



**CIRCULAR**

CIR/IMD/FIIC/ 20 /2011

November 18, 2011

To  
All Foreign Institutional Investors  
through their designated Custodians of Securities

Dear Sir/Madam

**Sub – Increase in FII debt limit in Government & Corporate debt category**

1. Government vide press release dated November 18, 2011 has decided to:
  - a. Increase the current limit of FII investment in Government Securities by US \$ 5 billion raising the cap to US \$ 15 billion. The incremental limit of US \$ 5 billion can be invested in securities without any residual maturity criterion;
  - b. Increase the current limit of FII investment in corporate bonds by US \$ 5 billion raising the cap to US \$ 20 billion. The incremental limit of US \$ 5 billion can be invested in listed corporate bonds.

**Allocation of Increased limit – Government debt & corporate debt**

2. It has been decided that above incremental limits, shall be allocated to the market participants through the bidding process.
3. The bidding of this limit shall be done on the BSE from 15:30 hrs to 17:30 hrs, on November 30, 2011, in terms of SEBI circular IMD/FII&C/37/2009 dated February 06, 2009, subject to the modifications stated below:-
  - a. 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 2,000 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 2,000 cr. for every such single entity.
  - b. 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 1 cr.

**Allocation of Government debt long term category – Unutilized part**

4. Based on the assessment of the utilization of the limits to FIIs for investments in Government debt long term category, it has been decided to allocate the unutilized limits in the following manner:
  - a. 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 200 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 200 cr. for every such single entity.
  - b. 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 1 cr.
5. The fees for the bidding process shall be remitted to SEBI by the respective custodians of the entities within 3 working days after the bidding process.
6. Time period for utilization of above limit is as per SEBI circular IMD/FII&C/18/2010 dated November 26, 2010.



**भारतीय प्रतिभूति और विनिमय बोर्ड**  
**Securities and Exchange Board of India**

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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