NATIONAL STOCK EXCHANGE OF INDIA LIMITED

DEPARTMENT : SURVEILLANCE	
Download Ref. No.: NSE/SURV/37906	**Date: June 04, 2018**
Circular Ref. No.:- 129/2018	

To All NSE Members

Sub: Monitoring of Foreign Investment limits in listed Indian companies

This is with reference to SEBI circular no. IMD/FPIC/CIR/P/2018/61 dated April 05, 2018 regarding Monitoring of Foreign Investment limits in listed Indian companies, circular no. SEBI/HO/IMD/FPIC/CIR/P/2018/ dated May 17, 2018 and NSE circular no NSE/CML/37892 dated June 02, 2018.

In this regard trading members may note the following:

A. SEBI has advised custodians the following:

i. To provide trading data of FPIs in IL series separate from that of normal market to NSDL/ CDSL in two files.
ii. They (custodians) shall be informed by NSDL/ CDSL, of any breach of limit in normal segment only.
iii. They shall note that during this period (June 2018), there will be no divestment for trades in IL series by FPIs.
iv. They shall ensure divestment in 5 trading days for breach in trades in normal segment only, as referred in SEBI circular dated April 05, 2018. Members may note that divestment is not permitted in IL series.
v. They shall not confirm any buy trade of FPI during the time when limits have been breached in a scrip.

B. As per SEBI circular, in the event of the breach of aggregate FPI/NRI/Sector cap limit, foreign investors shall require to divest the excess quantity by selling them only to domestic investor’s i.e. in normal market only.

C. Exchange shall levy penalty on trading members if they buy on behalf of their FPI/NRI clients in scrips where aggregate FPI/NRI/sector cap limit has been breached. Penalty shall be at 0.10% of the total value or Rs.10,000 whichever is lower per security.

This circular shall be effective with immediate effect.

For National Stock Exchange of India Limited

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