

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2529
ANSWERED ON:25.07.2014
SWAPPING FOREIGN CURRENCY DEPOSITS
Dhruvanarayana Shri Rangaswamy

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has proposed to allow banks to swap fund mobilisation to attract overseas funds through special window for swapping foreign currency deposits; and

(b) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SMT. NIRMALA SITHARAMAN)

(a) and (b)The Reserve Bank of India (RBI) introduced a US Dollar-Rupee swap window in September 2013 for mobilization of fresh foreign currency non-resident deposit (banks) dollar funds for a minimum tenor of three years. The swap was undertaken at a fixed rate of 3.5 per cent per annum. The scheme ended in end-November 2013. The RBI also increased the overseas borrowing limit from 50 to 100 per cent of the unimpaired Tier I capital of banks with the option of swap. Under the swap schemes, the banks mobilized about US\$ 34 billion.