



CIRCULAR

CIR/IMD/FIIC/12/2012

April 27, 2012

To  
All Foreign Institutional Investors  
through their designated Custodians of Securities

Dear Sir/Madam

**Sub: Auction calendar for allocation of FII debt limit**

1. SEBI has been allocating FII debt limits through open bidding platform since February 2009 as and when free limits are available. The utilisation status of FII debt limits and the free limits available as on 15<sup>th</sup> of every month and at the end of every month are being disseminated on SEBI website.
2. It has been decided that henceforth auction of debt limits shall be conducted on 20th of every month (if 20th is holiday, auction shall be done on the next working day), based on availability of free limits at the end of respective previous month. The auction shall be conducted if the free limit in any category (Government debt old, Government debt long term, corporate debt old and Corporate debt long term infra with one year lock-in and one year residual maturity clause) is more than INR 1,000 cr, in the following manner:
  - i. **Duration of bidding:** The bidding shall be conducted as per SEBI circular no. IMD/FII&C/37/2009 dated February 06, 2009 for two hours duration from 15:30 hrs to 17:30 hrs.
  - ii. **Amount of bid:** In partial amendment to clause 3 (h) of the aforesaid circular IMD/FII & C/37/2009, no single entity shall be allocated more than INR 250 cr. or one-tenth of free limit whichever is higher. If a single entity bids on behalf of multiple entities, in terms of para 7 of SEBI circular CIR/IMD/FIIC/18 /2010 dated November 26, 2010, then such bid would also be limited to INR 250 cr. or one-tenth of free limit for every such single entity. Further, 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 INR 1 cr. with tick size of INR 1 cr.
  - iii. **Price of bid & Allocation method:** Pricing of bid and allocation methodology shall be as per SEBI circular no. IMD/FII & C/37/2009 dated February 06, 2009.
  - iv. **Time period for utilization of the limits:** Time period for utilisation of debt limit shall be as per SEBI circular no. CIR/IMD/FIIC/18 /2010 dated November 26, 2010 i.e. 90 days for corporate debt old and corporate debt long term infra category and 45 days for Government debt old and Government debt long term category.
3. Auction of limit shall be held alternatively on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Ltd. (NSEIL) offered platform starting with BSE on May



**भारतीय प्रतिभूति और विनिमय बोर्ड**  
**Securities and Exchange Board of India**

21, 2012. Modalities of the auction platform including authentication and bidding through multiple bid process shall be as per the circulars by the Exchanges.

4. The fees for the auction process shall be remitted to SEBI by the respective custodians of the entities within 3 working days after the auction process.
5. The notification of ensuing auction process shall be published along with FII debt utilisation status (at the end of every month), as disseminated on SEBI website.
6. 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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