

# ₹ trade off to a slow start, faces teething troubles

SHREYA NANDI

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Even as several private and public sector banks have opened special rupee vostro accounts to facilitate overseas trade in rupee, the mechanism has started off only on a brief scale, a senior government official said.

“This is a new initiative, there are teething troubles relating to the exchange rate mechanism, the repatriation of money. So, it has not fully taken off. But there are isolated instances of some cases where banks have started it,” Director General of Foreign Trade (DGFT) Santosh Kumar Sarangi said, adding that there are exporters in Jaipur and other places who have started the rupee trade.

“But we are constantly in touch with the banks, the RBI and our exporters to ensure that it gradually takes off,” Sarangi said.

“Over and above this, all the banks have been told to identify a nodal officer, who will sort out issues pertaining to special vostro accounts...accordingly all major banks have listed nodal officers and the list has been shared with all the export promotion councils,” he added.

As of now, there are 20 banks that have opened a special rupee vostro account.

Several banks from Russia have approached authorised dealer (AD) banks in India such as HDFC Bank, UCO Bank, Axis Bank, IndusInd Bank, Yes Bank, among others for opening special rupee vostro accounts.