



**CIRCULAR**

CIR/IMD/FIIC/11/2011

July 29, 2011

To  
All Foreign Institutional Investors  
through their designated Custodians of Securities

Dear Sir/Madam

**Sub: Allocation of Government debt long term limits to FIIs**

1. Based on the assessment of the allocation and the utilization of the limits to FIIs for investments in debt, it has been decided to allocate the unutilized limits in Government debt long term in the following manner:-
2. **Allocation through bidding process:** The bidding for these limits shall be done on the BSE from 15:30 hrs to 17:30 hrs, on August 05, 2011, in terms of SEBI circular IMD/FII&C/37/2009 dated February 06, 2009, subject to the modifications stated below:-
  - 2.1. In partial amendment to clause 3 (h) of the aforesaid circular IMD/FII & C/37/2009, no single entity shall be allocated more than INR 600 cr. of the investment limit. Where a single entity bids on behalf of multiple entities, in terms of para 7 of SEBI circular CIR/IMD/FIIC/18 /2010 dated November 26, 2010, then such bid would be limited to INR 600 cr. for every such single entity.
  - 2.2. In partial amendment to clause 3 (c) and 3(d) of the aforesaid circular IMD/FII & C/ 37/2009, the minimum amount which can be bid for shall be INR 100 cr. and the minimum tick size shall be INR 50 cr.
3. **Allocation through first come first serve process (FCFS):** In terms of SEBI circular dated January 31, 2008, the Government debt long term limits shall be allocated in the FCFS basis subject to the following conditions:-
  - 3.1. The remaining amount in Government debt long term other than bidding process shall be allocated among the FIIs/sub-accounts on a FCFS basis.
  - 3.2. The debt requests in this regard shall be forwarded to the dedicated email id [fii\\_debtrequests@sebi.gov.in](mailto:fii_debtrequests@sebi.gov.in). The window for FCFS process shall open at 08:30 AM IST, August 08, 2011.
  - 3.3. Maximum limit per request under this process shall be INR 49 cr.
  - 3.4. A non-utilisation charge would be levied at average successful bid premium (in bidding process) for non-utilized part from the allocation in FCFS.
4. **Submission of fees:**
  - 4.1. The fees for the bidding process shall be remitted to SEBI by the respective custodians of the entities by August 10, 2011.



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**Securities and Exchange Board of India**

4.2. In case of FCFS, non-utilisation charge as mentioned at para 3.4 above shall be remitted to SEBI by the respective custodians of the entities within three working days from the end of utilization period.

This circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

A copy of this circular is available at the web page "F.I.I." on our website [www.sebi.gov.in](http://www.sebi.gov.in). The custodians are requested to bring the contents of this circular to the notice of their FII clients.

Yours faithfully,

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