

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO. 1814

ANSWERED ON TUESDAY, 16th DECEMBER, 2025/ 25 AGRAHAYANA, 1947 (SAKA)

VOSTRO ACCOUNTS

1814 # SHRI GOVINDBHAI LALJIBHAI DHOLAKIA:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India has given permission to open Vostro accounts in the country;
- (b) if so, the banks in which this facility has been started;
- (c) the number of accounts that are currently being used for trade in the country; and
- (d) the steps being taken by Government to ensure the Rupee's credibility among the world's major currencies?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) to (c): The Reserve Bank of India (RBI) allows the following Vostro Accounts:

1. Rupee/ Foreign Currency Vostro Accounts of Nonresident Exchange Houses: As per RBI's Master Direction on Opening and Maintenance of Rupee/ Foreign Currency Vostro Accounts of Non-resident Exchange Houses dated 01.01.20216, all Authorised Dealer (AD) Category I banks in India are permitted to open and maintain Rupee / Foreign Currency Vostro accounts of Non-resident Exchange Houses.
2. INR Vostro accounts: Regulation 7(1) of the FEM (Deposit) Regulations, dated 01.04.2016 (FEMA 5R) enables AD banks in India to open INR Vostro accounts of the AD bank's correspondent outside India, under the general permission.
3. Special Rupee Vostro Accounts (SRVAs): RBI's A.P. (DIR Series) Circular No.10 dated 11.07.2022, on International Trade Settlement in Indian Rupees (INR) allows AD banks in India for opening of SRVAs.

The following 17 AD Category I banks are processing transactions as per the scheme mentioned in the Master Direction on Opening and Maintenance of Rupee/Foreign Currency Vostro Accounts of Non-resident Exchange Houses dated 01.01.2016, and as amended from time to time:

#	Bank Name
1.	Axis Bank Limited
2.	Bank of Bahrain & Kuwait B.S.C.
3.	Barclays Bank Plc
4.	Canara Bank
5.	CCB Bank Limited
6.	Federal Bank Ltd
7.	HDFC Bank Ltd.
8.	ICICI Bank Limited
9.	IDFC First Bank Limited
10.	Indian Overseas Bank
11.	IndusInd Bank Ltd.
12.	Kotak Mahindra Bank Ltd.
13.	Punjab National Bank
14.	RBL Bank Ltd
15.	South Indian Bank Ltd
16.	State Bank of India
17.	Yes Bank Ltd.

(d): RBI in consultation with the Government, has taken several steps ensure the Rupee's credibility among the world's major currencies. 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.
