

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3409

ANSWERED ON:30.08.2013

OPEN MARKET OPERATION OF GOVERNMENT SECURITIES

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Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India(RBI) has conducted/proposes to conduct open market operation of Government securities, purchase of gilts, etc.;

(b) if so, the details and the present status thereof; and

(c) the manner in which it is likely to be done?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): As part of various measures announced by RBI on August 20, 2013 to address prevailing and evolving market conditions, RBI decided to conduct open market operations (OMOs) calibrating both in terms of quantum and frequency as warranted by the market conditions. To begin with RBI announced to purchase the long term Government of India dated Securities for an aggregated amount of ` 8,000 crore on August 23, 2013 against which total amount (face value) of ` 6,232 crore was accepted by RBI to inject liquidity in the system.

(c): Any subsequent OMO is also likely to be conducted through auction route wherein RBI would pre-announce the date of auction, notified amount of auction and the securities that RBI intends to purchase and the date of settlement.