

**DEPUTY GENERAL MANAGER
INVESTMENT MANAGEMENT DEPARTMENT**

SEBI / IMD / CIR No.3 / 166386 / 2009
June 15, 2009

To:

All Mutual Funds, Asset Management Companies (AMCs)
and Association of Mutual Funds in India (AMFI)

Sir / Madam,

Sub: Guidelines for Investment by Mutual Funds in Money Market Instruments

1. Please refer to Circular No.1 dated June 9, 2009, enclosing the gazette notification No. LAD – NRO/GN/2009-10/07/165404 dated June 5, 2009 pertaining to SEBI (Mutual Funds) (Second Amendment) Regulations, 2009.
2. It is hereby clarified that in case of the existing schemes where the investments in money market instruments of an issuer are not in compliance with the said notification, AMC shall ensure compliance within a period of 3 months from the date of notification.
3. This circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992, read with the provisions of Regulation 77 of the SEBI (Mutual Funds) Regulations, 1996, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

Ruchi Chojer