

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 1053**

ANSWERED ON TUESDAY, 9<sup>th</sup> DECEMBER, 2025/ 18 AGRAHAYANA, 1947 (SAKA)

**ENCOURAGING WIDER ADOPTION OF RUPEE**

1053 # SMT. SUNETRA AJIT PAWAR:

Will the Minister of FINANCE be pleased to state:

- (a) the specific, time-bound policy measures and bilateral trade agreements on which the Ministry is actively working to encourage the wider adoption of Indian Rupee for cross-border transactions; and
- (b) the plans that the Ministry is formulating to mitigate potential short-term volatility or counterparty risks associated with the internationalization of the rupee?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a): The Reserve Bank of India (RBI), in consultation with the Government, has taken several steps for wider adoption of the Indian Rupee for cross-border transactions. These inter alia includes:

1. Establishment of Special Rupee Vostro Accounts (SRVAS) with multiple trading partner countries, enabling invoicing, payment, and settlement of trade transactions in INR.
2. Execution of MoUs for Local Currency Arrangement with the Central Banks of the United Arab Emirates, Indonesia, Maldives, and Mauritius.
3. Permitting overseas branches of Authorised Dealer banks to open Indian Rupee accounts for Person Resident Outside India (PROIs).
4. Expanding the permissible uses of repatriable Indian Rupee balances of PROIs, including for making foreign investment (including FDI in non-debt instruments) in India.
5. Permitting AD banks in India and their overseas branches to lend in INR to persons resident in Nepal, Bhutan, and Sri Lanka, for facilitating cross-border trade transactions.
6. Expanding the investment universe for SRVA holders, permitting surplus balances to be invested in corporate bonds and commercial papers, in addition to government securities and treasury bills.
7. Permitting persons resident outside India to settle bona fide transactions with other persons resident outside India using the balances in their repatriable INR accounts such as Special Non-resident Rupee account and SRVA.

(b): The exchange rate of the Rupee is determined by the market. However, RBI constantly monitors the trend of Rupee movement and intervenes in the foreign exchange market to curb excess volatility, if required.

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