DEPUTY GENERAL MANAGER
INVESTMENT MANAGEMENT DEPARTMENT

SEBI/IMD/CIR No. 8 / 107311 /07
October 26, 2007

All Mutual Funds Registered with SEBI
Association of Mutual Funds in India (AMFI)

Dear Sirs,

Re: Parking of Funds in Short Term Deposits of Scheduled Commercial Banks by Mutual Funds – Pending deployment

Please refer to SEBI circular no. SEBI/IMD/CIR No. 1/91171/07 dated April 16, 2007 on guidelines for Parking of Funds in Short Term Deposits of Scheduled Commercial Banks – Pending deployment.

With regard to clause 1 of the aforesaid circular it is clarified that the tenure of the term deposits placed as margin for trading in derivatives shall not exceed 182 days.

This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of Regulation 77 of SEBI (Mutual Funds) Regulations, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

Ruchi Chojer