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

PRESS RELEASE

LAUNCH OF CNX SMALLCAP INDEX

In continuation of its efforts to develop indices that meet the requirements of market participants, IISL proposes to launch "CNX Smallcap Index".

The CNX Smallcap Index is designed to reflect the behaviour and performance of the small capitalised segment of the financial market.

Methodology:

The index is calculated using free float market capitalisation methodology with a base date of January 1, 2004 indexed to a base value of 1000.

Selection Criteria:

The criteria for the CNX Smallcap Index include the following:

a) All the companies that are listed on NSE, which individually constitute more than 5% free-float market capitalization of the universe, shall be excluded in order to reduce the skewness in the weightage of the companies in the universe.
b) After step (a), the weightage of the remaining companies in the universe will be determined again.
c) After step (b), the cumulative weightage will be calculated.
d) After step (c), companies which form part of the cumulative percentage in ascending order upto the first 90 percent (i.e. up to 89.99 percent) of the revised universe shall be excluded.
e) After step (d), companies within the range of 90^{th} to 95^{th} percentile shall be ranked in the descending order of aggregate turnover for the last six months.
f) After step (e), the top 100 companies shall constitute the CNX Smallcap Index subject to fulfilment of the following additional criteria:
    i) The company must have a 3 years' track record of operations with positive net worth.
    ii) Companies must have demonstrated a trading frequency of at least 90 % in the last six months.
    iii) All constituents of the CNX Smallcap Index must have a minimum listing record of 6 months.

g) The review will be carried out on a semi-annual basis.

The index will be maintained by IISL and will be launched with effect from March 30, 2011.

Place: Mumbai

Date: March 29, 2011