GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA

UNSTARRED QUESTION No. 2489

ANSWERED ON MONDAY, AUGUST 3, 2026/SHRAVANA 12, 1948 (SAKA)

FOREIGN CURRENCY NON-RESIDENT BANK (FCNR-B) DEPOSITS

2489. **SHRI MANISH TEWARI:**
SHRI LAVU SRI KRISHNA DEVARAYALU:
SHRI DAGGUMALLA PRASADA RAO:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has taken note of the Reserve Bank of India's recent decision to introduce a US Dollar-Rupee forex swap facility for fresh Foreign Currency Non-Resident (Bank) [FCNR(B)] deposits to encourage foreign currency inflows;

(b) if so, the objectives of the scheme, including its expected impact on foreign exchange reserves, external sector stability, banking sector liquidity and the value of the Indian Rupee;

(c) the details of the subsequent measures taken by the Government to increase Foreign Currency Non-Resident Bank (FCNR-B) deposits, including the easing of regulatory norms and other incentives offered;

(d) the total amount of foreign currency deposits and capital inflows mobilised through FCNR (B) deposits pursuant to such relaxed norms, classified bank-wise, along with the corresponding growth in deposits;

(e) whether the Government has examined the compliance requirements for NRIs under foreign tax regulatory jurisdictions while undertaking FCNR(B) deposits; if so, the details of the issues examined and the measures taken to address them;

(f) whether the Government has estimated the cost of concessional hedging or swap support provided to facilitate FCNR(B) deposits;

(g) if so, the details thereof, including the estimated fiscal or financial implications; and

(h) the measures taken to mitigate currency and exchange rate risks arising from FCNR(B) deposits, including the risk management framework and safeguards adopted to protect India's external sector stability including the safeguards put in place to ensure that the scheme remains temporary, does not create undue contingent liabilities and effectively contributes to strengthening India's external financing position?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

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(a) Yes. On June 05, 2026, the Reserve Bank of India (RBI) announced a US Dollar-Rupee Forex Swap Facility for fresh FCNR (B) deposits, mobilised for a minimum tenor of three years and maximum tenor of five years. The facility came into effect on June 8, 2026 and will remain available until October 16, 2026 for deposits mobilized between June 8, 2026 and September 30, 2026. The relevant RBI notification may be accessed at the official RBI Website.

(b) The measure is intended to attract stable foreign currency inflows, strengthen India's balance of payments and help ease recent pressures on the Indian Rupee. As the fresh FCNR(B) deposits mobilized by banks will be swapped with the RBI, it is expected to increase the foreign exchange reserves as well as the banking system liquidity after the first leg of the transaction and the same will be reversed on maturity i.e. the second leg of the transaction. The increase in foreign exchange reserves and banking system liquidity will depend on the total amount of foreign currency mobilized under the forex swap facility during the period.

(c) RBI, vide notification no. RBI/2026-27/99 dated June 8, 2026, has advised the banks that fresh FCNR(B) deposits of minimum tenor of three years and maximum tenor of five years mobilized (including deposits that are renewed upon maturity) by them between from June 8, 2026 to September 30, 2026 are exempt from maintenance of Cash Retention Ratio (CRR) and Statutory Liquidity Ratio (SLR).

(d) FCNR(B) Deposits have grown from USD 32558.5 million as on 05.06.2026 to USD 60548.7 million as on 30.07.2026. Amount of FCNR(B) Deposit Balances of AD Category-1 Banks (under new swap facility) as on 05.06.2026 and 30.07.2026 are tabulated below:

S.No.	Authorised Dealer Banks	FCNR(B) Outstanding as on 05.06.2026 (USD million)	FCNR(B) Outstanding as on 30.07.2026 (USD million)
1.	Bank of Baroda	2828.58	3873.93
2.	Bank of India	778.97	986.43
3.	Bank of Maharashtra	32.61	42.89
4.	Canara Bank	970.99	1904.46
5.	Central Bank of India	287.54	396.00
6.	Indian Bank	509.54	1345.41
7.	Indian Overseas Bank	343.70	712.97
8.	Punjab & Sind Bank	26.66	27.44
9.	Punjab National Bank	430.87	1400.50
10.	State Bank of India	9698.00	13822.00
11.	UCO Bank	18.17	125.58
12.	Union Bank of India	823.23	951.41
	(A) Public Sector Banks	**16748.87**	**25589.01**
13.	Axis Bank Limited	3080.74	4666.82
14.	Bandhan Bank Limited	11.23	15.11
15.	Citibank N.A	0.00	0.00
16.	City Union Bank Limited	77.58	74.44
17.	Csb Bank Limited	66.93	100.61
18.	Dcb Bank Limited	155.28	172.85
19.	Dhanlaxmi Bank Limited	23.70	30.71
20.	Federal Bank Ltd	777.44	910.03
21.	Hdfc Bank Ltd.	4015.16	5423.41
22.	Icici Bank Limited	2366.02	6064.02
23.	Idfc First Bank Limited	297.71	427.62
24.	Indusind Bank Ltd	1507.27	1862.78
25.	Jammu & Kashmir Bank Ltd	14.90	14.62
26.	Karnataka Bank Ltd	79.52	85.81
27.	Karur Vysya Bank Ltd	129.97	141.60
28.	Kotak Mahindra Bank Ltd.	684.67	2344.12
29.	Rbl Bank Ltd	256.88	813.56
30.	South Indian Bank Ltd	419.86	470.55
31.	Yes Bank Ltd.	689.66	1500.05
32.	Idbi Bank Limited	202.41	465.73
33.	Tamil Nadu Mercantile Bank Ltd	89.28	92.09
	(B) **Private Sector Banks**	**14946.22**	**25676.52**
34.	Bank Of Bahrain & Kuwait B.S.C.	0.00	42.22
35.	Bank Of Ceylon	1.60	1.65
36.	Barclays Bank Plc	8.73	0.00

S.No.	Authorised Dealer Banks	FCNR(B) Outstanding as on 05.06.2026 (USD million)	FCNR(B) Outstanding as on 30.07.2026 (USD million)
37.	Bassein Catholic Co-Op.Bank Ltd.	1.76	0.00
38.	Dbs Bank India Limited	282.67	613.55
39.	Deutsche Bank Ag	12.89	10.57
40.	Doha Bank Q.P.S.C.	32.29	27.96
41.	Emirates Nbd Bank (P.J.S.C.)	1.19	0.51
42.	Jpmorgan	0.00	20.00
43.	Mufg Bank, Ltd.	0.29	0.00
44.	Sbm Bank (India) Limited	141.34	137.21
45.	Standard Chartered Bank	0.00	1857.80
46.	HSBC	120.26	6261.00
	(C) **Foreign Banks**	**603.02**	**8972.46**
	(D) **Small Finance Banks**	232.01	**281.61**
	(E) **Co-Operative Banks**	28.40	**29.10**
	Grand Total (A+B)	**32558.50**	**60548.72**

Source: RBI

(e) to (h): For strengthening the Balance of Payments and to attract foreign capital, the Reserve Bank of India (RBI), introduced the US Dollar-Rupee Forex Swap Facility for FCNR(B) deposits, External Commercial Borrowings and Overseas Foreign Currency Borrowings. To ensure its effectiveness various factors such as prevailing market conditions, interest rate differentials, expected returns for investors, hedging costs, compliance requirements, etc. were considered. The potential cost of providing the swap facility would depend on the quantum of foreign exchange mobilised, the maturity of the swaps and exchange rate as well as the forward premia at the time of the swap. Further, RBI has well defined risk identification and mitigation measures in place for managing the country's foreign exchange reserves.