IISL
INDIA INDEX SERVICES & PRODUCTS LIMITED
(A joint venture of NSE & CRISIL)

PRESS RELEASE

LAUNCH OF CNX DIVIDEND OPPORTUNITIES INDEX

In continuation of its efforts to develop indices that meet the requirements of market participants, IISL proposes to launch “CNX Dividend Opportunities Index”.

The CNX Dividend Opportunities Index is designed to provide exposure to high yielding companies listed on NSE while meeting stability and tradability requirements.

Methodology:

The index is calculated using free float market capitalisation methodology with a base date of October 1, 2007 indexed to a base value of 1000.

Selection Criteria:

The criteria for the CNX Dividend Opportunities Index include the following:

a) Companies must rank within the top 500 companies ranked by average free-float market capitalization and aggregate turnover for the last six months.
b) Earnings growth over 3 years must be positive.
c) Companies should have a positive Net worth as per latest annual audited results.
d) Companies must have reported net profit as per latest annual audited results.
e) Top 50 companies ranked by Annual Dividend Yield will form part of the index.
f) The maximum weightage of each company in the index shall be 10%.
g) In order to reduce the turnover of constituents that form part of the index, a buffer of 100% of total number of index constituents shall be applied at the time of each review. This means that if the existing constituent at the time of the review ranks within the top 100 rank, the same can be retained in the index.

The index will be maintained by IISL and will be launched with effect from March 22, 2011.

Place: Mumbai

Date: March 21, 2011