

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3923
ANSWERED ON:03.12.2010
GILT TRADE
Reddy Shri Komatireddy Raj Gopal

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India recently barred three foreign banks from gilt trade;
- (b) if so, the details thereof; and
- (c) the reasons therefor?

Answer

The Minister of State in the Ministry of Finance (SHRI NAMO NARAIN MEENA)

(a) to (c): Reserve Bank of India (RBI) has not barred any foreign bank from gilt trade. However, in case of few foreign banks restriction on sale of government securities in secondary market has been imposed. There are no restrictions on sale of Government securities under Repos-market and RBI, Open Market Operations sale to RBI, sales under Government of India buy back and sales of securities acquired by banks as Primary Dealer in primary subscription. There are no restrictions on purchase of Government securities.