



**CIRCULAR**

CIR/MRD/DRMNP/26/2014

September 15, 2014

To

Recognized Stock Exchanges,  
Recognized Clearing Corporations,

Dear Sir/Madam,

**Sub: Position Limits for Mutual Funds in 10-year Interest Rate Futures (IRF)**

1. SEBI vide circulars CIR/MRD/DRMNP/35/2013 dated December 5, 2013 and CIR/MRD/DRMNP/ 2/2014 dated January 20, 2014 prescribed framework for trading of Cash settled Interest Rate Futures (IRF) on 10-year Government of India Security on Stock Exchanges. Further SEBI vide circular CIR/MRD/DP/15/2014 dated May 15, 2014 clarified position limits applicable to Foreign Portfolio Investors (FPIs) in IRF.
2. In continuation of these circulars and in light of the queries received, it is clarified that the following position limits in IRF shall be applicable for Mutual Fund level and scheme level:
  - a. Mutual Funds shall have position limits as applicable to trading members presently.
  - b. Schemes of Mutual Funds shall have position limits as applicable to clients presently.
3. 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.
4. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in), under the category "Circulars" .

Yours faithfully,

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