

## CIRCULAR

CIR/IMD/FIIC/9/2010

August 06, 2010

To  
All Foreign Institutional Investors  
through their designated Custodians of Securities

Dear Sir/Madam

### **Sub: Allocation of Government debt & Corporate debt investment limits to FIIs**

Based on the assessment of the allocation and the utilization of the limits to FIIs for investments in Corporate Debt and Government Debt, it has been decided to allocate the unutilized limits in the following manner:-

#### **I. Allocation through bidding process:**

Please refer to SEBI circular IMD/FII&C/37/2009 dated February 06, 2009, providing the modalities for the allocation methodology through the bidding process. The bidding process shall be on August 12, 2010 on the National Stock Exchange subject to the following conditions: -

##### **A. . Government Debt:**

- i. In partial amendment to clause 3 (h) of the aforesaid circular IMD/FII & C/37/2009, no single entity shall be allocated more than Rs.100 cr. of the government debt investment limit.
- ii. 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 Rs.50 cr. and the minimum tick size shall be Rs.50 cr.

##### **B. Corporate Debt:**

- i. In partial amendment to clause 3 (h) of the aforesaid circular IMD/FII & C/37/2009, no single entity shall be allocated more than Rs.1000 cr. of the corporate debt investment limit.
- ii. 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 Rs.50 cr. and the minimum tick size shall be Rs.50 cr.

Time period for utilization of the allocated debt limit through bidding process shall be 45 days starting from August 13, 2010.

## **II Allocation through first come first serve process (FCFS)**

In terms of SEBI circular dated January 31, 2008, the Government debt & corporate debt limits shall be allocated in the first come first served basis subject to the following conditions:-

- a) The remaining amount in government debt & corporate debt after bidding process shall be allocated among the FIIs/sub-accounts on a first come first served basis, subject to a ceiling of Rs.49 cr. per registered entity.
- b) 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 first come first served process shall open at 08:30 AM IST, August 12, 2010.
- c) Time period for utilization of the allocated debt limit through first come first served basis shall be 11 working days from the date of the allocation.
- d) A non-utilisation charge would be levied at average successful bid premium (in bidding process) for non-utilised part from the allocation in first come first serve.

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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