



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIR/IMD/FIIC/8/2013

CIRCULAR

June 12, 2013

To
All Foreign Institutional Investors
through their designated Custodians of Securities

The Depositories (NSDL and CDSL)

Sir / Madam,

Sub: Enhancement in Foreign Investment limits in Government debt

1. The Government of India has enhanced the Government Debt Limits by USD 5 billion (equivalent to approximately INR 29,137 cr converted at the RBI reference rate of 1 USD = INR 58.274 as on June 12, 2013).
2. It has been decided that the aforesaid enhanced limit of USD 5 billion shall be available for investments only to those FIIs which are registered with SEBI under the categories of Sovereign Wealth Funds (SWFs), Multilateral Agencies, Endowment Funds, Insurance Funds, Pension Funds and Foreign Central Banks.
3. To begin with, the amount of USD 5 billion together with the unutilized limit of INR 29,812 cr (equivalent to approximately USD 6.2 billion) as on May 31, 2013 (due for auction on June 20, 2013) will be made immediately available for investment on tap by these investors mentioned in Para 2 above.
4. The amount not utilized as on June 18, 2013 (out of the presently unutilized limit of INR 29,812 cr) will be put on auction on June 20, 2013. Similar exercise shall continue every month.
5. With regard to those FIIs which have exhausted their reinvestment limits, as a one time measure, a special window of upto USD 250 million per FII shall be available till the date of the next auction i.e. June 20, 2013 subject to the aggregate investments in Government debt by all FIIs/QFIs being limited to USD 25 Billion (i.e. the limit other than the limit of USD 5 billion earmarked for investors mentioned in Para 2 above).

Such investments made by FIIs using the special window shall be subject to a lock-in of 90 days. Moreover, these investments will not be eligible for re-investment facility.

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

Yours faithfully,

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