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

Cir No. IMD/FII & C/42/2010
April 09, 2010

To
All Foreign Institutional Investors
through their designated Custodians of Securities

Dear Madam/Sir

Sub: Allocation of debt investment limits to FIIs

Based on the assessment of the allocation and the utilization of the limits to FIIs for investments in Government and Corporate Debt, it has been decided to allocate the unutilized limits in the following manner:-

I

Allocation through bidding process

Please refer to SEBI circular IMD/FII & C/ 37/2009 dated February 06, 2009, providing the modalities for the allocation methodology through the bidding process. The bidding process shall be on April 16, 2010 on the National Stock Exchange for both the government as well as the corporate debt limits subject to the following conditions: -

1. **Government Debt:**
    a. 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.200 cr. of the government debt investment limit.
    b. 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.
2. **Corporate Debt:**
    a. 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.2000 cr. of the corporate debt investment limit.
    b. 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.200 cr. and the minimum tick size shall be Rs.200 cr.

II

Allocation through first come first serve process (FCFS)

In terms of SEBI circular dated January 31, 2008, the government and corporate debt limits shall be allocated in the first come fist served basis subject to the following conditions:-

3. **Government Debt:**
    a. An investment limit of Rs.200 cr. in Government debt shall be allocated among the FIIs/sub-accounts on a first come first served basis, subject to a ceiling of Rs.49 cr. per registered entity.
4. **Corporate Debt:**
    a. The remaining amount in corporate debt after bidding process shall be allocated among the FIIs/sub-accounts on a first come first served basis, subject to a ceiling of Rs.199 cr. per registered entity.

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

08:30 AM IST, April 19, 2010. 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.

5. The format for applying for debt limit for FCFS process is as follows:

Name of FII	:
FII Registration No.	:
Name of Sub Account (if applicable)	:
Sub Account Code (if applicable)	:
Limit applied for (amount in INR)	:
Approval requested for (Government/ Corporate Debt)	:
Name of Local custodian (of applicant)	:

6. 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