GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 2376
TO BE ANSWERED ON 03.08.2026

RBI INTERVENTION AND FOREIGN EXCHANGE RESERVES

2376 Adv. Chandra Shekhar:

Will the Minister of Finance be pleased to state:

(a) the total amount of US Dollars sold by the Reserve Bank of India from the country's foreign exchange reserves since January, 2026 for managing volatility in the foreign exchange market;
(b) the reasons for the decline in India's foreign exchange reserves from their peak level during the said period; and
(c) the details of concessional swap facilities announced for Foreign Currency Non-Resident (Bank) (FCNR(B) deposits and External Commercial Borrowings (ECBs) together with the Government's assessment of their likely costs and benefits?

ANSWER

THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b) The value of the Indian Rupee (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. As per the latest data available from the RBI, the RBI's foreign exchange intervention during January-May 2026 amounted to a net sale of USD 14.9 billion.

Movements in the Foreign Exchange Reserves (FER) occur on account of multiple factors including purchase and sale of foreign exchange by the Reserve Bank of India, income arising out of the deployment of the FER, external aid receipts of the Central Government and changes on account of revaluation of the assets.

(c) The RBI has undertaken several measures to boost forex inflows, including a concessional swap facility for Foreign Currency Non-Resident (Bank) [FCNR(B)] deposits, External Commercial Borrowings (ECB) and Overseas Foreign Currency Borrowings (OFCB), which were announced on June 5, 2026. The details of the concessional swap facilities are mentioned below:

- A facility of forex swap bearing the full hedging cost incurred by Authorised Dealer (AD) banks for raising fresh 3-5-year FCNR (B) deposits, is in effect until Oct 16, 2026. Further, RBI has also exempted fresh FCNR(B) deposits having tenor ranging from three to five years, mobilised till September 30, 2026, from the requirement of maintaining Cash Reserve Ratio and Statutory Liquidity Ratio. The interest rate ceiling on the eligible FCNR(B) deposits mobilised under the swap scheme has also been removed.
- A similar facility of concessional forex swap has been announced to incentivise the ECB by Public Sector Undertakings and OFCB (having a minimum maturity of three years) raised by AD banks, wherein the concessional rate of the swap was fixed at 1.5 per cent per annum compounded semi-annually. The swap facility is in effect until Jan. 15, 2027.
- The swap positions arising out of FCNR(B) deposits, ECB and OFCB raised in terms of the abovementioned schemes were exempted from the open position limit (NOP-INR) of USD 100 million stipulated for the onshore deliverable segment, which was imposed vide notification dated March 27, 2026.
- According to the RBI’s Press Release dated July 20, 2026, the foreign currency inflows mobilised under the above facility from June 8 to July 17, 2026, are as follows:

Type	**Amount (USD million)**
FCNR(B) Deposits	17,406
OFCBs	1,970
ECBs	1,342
Total	**20,718**

The above measures are intended to attract stable foreign currency inflows and strengthen India's balance of payments.

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