268
27-Aug-13	65	42
16-Aug-18	70	1,198
19-Mar-20	75	382
22-Sep-22	80	608
19-Dec-24	85	542
3-Dec-25	90	231
4-Mar-26	92	60

Source: Bloomberg

(d) The depreciation of currency is likely to enhance export competitiveness, which in turn impacts the economy positively. On the other hand, depreciation may raise the prices of imported goods. The overall impact of exchange rate depreciation depends on the extent of the pass-through of international commodity prices to the domestic market.

Further, besides exchange rate movements, imports are determined by several other factors, including global supply-demand conditions, geopolitical developments, domestic demand, and factors such as global value chain integration necessitating imports of intermediate goods for production and exports, and international prices of imported goods, etc. Moreover, crude oil prices are primarily determined by global demand and supply conditions. Thus, the impact of exchange rate movements on import costs, and hence on domestic inflation and on the common citizen in general, cannot be isolated.

(e) 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 geopolitical events, daily movements in G-10 and EME currencies, etc. The measures taken by RBI to boost forex inflows and to mitigate volatility in the exchange rate, as well as the steps taken to reduce the dependency on hard currencies and increase the acceptability of INR among non-residents, which in turn may ease the depreciation pressure on INR, 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 standardised, end-use provisions were eased, and operational flexibility was enhanced (including interest rates).
- In October 2025, Authorised Dealer banks in India were permitted to lend in INR to residents of Nepal, Bhutan or Sri Lanka for cross-border trade transactions.
- In August and October 2025, surplus balances in Special Rupee Vostro Account were permitted to be invested into Government Securities, non-convertible debentures/bonds, commercial papers, etc.
- In May 2025, the requirement on Foreign Portfolio Investors to comply with the short-term investment limit and concentration limit for their investments in corporate debt securities was withdrawn.
