

RBI/2004-05/407

IDMD. No 11 /08.12.00/2004-05

March 30, 2005

To,

Finance Secretaries of the State Government

Dear Sirs,

**Extension of the Scheme of Non-Competitive
Bidding Facility to 182-Day Treasury Bills**

The Reserve Bank in consultation with the Government of India has decided to re-introduce 182-Day Treasury Bills from the fiscal year 2005-06. The first auction of 182-Day Treasury Bills will be conducted on April 6, 2005 and subsequent auctions on a fortnightly basis on Wednesdays preceding the non-Reporting Fridays with payment on non-Reporting Fridays. In this connection, we enclose a copy of the Press Release of the calendar for auctions of Government of India Treasury Bills for the period from April 1, 2005 to March 31, 2006, for your information.

2. Presently, State Governments are permitted to bid on non-competitive basis for Treasury Bills of maturities of 91 day and 364 day. It has since been decided to allow State Governments to bid for 182-Day Treasury Bills also on non-competitive basis. Investment by State Governments in the above Treasury Bills will also be reckoned as eligible security for the purpose of availing of Special WMA facility. The contents of this letter will come into effect forthwith.

Please acknowledge receipt.

Yours faithfully

(R. Sebastian)
General Manager