

**General Manager
Division of Foreign Institutional Investors & Custodians
INVESTMENT MANAGEMENT DEPARTMENT**

Cir No. IMD/FII & C/41/2009
December 15, 2009

To
All Foreign Institutional Investors
through their designated Custodians of Securities

Dear Madam/Sir

Sub: Allocation methodology of debt investment limits to FIIs

I

Allocation through bidding process

1. Please refer to SEBI circular IMD/FII & C/ 37/2009 dated February 06, 2009, IMD/FII & C/39/2009 dated May 12, 2009 and IMD/FII & C/40/2009 dated September 04, 2009 and providing the modalities for the allocation methodology for the debt investment limits.
2. It has been decided that the unutilised investment limits for government debt shall also be allocated in similar manner as specified in the circular mentioned above.
3. 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.300 cr. of the government debt investment limit.
4. 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.
5. The bidding process shall be on December 17, 2009 on the Bombay Stock Exchange.

II

Allocation through first come first serve process

6. An investment limit of Rs.350 cr. in Government debt shall be allocated among the FIIs/sub-accounts on a first come first served basis in terms of SEBI circular dated January 31, 2008, subject to a ceiling of Rs.50 cr. per registered entity.
7. The debt requests in this regard shall be forwarded to the dedicated email id fii_debtrequests@sebi.gov.in. The window for first come first served process shall open at 23:59 PM IST, December 17, 2009. 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.
8. A copy of this circular is available at the web page "F.I.I." on our website www.sebi.gov.in. The custodians are requested to bring the contents of this circular to the notice of their FII clients.

Yours faithfully,

Jeevan Sonparote