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PRESS RELEASE

Changes in Index Maintenance Guidelines

India Index Services & Products Ltd. (IISL), a NSE group company, in its continuous efforts to align with the global industry best practices hereby announces revision in operational guidelines governing index maintenance and index reconstitution as given hereunder:

A. Revision in operational guidelines governing index maintenance:

With an immediate effect, operational guidelines governing index maintenance will be revised as given hereunder:

Corporate Action	Existing Policy	Revised Policy
Investable Weight Factors (IWFs) Review	The IWFs are reviewed on a quarterly basis and implemented from first working day after F&O expiry of February, May, August and November after providing five working days' prior notice.	The IWFs will be reviewed on a quarterly basis and implemented from first working day after F&O expiry of March, June, September and December after providing five working days' prior notice.
	Change in IWF by 5% or more is implemented as soon as possible after providing five working days' prior notice.	No change.
Shares rebalancing	Change in shares of less than 5% is made on a quarterly basis and implemented from first working day after F&O expiry of February, May, August and November after providing five working days' prior notice.	Change in shares of less than 5% will be made on a quarterly basis and implemented from the first working day after F&O expiry of March, June, September and December after providing five working days' prior notice.
	Change in shares that results into change in the free-float market capitalisation by 5% or more is implemented as soon as possible after providing five working days' notice period.	Change in shares by 5% or more will be implemented as soon as possible after providing five working days' prior notice.
Indices with capping methodology	Indices are presently capped at the time of change in divisors after providing five working days' prior notice. Additionally, capping is done on quarterly basis and implemented	Indices will be capped at the time of change in divisors as per the existing policy. Additionally, capping will be done on a quarterly basis and

	from first working day after F&O expiry of February, May, August and November after providing five working days' prior notice.	implemented from the first working day after F&O expiry of March, June, September and December after providing five working days' prior notice.
Equal weighted indices	<p>Weightage of stocks in equal weighted indices are presently aligned equally at the time of change in the index composition after providing five working days' prior notice.</p> <p>Additionally, they are aligned equally on a quarterly basis and implemented from first working day after F&O expiry of February, May, August and November after providing five working days' prior notice.</p>	<p>Weightage of stocks in equal weighted indices will be aligned equally at the time of change in the index composition as per the existing policy.</p> <p>Additionally, they will be aligned equally on a quarterly basis and implemented from first working day after F&O expiry of March, June, September and December after providing five working days' prior notice.</p>

B. Revision in guidelines governing index reconstitution:

1. Criteria for selection of stocks in NIFTY 50:

Criteria	Existing Criteria	Revised Criteria
Eligible universe	-	Constituents of NIFTY 100 index shall form universe for NIFTY 50
Liquidity	For inclusion in the index, the security should have traded at an average impact cost of 0.50 % or less during the last six months, for 90% of the observations for portfolio of Rs. 2 crores.	For inclusion in the index, the security should have traded at an average impact cost of 0.50 % or less during the last six months, for 90% of the observations for portfolio of Rs. 10 crores.
Float-adjusted market capitalization	Companies eligible for inclusion in the NIFTY 50 must have at least twice the free-float market capitalization of the current smallest index constituent.	Companies will be included if free-float market capitalisation is 1.50 times the free-float market capitalization of the smallest constituent in respective index.

2. Eligible universe for selection of stocks:

Index	Existing Criteria	Revised Criteria
Thematic Indices: 1. NIFTY Commodities 2. NIFTY Energy 3. NIFTY India Consumption 4. NIFTY Infrastructure 5. NIFTY MNC 6. NIFTY PSE 7. NIFTY Services Sector 8. NIFTY Tata 25% Cap	Companies must rank within the top 500 companies by average free-float market capitalisation and aggregate turnover for the last six months.	Companies must rank within the top 800 by average full market capitalisation and average daily turnover for the last six months.
Strategy Indices: 1. NIFTY Dividend Opportunities 50 2. NIFTY Alpha 50 3. NIFTY High Beta 50 4. NIFTY Low Volatility 50	Companies must rank within the top 300 companies by average free-float market capitalisation and aggregate turnover for the last six months.	Companies must rank within the top 300 companies by average free-float market capitalisation and average daily turnover for the last six months.
5. NIFTY Quality 30	Companies must rank within the top 200 rank by free-float market capitalization and aggregate turnover.	Companies must rank within the top 200 rank by free-float market capitalization and average daily turnover for the last six months.
Broad Market Indices: 6. NIFTY Free-float Midcap 100	Companies within the range of 75 th to 90 th percentile are ranked in the descending order of aggregate turnover for the last six months for final selection.	Companies within the range of 75 th to 90 th percentile shall be ranked in the descending order of average daily turnover for the last six months for final selection.
7. NIFTY Free-float Smallcap 100	Companies within the range of 90 th to 95 th percentile are ranked in the descending order of aggregate turnover for the last six months for final selection.	Companies within the range of 90 th to 95 th percentile shall be ranked in the descending order of average daily turnover for the last six months for final selection.

