

NATIONAL STOCK EXCHANGE OF INDIA LIMITED**DEPARTMENT : CAPITAL MARKET SEGMENT**

Download Ref No :NSE/CMTR/20312

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All NSE Members

Sub: Investment by Qualified Foreign Investors (QFI) in Indian Equity Shares

This is further to SEBI vide circulars CIR/ IMD/FII&C/3/2012 dated January 13, 2012, CIR/ IMD/ FII&C/ 4/ 2012 dated January 25, 2012 and subsequent Exchange circulars NSE/CMTR/19809, dated January 16, 2012, NSE/INVG/19838, dated January 19, 2012 and NSE/CMTR/19901 dated January 27, 2012 regarding guidelines for Investment by Qualified Foreign Investors (QFI) in Indian Equity Shares.

As per the SEBI circular, when the aggregate shareholding of all the QFIs in a company reaches 8% of the equity paid up capital, the company's name along with ISIN shall be published in caution list by the depositories and no fresh purchases shall be allowed without prior approval of the depositories. SEBI also advised Exchange to develop separate segment for intra QFI transactions in the equity shares of companies in the caution list, if QFI wish to buy without the prior approval of the depositories.

In pursuance of the clause 2.6 of Part A of Regulations for the Capital Market Segment of the Exchange, the Exchange hereby notifies that a new Market Type will be introduced on the trading system of the Exchange under the series type IQ. The IQ series shall be used for executing trades on behalf of QFI in companies where the caution limit of QFI investment has been reached and QFI wish to buy without the prior approval of the depositories.

The norms and procedures of the trading in "IQ" series are enclosed in Annexure 1.

For and on behalf of
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Annexure 1

Norms and procedures of the trading in “IQ” series

Market Parameters for IQ series

Market Type	Same as Normal Market
Lot Size	Same as Normal Market
Base Price & Price Band	Same as Normal Market
Eligible Securities	As mentioned in Caution list by Depositories

Other Provisions

- In order to ensure that the overall QFI ceiling limits are not violated, trading members shall be allowed to enter sell orders in this market segment only for their QFI clients.
- All other provisions applicable to different market segment (or type) shall also be applicable mutatis-mutandis to this market also.