

## Press Release

March 13, 2019

### **Replacements and revision in criteria of indices**

The Index Maintenance Sub-Committee (IMSC) of NSE Indices Limited has decided to make the replacements of stocks in various indices as part of its periodic review along with revision in the selection criteria of NIFTY Growth Sectors 15 and NIFTY CPSE indices as given hereunder.

These changes shall become effective from March 29, 2019 (close of March 28, 2019).

#### **A. Quarterly Review of indices:**

##### **1) NIFTY Alpha 50**

The following companies are being excluded:

Sr. No.	Company Name	Symbol
1	Adani Transmission Ltd.	ADANITRANS
2	Biocon Ltd.	BIOCON
3	Godrej Consumer Products Ltd.	GODREJCP
4	Graphite India Ltd.	GRAPHITE
5	Gruh Finance Ltd.	GRUH
6	H.E.G. Ltd.	HEG
7	Housing Development Finance Corporation Ltd.	HDFC
8	JSW Steel Ltd.	JSWSTEEL
9	Jubilant Life Sciences Ltd.	JUBILANT
10	Page Industries Ltd.	PAGEIND
11	Sonata Software Ltd.	SONATSOFTW
12	Sterlite Technologies Ltd.	STRTECH
13	Tata Elxsi Ltd.	TATAELXSI

The following companies are being included:

Sr. No.	Company Name	Symbol
1	Adani Power Ltd.	ADANIPOWER
2	Aditya Birla Fashion and Retail Ltd.	ABFRL
3	Asian Paints Ltd.	ASIANPAINT
4	Astral Poly Technik Ltd.	ASTRAL
5	Aurobindo Pharma Ltd.	AUROPHARMA
6	Axis Bank Ltd.	AXISBANK
7	Gujarat Fluorochemicals Ltd.	GUJFLUORO

Sr. No.	Company Name	Symbol
8	ICICI Lombard General Insurance Company Ltd.	ICICIGI
9	Justdial Ltd.	JUSTDIAL
10	Muthoot Finance Ltd.	MUTHOOTFIN
11	RBL Bank Ltd.	RBLBANK
12	UPL Ltd.	UPL
13	Wipro Ltd.	WIPRO

## 2) NIFTY High Beta 50

The following companies are being excluded:

Sr. No.	Company Name	Symbol
1	Adani Transmission Ltd.	ADANITRANS
2	Indian Bank	INDIANB
3	Infibeam Avenues Ltd.	INFIBEAM
4	IRB Infrastructure Developers Ltd.	IRB
5	Jain Irrigation Systems Ltd.	JISLJALEQS

The following companies are being included:

Sr. No.	Company Name	Symbol
1	Adani Power Ltd.	ADANIPOWER
2	Cholamandalam Investment and Finance Co. Ltd.	CHOLAFIN
3	Escorts Ltd.	ESCORTS
4	Justdial Ltd.	JUSTDIAL
5	V.I.P. Industries Ltd.	VIPIND

## 3) NIFTY Low Volatility 50

The following companies are being excluded:

Sr. No.	Company Name	Symbol
1	Eicher Motors Ltd.	EICHERMOT
2	Indraprastha Gas Ltd.	IGL
3	TVS Motor Company Ltd.	TVSMOTOR
4	Zee Entertainment Enterprises Ltd.	ZEEL

The following companies are being included:

Sr. No.	Company Name	Symbol
1	ABB India Ltd.	ABB
2	Alkem Laboratories Ltd.	ALKEM
3	Mahanagar Gas Ltd.	MGL
4	PI Industries Ltd.	PIIND

4) **NIFTY100 Low Volatility 30:** No Change

**B. Revision in the criteria and semi-annual review of NIFTY Growth Sectors 15 index**

<b>Sector and stock review: (Periodicity: once in 2 years)</b>	
<b>Existing</b>	<b>Revised</b>
<ul style="list-style-type: none"> <li>For 2 year period, there will be 4 observations (i.e. 2 yearly P/E numbers and 2 P/B numbers for each index). Out of 4 observations, sectors that have higher P/E and P/B in at least 3 out of 4 observations are selected for inclusion in index.</li> <li>From selected sectors, stocks having derivatives available are identified.</li> <li>The stocks are then ranked in the descending order of average free float market capitalization and top 50% of the stocks are carried forward for further scrutiny.</li> <li>Stocks having positive EPS are only considered.</li> </ul>	No Change.
<ul style="list-style-type: none"> <li>The remaining securities after above step are then ranked by EPS growth frequency.</li> </ul>	<ul style="list-style-type: none"> <li>The remaining stocks after above step are then ranked in the descending order of EPS growth frequency and then free-float market capitalization.</li> <li>EPS growth frequency is measured as number of instances, a company would have reported positive quarter on quarter growth in preceding 4 quarters.</li> </ul>
<ul style="list-style-type: none"> <li>All securities that are not there in the index due to sector exclusion, shall then be replaced by the securities in replacement pool having EPS growth frequency of 4, better free float market capitalization (For calculation of EPS growth, quarterly EPS for last 4 quarters are compared).</li> </ul>	<ul style="list-style-type: none"> <li>From the above list, include one stock each from the eligible sectors based on greater EPS growth frequency (subject to minimum EPS growth frequency of 3) and within same EPS growth frequency, based on free float market capitalization across all eligible sectors.</li> <li>Remaining stocks shall be selected based on greater EPS growth frequency and within same EPS growth frequency, based on free float market capitalization across all eligible sectors.</li> </ul>
<ul style="list-style-type: none"> <li>Effective 3rd March 2014 companies which are IRDA dividend norms compliant are considered eligible to be included in the index.</li> </ul>	<ul style="list-style-type: none"> <li>Effective 3rd March 2014 at the time of review, stocks meeting dividend norms specified by IRDA are considered eligible.</li> </ul>

