

Russian reserves in Indian banks not due to trade: DGFT

FE BUREAU

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RUSSIA DOES NOT have any reserves of Indian currency in the special vostro accounts that have been allowed to be opened by the Reserve Bank of India to facilitate international trade in rupees, a senior commerce ministry official said Monday.

“Under Special Rupee Vostro Accounts they do not have any reserves. Reserves are only on account of some of the defence procurement and sales,” director general of foreign trade (DGFT) Santosh Kumar Sarangi told reporters.

“On that account I would not be knowing what exactly are the reserves and what is the mechanism of dealing with that,” he said.

After the Reserve Bank of India came out with the permission and mechanism to allow trade in local currencies in July 2022, Foreign Trade Policy was amended to allow for international trade settlement in rupees.

Following change in rules, RBI allowed domestic and foreign banks in 60 cases to open Special Rupee Vostro Accounts of correspondent banks from 18 countries including Russia, Germany, Singapore, Oman, UK, Kenya and Israel.