



भारतीय प्रतिभूति और विनियम बोर्ड  
Securities and Exchange Board of India

CIRCULAR

CIR/IMD/FIIC/11/2013  
July 31, 2013

To

**All Foreign Institutional Investors**  
through their designated Custodians of Securities

**Dear Sir/Madam**

**Utilisation period for Government Debt Limits**

1. SEBI vide circular CIR/IMD/FIIC/22/2012 dated November 07, 2012 had reduced the utilisation period for Government debt limits allocated through auction process to 30 days from 45 days.
2. Currently, the unutilised debt limits as on the 18th of every month are auctioned on the 20th of the month (the next working day in case 20th is a holiday). Thus, an FII/QFI purchasing debt limits in the auction on the 20th has time till 19th of the next month to utilise the debt limits.
3. The limits not utilised by the FIIs/QFIs as on the 19th are added back to the pool of free limits. Since the date of expiry of the utilisation period for debt limits (19th) exceeds the cut-off date for the free limit to be auctioned (18th), by one day, the unutilised limits being freed up on the 19th are auctioned in the subsequent month and not in the same month. On account of this, free limits remain unavailable for investments for two months till the FIIs/QFIs can purchase them in the subsequent auction.
4. Therefore, in partial modification to para 2 of CIR/IMD/FIIC/22/2012 dated November 07, 2012, in order to ensure that the unutilised debt limits are put up for auction without delay, it is proposed that FIIs/QFIs may be permitted to utilise the debt limits allocated to them in each monthly auction till the 17th day of the succeeding month. Any unutilised limit as on the 18th of each month would get auctioned on the 20th of each month, in terms of SEBI circular CIR/IMD/FIIC/8/2013 dated June 12, 2013.
5. The Government Debt Limits allocated in the auction held on July 22, 2013 shall adhere to the revised utilisation period.

This circular shall come into effect immediately. This circular is issued in exercise of powers conferred under SEBI 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.

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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