

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
(DEPARTMENT OF COMMERCE)

LOK SABHA  
UNSTARRED QUESTION NO. 3442  
ANSWERED ON 09/08/2023

TRADE IN INR

3442. SHRI SANTOSH KUMAR:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government has started trade with neighbouring Countries in INR;
- (b) if so, the details thereof;
- (c) whether the Government has started import and export in INR with Iran and Russia; and
- (d) if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्रीमती अनुप्रिया पटेल)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY  
(SMT. ANUPRIYA PATEL)

(a) to (d): Yes Sir.

**Sri Lanka:** Sri Lanka has included INR in its list of designated foreign currencies. Authorised Dealer (AD) Banks in India have been permitted to open Rupee Vostro Accounts. Accordingly, Rupee Vostro Accounts of eight corresponding banks from Sri Lanka have been opened with respective AD Banks in India, with prior approval of the Reserve Bank of India (RBI).

**Nepal:** Significant part of India-Nepal trade is being carried out in INR.

**Bangladesh:** India and Bangladesh have formally launched a new mechanism to settle trade in Indian Rupees (INR) on 11 July 2023. Two Indian and Bangladeshi banks each have been designated to settle bilateral trade in INR. These are SBI and ICICI Bank from India; and Sonali Bank PLC. and Eastern Bank Ltd. from Bangladesh. To formally launch trade in INR, a formal 'Exchange of the Letters of Credit, i.e., LC documents in INR' between the first exporter and importer through their banks was also carried out on 11 July, 2023.

**Bhutan:** All Bilateral trade between India and Bhutan is transacted entirely in INR.

**Iran:** An arrangement to facilitate bilateral trade payments between India and Iran was adopted on 5<sup>th</sup> November 2018, in supersession of all previous agreements.

**Russia:** Rupee trade mechanism has been initiated to facilitate trade in national currency with Russia. Reserve Bank of India (RBI) had issued the guidelines for opening Special Rupee Vostro Accounts (SRVA) by foreign banks in Indian commercial banks. As of 2 July, 2023, RBI has approved 34 applications from different Russian banks for opening SRVA in 14 Indian commercial banks.

\*\*\*\*\*