

HDFC Bank, Canara get nod to open Vostro a/cs

Three others got permission earlier, but no deal so far

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HDFC Bank and Canara Bank have got approval from the Reserve Bank of India (RBI) to open a special Vostro account for trade in rupees and both the approvals are for trade with Russia, banking industry sources said. So far five Indian banks — UCO Bank, Union Bank, and IndusInd Bank being the other three — have received regulatory clearance for such trade. This apart, two Russian banks — Sber Bank and VTB — have the RBI's approval. Both have branches in India.

According to sources, three banks have opened accounts so far though no deal has been done through this mechanism. The move is aimed at popularising trade in the domestic currency.

Kolkata-based UCO Bank was the first Indian bank to receive the RBI's approval to open a special Vostro account with Russia's

Gazprombank, which was set up by the world's largest gas producer and exporter, Gazprom.

IndusInd Bank has tied up with six Russian banks while the remaining four Indian banks have done deals with one Russian lender each.

HDFC Bank's counterpart in Russia is MTS Bank, the fintech unit of Russia's largest mobile operator, MTS. On July 11, the RBI had issued a circular allowing trade settlement between India and other countries in rupees. At the current exchange rate, the Russian ruble equals ₹1.35.

The circular said Indian importers plying their trade through the rupee mechanism would pay in the Indian currency, which has to be credited into the special Vostro account of the correspondent bank of the partner country against the invoices for the supply of goods or services from the overseas seller/supplier.



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Budget should increase allocation to capital expenditure by 35 per cent, like last year, taking the total public capex to about ₹10 trillion,” said Bajaj

PHD’s Dalmia suggested infrastructure investment in the economy must not be less than 10 per cent of GDP to achieve state-of-art infrastructure and to become a developed economy by 2047.

Among other suggestions, there were calls for a lower tax rate for new manufacturing entities, removal of conditions for restructuring of business, an amnesty scheme in Customs to end various litigations, and clarification and rationalisation on capital gains taxes.

Vostro a/cs...



The RBI had said the exchange rate was to be market-determined.

Indian exporters sending out goods and services through this mechanism should be paid in rupees from the balance in the designated special Vostro accounts of the correspondent bank of the partner country, the RBI notification said.

After the Russia-Ukraine war broke out in late February, resulting in the former facing sanctions from European countries and the United States, the need to develop an alternative currency for trade arose.

According to an International Monetary Fund (IMF) blog, central banks are no longer holding the greenback in their reserves to the

earlier extent.

The dollar’s share in global foreign-exchange reserves fell below 59 per cent in the final quarter of last year, extending a two-decade decline, according to the IMF’s Currency Composition of Official Foreign Exchange Reserves data.

Climate...

Bansal adds that continued support for start-ups in these areas across policy, capital, and industry can help unlock a sustainable, green future.

Cashify, a re-commerce company for smartphones and other devices, is one such start-up that operates through a circular economy model.

A circular economy is a model of production and consumption that involves sharing, leasing, reusing, repairing, refurbishing, and recycling existing materials and products as long as possible.

Using the Cashify platform, consumers can sell their old devices and/or purchase refurbished ones.

“There is no doubt that a circular economy is the way forward. With more than 50 million metric tonnes of electronic waste being generated globally every year, it is crucial for us to regulate how and when we discard our devices. As consumers, we need to transition from a ‘buy, use, and throw’ model to a more sustainable one that prioritises ‘reuse, reduce, and recycle,’” says Nakul Kumar, co-founder and chief marketing officer, Cashify.

The company currently has an online consumer base of 14 million and a widespread offline presence with over 170 stores across more than 77 cities.

Challenges: Patient funding

Climate tech start-ups traditionally require longer gestation periods due to which the sector has not generated strong commercial returns recently.

Unlike pure-play digital start-ups that can scale using the internet infrastructure, Menon says most disruptive innovations in the climate tech