



भारतीय रिज़र्व बैंक  
**RESERVE BANK OF INDIA**  
[www.rbi.org.in](http://www.rbi.org.in)

RBI/2010-11/417

IDMD.PCD. 28 / 14.03.01/ 2010-11

March 7, 2011

To,

All RBI-regulated entities

Dear Sirs,

**Exchange-traded Interest Rate Futures**

It has been decided to introduce Interest Rate Futures on 91-Day Treasury Bills issued by Government of India. In this regard, Reserve Bank of India has issued an amendment direction IDMD.PCD.27/ED(HRK)-2010 dated March 7, 2011 under section 45W of the Reserve Bank of India Act, 1934, which has been placed on the Reserve Bank of India website ([www.rbi.org.in](http://www.rbi.org.in)).

2. A copy of the Direction is enclosed.

Yours faithfully,

**(R N Kar)**  
General Manager

**RESERVE BANK OF INDIA  
INTERNAL DEBT MANAGEMENT DEPARTMENT  
23<sup>rd</sup> FLOOR, CENTRAL OFFICE FORT  
MUMBAI 400 001**

**Interest Rate Futures (Reserve Bank) (Amendment) Directions, 2011**

IDMD.PCD. 27 /ED (HRK) - 2010 dated March 7, 2011

The Reserve Bank of India having considered it necessary in public interest and to regulate the financial system of the country to its advantage, in exercise of the powers conferred by section 45W of the Reserve Bank of India Act, 1934 and of all the powers enabling it in this behalf, hereby amends the Directions contained in Notification FMD.MSRG.1/02.04.003/2009-10 dated August 28, 2009 (hereinafter referred to as 'Directions') as follows, namely -

1. In paragraph 3(i) of the Directions, after the words "are permitted on" and *before* the words "10-year notional coupon bearing Government of India security" the following words shall be inserted:

"91-Day Treasury Bills,"

2. Paragraph 4 of the Directions shall be amended to read as under –

**4. Features of Interest Rate Futures**

4.1 The 10-year Interest Rate Futures contract shall have the following features:

- a. The contract shall be on 10-year notional coupon bearing Government of India security.
- b. The notional coupon shall be 7% per annum with semi-annual compounding.
- c. The contract shall be settled by physical delivery of deliverable grade securities using the electronic book entry system of the existing Depositories, namely, National Securities Depositories Ltd. and Central Depository Services (India) Ltd. and Public Debt Office of the Reserve Bank.
- d. Deliverable grade securities' shall comprise GoI securities maturing at least 7.5 years but not more than 15 years from the first day of the delivery month with a minimum total outstanding stock of ₹ 10,000 crore. Exchanges may fix their own basket of securities for delivery from the deliverable grade securities in accordance with guidelines issued by the Securities Exchange Board of India from time to time.

4.2 The 91-Day T-Bill Futures shall have the following features:

- a. The contract shall be on 91-Day Treasury Bills issued by the Government of India.
- b. The contract shall be cash settled in Indian Rupees.
- c. The final settlement price of the contract shall be based on the weighted average price/yield obtained in the weekly auction of the 91-Day Treasury Bills on the date of expiry of the contract.

**(H R Khan)  
Executive Director**