



CIRCULAR

CIR/IMD/FIIC/15/2011

August 26, 2011

To
All Foreign Institutional Investors
through their designated Custodians of Securities

Dear Sir/Madam

Sub: Infrastructure Finance Companies (IFCs) -- as eligible issuers for FIIs investment limit in debt instrument for infrastructure.

1. Please refer to SEBI circular dated November 26, 2010 & March 31, 2011, regarding FII investment in the corporate bonds issued by Indian companies which are in the infrastructure sector, where 'infrastructure' is defined in terms of the extant guidelines on External Commercial Borrowings (ECB).
2. In partial amendment to para 3 of circular dated November 26, 2010 and para 4 of circular dated March 31, 2011 it has been decided that Non-Banking Financial Companies (NBFCs) categorized as Infrastructure Finance Companies (IFCs) by the Reserve Bank of India (RBI) shall also now be considered eligible issuers for the purposes of FII Investment under the corporate debt long term infra category.
3. This circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, read with Section 10 of the Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
4. A copy of this circular is available at the web page "F.I.I." on our website 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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