

PRESS RELEASE

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Revision in methodology of Nifty equity indices

The Index Maintenance Sub-Committee (Equity) of NSE Indices Limited has decided to revise the index methodology of the Nifty Midcap 50, Nifty Smallcap 50 and Nifty Sectoral Indices as mentioned hereunder:

A. Revision in methodology of Nifty Midcap 50 index:

Parameters	Existing Methodology	Revised Methodology
Universe	Nifty Midcap 150	Nifty Midcap 150
Eligibility criteria (Eligible Universe)	-	Companies should rank within top 100 based on both average daily full market capitalization and average daily turnover based on previous six months period data
Selection Criteria	Top 50 stocks based on full market capitalization with preference to F&O stocks	Select 50 stocks based on higher 6 month average free-float market capitalization from the eligible universe with preference to F&O stocks
Compulsory Inclusion	<ol style="list-style-type: none"> 1) Rank of any F&O stocks based on full market capitalization is within top 30 2) Full market capitalization of any F&O constituent in Nifty Midcap 150 is at least 1.5 times of the smallest index constituent (based on full market capitalization) in Nifty Midcap 50 3) In case of any shortfall (in the event F&O stocks are not available for inclusion in the index), securities with highest average daily turnover will be selected from top 30 non-F&O constituents in Nifty Midcap 150 index based on full market capitalization 	<ol style="list-style-type: none"> 1) Rank of F&O stock based on 6 month average free float market capitalization is within top 30 within the eligible universe 2) Any non-member eligible F&O stock will be included in the index only if its free-float market capitalization is at least 1.5 times the free-float market capitalization of the smallest F&O index constituent 3) Any non-member eligible non - F&O stock will be included in the index if its free-float market capitalization is at least 1.5 times the free-float market capitalization of the smallest Non F&O index constituent

Parameters	Existing Methodology	Revised Methodology
		4) A non-member eligible F&O stock shall be compulsorily included in the index replacing the smallest non F&O stock in the index (if any) based on free-float market capitalization in the index
Compulsory exclusion	1) Constituents excluded from Nifty Midcap 150* 2) Rank based on full market capitalization falls below 70 among F&O constituents in Nifty Midcap 150	1) Constituents excluded from the Nifty Midcap 150* 2) Rank based on average full market capitalization or average daily turnover (6 month average data) falls beyond 100 within Nifty Midcap 150* 3) Rank based on 6 month average free float market capitalization falls beyond 70 within eligible universe of top 100 stocks

Maximum 5 replacements per review. * Limits on replacement are not applicable for exclusions on account of non-compliance of minimum eligibility criteria, exclusion of stocks from parent index and corporate events such as merger, demerger, delisting, trading suspension etc.

B. Revision in methodology of Nifty Smallcap 50 index:

Parameters	Existing Methodology	Revised Methodology
Universe	Nifty Smallcap 250	Nifty Smallcap 250
Eligibility criteria (Eligible Universe)	-	Companies should rank within top 150 based on both average daily full market capitalization and average daily turnover based on previous six months period data
Selection Criteria	Top 50 companies selected based on average daily turnover from top 100 companies selected based on full market capitalization	Select 50 stocks based on higher 6 month average free-float market capitalization from the eligible universe
Compulsory Inclusion	1) Rank based on average daily turnover is among top 30 from top 100 constituents selected based on full market capitalization in Nifty Smallcap 250	1) Rank based on 6 month average free-float market capitalization is within top 30 from the eligible universe 2) Free-float market capitalization of non-member eligible stocks is at least 1.5 times of the free-float market capitalization of the smallest index constituent
Compulsory exclusion	1) Constituents excluded from Nifty Smallcap 250*	1) Constituents excluded from Nifty Smallcap 250*

Parameters	Existing Methodology	Revised Methodology
	2) Rank based on full market capitalization falls below 130 from Nifty Smallcap 250 constituents 3) Rank based on full market capitalization is among top 130 from Nifty Smallcap 250 constituents, but rank based on average daily turnover falls below 80 (from top 130 constituents)	2) Rank based on average full market capitalization or average daily turnover falls (6 month average data) beyond 150 within Nifty Smallcap 250* 3) Rank based on free float market capitalization falls beyond 70 within the eligible universe

*#Maximum 10 replacements per review. * Limits on replacement are not applicable for exclusions on account of non-compliance of minimum eligibility criteria, exclusion of stocks from parent index and corporate events such as merger, demerger, delisting, trading suspension etc.*

C. Revision in methodology of Nifty Sectoral indices:

Parameter	Name of the Nifty Sectoral indices	Existing methodology	Revised Methodology
Selection criteria – F&O preference	Nifty Auto, Nifty Consumer Durables, Nifty Financial Services Ex-Bank, Nifty FMCG, Nifty Media, Nifty Metal, Nifty Oil & Gas, Nifty PSU Bank, Nifty Realty, Nifty MidSmall Financial Services, Nifty MidSmall Healthcare, Nifty MidSmall IT & Telecom	-	A preference shall be given to companies that are available for trading in NSE’s Futures & Options segment at the time of final selection
Selection criteria – Circuit Filter	Nifty Auto, Nifty Consumer Durables, Nifty Financial Services Ex-Bank, Nifty FMCG, Nifty Media, Nifty Metal, Nifty Oil & Gas, Nifty PSU Bank, Nifty Realty, Nifty Private Bank, Nifty Pharma, Nifty Healthcare, Nifty Financial Services^, Nifty IT	-	On a prospective basis, non - F&O stocks are eligible for inclusion only if the total instances of the stock hitting the upper or lower circuit (price band)* during the past 6 months as of the cut-off date is less than 20% of the number of total trading days over the same period. <i>*An instance is counted each time the stock hits the upper or lower price circuit on a given trading day. If a stock hits the upper and lower price circuit (price band) on the same trading day, it will be counted as two instances</i>

^As Nifty Financial Services 25/50 index is a variant of the Nifty Financial Services index, the changes applicable to Nifty Financial Services index shall be applicable to the Nifty Financial Services 25/50 index.

The above revision in methodology would be applicable from the upcoming review of Nifty equity indices.

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 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 and NSE International Exchange IFSC Limited (NSE IX) 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

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