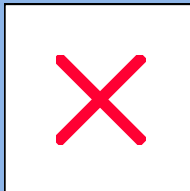


Capital Market update



News Flash



Capital Market update

Participatory Notes reporting requirements by FIIs

The Securities and Exchange Board of India (" SEBI") has issued vide Circular no. CIR/IMD/FIIC/1/2011 dated January 17, 2011 a revised reporting format of the Foreign Institutional Investors (" FIIs") issuing Offshore Derivative Instruments (" ODIs") or Participatory Notes (" PN"). This new format has made substantial changes to the format prescribed by SEBI in 2003. The new reporting requirements prescribed are as follows:

1. **Reporting Format:** Reports have to be prepared and submitted by each FII before the 10th day of each month (with a 6 month lag i.e. Therefore, the activities in April are to be reported in October.) in the form of different annexures. These annexures would deal with details of PN/ ODI activity, details of underlying trades in the Indian markets (in debt, equity and derivative instruments) and details of assets under management in the Indian markets (debt, equity and derivatives).

Further, each FII has to submit a monthly summary report which shall capture the summary of the India ISIN-wise PN/ODI activity for the preceding month and has to be submitted before the 7th of the next month.

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