

**Guidelines for Issue of Commercial Paper**

**Ref.No.IECD. 15 /08.15.01/2000-01**

**April 30, 2001**

**The Chairmen/Chief Executives of  
All Scheduled Banks, Primary Dealers,  
Satellite Dealers and All-India Financial Institutions**

**Dear Sirs,**

**Guidelines for Issue of Commercial Paper**

As announced in the Statement on Monetary and Credit Policy for the year 2001-2002, certain changes have been effected in the guidelines for issue of commercial paper (CP). Accordingly, guidelines for issue of CP contained in our circular No.IECD 3/ 08.15.01/2000-2001 dated October 10, 2000 have been amended. A copy of the Notification No.IECD 2 /08.15.01/2000-01 dated April 19, 2001 amending the relevant notification is enclosed for your information.

Yours faithfully,

(S.S.Gangopadhyay)  
Chief General Manager-In-Charge

Encls : As above

**Reserve Bank of India**  
**Industrial and Export Credit Department**  
**Central Office**  
**Mumbai - 400 001**

**Notification No.IECD/2/08.15.01/2000-01 Dated April 30, 2001**

In exercise of the powers conferred by Sections 45J, 45K and 45L of the Reserve Bank of India Act, 1934 (2 of 1934) and all the powers enabling it in this behalf, the Reserve Bank of India being satisfied that it is necessary in the public interest so to do, hereby directs that the "Guidelines for Issue of Commercial Paper (CP)" issued vide Notification No.IECD 1/08.15.01/2000-01 dated October 10, 2000 shall be amended in the following manner with effect from June 30, 2001.

Paragraph 16 may be substituted by the following paragraph: -

" While option is available to both issuers and subscribers to issue/hold CP in dematerialised or physical form, issuers and subscribers are encouraged to prefer exclusive reliance on dematerialised form of issue/holding. However, with effect from June 30, 2001, banks, FIs, PDs and SDs are directed to make fresh investments and hold CP only in dematerialised form. Outstanding investments in scrip form in the books of banks, FIs, PDs and SDs should also be converted into dematerialised form by October 31, 2001. Thus, with effect from November 1, 2001, these entities will hold CP only in dematerialised form."

(D.P.Sarda)  
Executive Director