**Index Review: Stock review: (Periodicity: semi-annual)**

<b>Existing</b>	<b>Revised</b>
<ul style="list-style-type: none"> <li>Once in six months, stocks are reviewed in order to find out the better replacement available from the selected sectors.</li> <li>From selected (eligible) sectors, stocks on which derivatives are available with positive EPS in latest quarter shall form part of replacement pool.</li> </ul>	No Change.
<ul style="list-style-type: none"> <li>Replacement shall be carried out, if better security is available in replacement pool from same sector with 1.5 times the free float market capitalization and better EPS growth frequency than any index constituent.</li> </ul>	<ul style="list-style-type: none"> <li>At the time of semi-annual review, replacement shall be made from the same sector with greater EPS growth frequency and greater free float market capitalization than the stock that is being replaced.</li> <li>Further, replacement shall also be made from the same sector with same EPS growth frequency and free float market capitalization 1.5 times higher than the stock that is being replaced.</li> </ul>
<ul style="list-style-type: none"> <li>In case of replacement due to non-availability of derivatives or Scheme of arrangement or negative EPS of any security, then security from any sector having highest EPS growth frequency and free float market capitalization in replacement pool shall be included in the index.</li> </ul>	<ul style="list-style-type: none"> <li>In case of scheme of arrangement or non-availability of F&amp;O in any of the index constituent, a replacement shall be made from the list of stocks arranged in descending order of EPS growth frequency and free-float market capitalization within the same sector subject to minimum EPS growth frequency of 3.</li> <li>In case of non-availability of stocks meeting the above requirement, replacement shall be made based on greater EPS growth frequency and free float market capitalization across all eligible sectors.</li> <li>At the time of review, stocks meeting dividend norms specified by IRDA are considered eligible.</li> </ul>

In accordance with the revised criteria, semi-annual review of NIFTY Growth Sectors 15 index has been conducted as given hereunder:

The following companies are being **excluded**:

<b>Sr. No.</b>	<b>Company Name</b>	<b>Symbol</b>
1	Dabur India Ltd.	DABUR
2	Eicher Motors Ltd.	EICHERMOT

Sr. No.	Company Name	Symbol
3	Hero MotoCorp Ltd.	HEROMOTOCO
4	I T C Ltd.	ITC
5	Lupin Ltd.	LUPIN
6	Mahindra & Mahindra Ltd.	M&M
7	Marico Ltd.	MARICO
8	Sun Pharmaceutical Industries Ltd.	SUNPHARMA

The following companies are being included:

Sr. No.	Company Name	Symbol
1	Bajaj Finance Ltd.	BAJFINANCE
2	Divi's Laboratories Ltd.	DIVISLAB
3	Exide Industries Ltd.	EXIDEIND
4	HDFC Bank Ltd.	HDFCBANK
5	IndusInd Bank Ltd.	INDUSINDBK
6	Kotak Mahindra Bank Ltd.	KOTAKBANK
7	RBL Bank Ltd.	RBLBANK
8	Yes Bank Ltd.	YESBANK

### C. Revision in the criteria for NIFTY CPSE index

The IMSC has decided to make the following change in criteria for selection of stocks in NIFTY CPSE index with immediate effect:

Existing	Revised
<b>Eligible Universe:</b> <ul style="list-style-type: none"> <li>Stocks having more than 53% government holding (stake via Govt. of India or President of India) under promoter category would be eligible.</li> </ul>	<b>Eligible Universe:</b> <ul style="list-style-type: none"> <li>Stocks having more than 52% government holding (stake via Govt. of India or President of India) under promoter category would be eligible.</li> </ul>

### About National Stock Exchange of India Limited (NSE):

The National Stock Exchange of India Ltd. (NSE) is the leading stock exchange in India and the second largest in the world by nos. of trades in equity shares from January to June 2018, according to World Federation of Exchanges (WFE) report. 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 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.

For more information, please visit: [www.nseindia.com](http://www.nseindia.com)

### **About NSE Indices Limited:**

NSE Indices Limited (formerly known as India Index Services & Products Ltd. - IISL), a subsidiary of NSE, provides a variety of indices and index related services for the capital markets. The company focuses on the index as a core product. The company owns and manages a portfolio of indices under the NIFTY brand of NSE, including the flagship index, the NIFTY 50. NIFTY equity indices comprises of broad-based benchmark indices, sectoral indices, strategy indices, thematic indices and customised indices. NSE Indices Limited also maintains fixed income indices based on Government of India securities, corporate bonds, money market instruments and hybrid indices. Many investment products based on NIFTY indices have been developed within India and abroad. These include index based derivatives traded on NSE, NSE IFSC, Singapore Exchange Ltd. (SGX) and 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](http://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.jmfl.com](http://www.jmfl.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](http://www.hdfcbank.com), ICICI Securities Limited at [www.icicisecurities.com](http://www.icicisecurities.com), IDFC Bank Limited at [www.idfcbank.com](http://www.idfcbank.com) and IIFL Holdings Limited at [www.iiflcap.com](http://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.

Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

**For any clarifications please contact:**

Kumar Kartikey  
Senior Manager, Corporate Communication  
Mobile: +91-9819549984  
Email id: [kumark@nse.co.in](mailto:kumark@nse.co.in)