



संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई 400001

DEPARTMENT OF COMMUNICATION, Central Office, S.B.S. Marg, Mumbai 400001
फोन/Phone: 91 22 2266 0502 फैक्स/Fax: 91 22 2270 3279

प्रेस प्रकाशनी PRESS RELEASE



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi
Website : www.rbi.org.in
ई-मेल email: helpdoc@rbi.org.in

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Issuance of Government of India Cash Management Bills

The Government of India, in consultation with the Reserve Bank of India, has decided to issue a new short-term instrument, known as Cash Management Bills, to meet the temporary cash flow mismatches of the Government. The Cash Management Bills will be non-standard, discounted instruments issued for maturities less than 91 days.

The Cash Management Bills will have the generic character of Treasury Bills and their sale will be subject to the terms and conditions specified in the General Notification No. F.2 (12)-W&M/97 dated 31st March 1998 issued by Government of India and as amended from time to time.

The Cash Management Bills will have the following features.

- The tenure, notified amount and date of issue of the proposed Cash Management Bills will depend upon the temporary cash requirement of the Government. However, the tenure of the proposed Bills will be less than 91 days.
- The proposed Bills will be issued at discount to the face value through auctions, as in the case of the Treasury Bills.
- The announcement of the auction of the proposed Bills will be made by the Reserve Bank of India through separate Press Release to be issued one day prior to the date of auction.
- The settlement of the auction will be on T+1 basis.
- The Non-Competitive Bidding Scheme for Treasury Bills will not be extended to the Cash Management Bills.
- The proposed Bills will be tradable and qualify for ready forward facility. Investment in the proposed Bills will be reckoned as an eligible investment in Government Securities by banks for SLR purpose under Section 24 of the Banking Regulation Act, 1949.

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Alpana Killawala
Chief General Manager