3. Inclusion criteria for selection of stocks:

Index	Existing Criteria	Revised Criteria
1. NIFTY 500 2. NIFTY 100 3. NIFTY Midcap 150 4. NIFTY Midcap 50	Companies are included if full market capitalisation is twice of the last constituent in respective index.	Companies will be included if full market capitalisation is 1.50 times the full market capitalization of the smallest index constituent (based on full market

		capitalization) in respective index.
1. NIFTY Commodities 2. NIFTY Energy 3. NIFTY India Consumption 4. NIFTY Infrastructure 5. NIFTY MNC 6. NIFTY PSE 7. NIFTY Services Sector 8. NIFTY100 Liquid 15 9. NIFTY Midcap Liquid 15 10. NIFTY Shariah 25 11. NIFTY Growth Sector 15 12. NIFTY Sectoral indices (excluding NIFTY Financial Services sector)	Companies are included if free-float market capitalisation is twice of the last constituent in respective.	Companies will be included if free-float market capitalisation is 1.50 times the free-float market capitalization of the smallest index constituent in respective index.
13. NIFTY Tata Group 25% Cap	-	Companies will be included if free-float market capitalisation is 1.50 times the free-float market capitalization of the smallest index constituent in the index.

4. Revision in the reference date for review of strategy indices:

Index	Existing Policy	Revised Policy
1. NIFTY100 Low Volatility 30 2. NIFTY Alpha 50 3. NIFTY High Beta 50 4. NIFTY Low Volatility 50	Factors such as alpha, beta and volatility are calculated using closing prices of last one year (adjusted for corporate actions) period ending last trading day of January, April, July & October of each year respectively.	Factors such as alpha, beta and volatility will be calculated using closing prices of last one-year (adjusted for corporate actions) period ending last trading day of February, May, August & November of each year respectively.

5. Revision in index reconstitution schedule:

Index Review Calendar	Existing Policy	Revised Policy
Strategy Indices: 1. NIFTY Dividend Opportunities 50 2. NIFTY50 Value 20* 3. NIFTY Quality 30	Annual in November	Annual basis and implemented from first working day after F&O expiry of December
Thematic Indices: 1. NIFTY Corporate Group indices	Quarterly basis in February, May, August and November	Quarterly basis and implemented from first working day after F&O

		expiry of March, June, September and December
Government Securities Indices: <ol style="list-style-type: none"> 1. NIFTY 8-13 yr G-Sec 2. NIFTY 4-8 yr G-Sec 3. NIFTY 11-15 yr G-Sec 4. NIFTY 15 yr and above G-Sec 5. NIFTY Composite G-Sec 	10 th of each month	1 st working day of each month

**Additional review would be undertaken in case a constituent(s) is removed from the parent index (NIFTY 50 in case of NIFTY50 Value 20).*

Revision in guidelines governing index reconstitution will be applicable from September 2017 rebalancing.

About National Stock Exchange of India Limited (NSE):

The National Stock Exchange (NSE) is the leading stock exchange in India and the fourth largest in the world by equity trading volume in 2015, according to World Federation of Exchanges (WFE). NSE was the first exchange in India to implement electronic or screen-based trading. It began operations in 1994 and is ranked as the largest stock exchange in India in terms of total and average daily turnover for equity shares every year since 1995, based on SEBI data. NSE has a fully-integrated business model comprising our exchange listings, trading services, clearing and settlement services, indices, market data feeds, technology solutions and financial education offerings. NSE also oversees compliance by trading and clearing members with the rules and regulations of the exchange. NSE is a pioneer in technology and ensures the reliability and performance of its systems through a culture of innovation and investment in technology. NSE believes that the scale and breadth of its products and services, sustained leadership positions across multiple asset classes in India and globally enable it to be highly reactive to market demands and changes and deliver innovation in both trading and non-trading businesses to provide high-quality data and services to market participants and clients.

About India Index Services & Products Ltd. (IISL):

India Index Services & Products Ltd. (IISL), a subsidiary of NSE, provides a variety of indices and index related services for the capital markets. IISL focuses upon the index as a core product. IISL owns and manages a portfolio of indices under the NIFTY brand of NSE, including the flagship index, the NIFTY 50. IISL equity Indices comprises of broad-based benchmark indices, sectoral indices, strategy indices, thematic indices and customised indices. IISL also maintains fixed income indices based on Government of India securities, corporate bonds and money market instruments. Many investment products based on IISL indices have been developed within India and abroad. These include index based derivatives traded on NSE, Singapore Exchange Ltd. (SGX), Chicago Mercantile Exchange Inc. (CME), Osaka Exchange Inc. (OSE), Taiwan Futures Exchange (TAIFEX) and a number of index funds and exchange traded funds. The flagship 'NIFTY 50' index is widely tracked and traded as the benchmark for Indian Capital Markets.

For more information, please visit: www.niftyindices.com

Disclaimer: National Stock Exchange of India Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, an initial public offer of its equity shares and has filed a draft red herring prospectus dated December 28, 2016 (“DRHP”) with Securities and Exchange Board of India (“SEBI”). The DRHP is available on the website of SEBI as well as on website of the Managers, Citigroup Global Markets India Private Limited at <http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm>, JM Financial Institutional Securities Limited at www.jmfi.com, Kotak Mahindra Capital Company Limited at <http://www.investmentbank.kotak.com>, Morgan Stanley India Company Private Limited at <http://www.morganstanley.com/about-us/global-offices/india/>, HDFC Bank Limited at www.hdfcbank.com, ICICI Securities Limited at www.icicisecurities.com, IDFC Bank Limited at www.idfcbank.com and IIFL Holdings Limited at www.iiflcap.com. Potential investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see “Risk Factors” beginning on page 19 of the DRHP. Potential investors should not rely on the DRHP filed with SEBI for making any investment decision.

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