



NSE Indices Ltd.

Industry Classification Guideline

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Introduction

NSE Indices Limited (formerly known as India Index Services & Products Ltd. - IISL), an NSE group company, was setup in May 1998 to provide a variety of indices and index related services for the capital markets. NSE Indices Ltd. is India's first specialised company focused upon the index as a core product. NSE Indices Ltd. maintains equity indices comprising broad-based benchmark indices, sectoral indices, strategy indices, thematic indices, fixed income and customised indices. Many investment and risk management products are developed on NSE Indices Ltd. indices in India and abroad. The flagship 'Nifty 50' index is widely tracked and traded as the benchmark for Indian Capital Markets.

NSE Indices Ltd. provides the industry classification for companies, which is based on comprehensive and detailed structure for industry and sector analysis that facilitates comparison of companies across four levels of classification. Each company is classified into a particular category based on the nature of its revenue generated from business activities carried out.

Structure

NSE Indices industry classification follows 4 tier structure. Brief of four levels of classification for each company as detailed below:

- Macro-Economic Sector: Indicates business activity of a company at macro level
- Sector: Indicates specific sector of a company
- Industry: This level would indicate the industry classification of the company
- Basic Industry: This is a micro level classification to indicate the core business activities carries on by the company

It consists of 12 Macro-economic sector, 22 Sectors, 59 Industry and 197 Basic industries.

| Macro Economic Indicator | Sector | Industry | Basic Industry | | |
|--------------------------|--------------------------------|-------------------------------|-----------------------------------|--------------------|-----------------------------|
| Commodities | Chemicals | Chemicals & Petrochemicals | Commodity Chemicals | | |
| | | | Specialty Chemicals | | |
| | | | Carbon Black | | |
| | | | Dyes And Pigments | | |
| | | | Explosives | | |
| | | | Petrochemicals | | |
| | | | Printing Inks | | |
| | | | Trading - Chemicals | | |
| | | | Industrial Gases | | |
| | | | | | Fertilizers & Agrochemicals |
| | | | Pesticides & Agrochemicals | | |
| | Construction Materials | Cement & Cement Products | Cement & Cement Products | | |
| | | Other Construction Materials | Other Construction Materials | | |
| | Metals & Mining | Ferrous Metals | Ferro & Silica Manganese | | |
| | | | Pig Iron | | |
| | | | Sponge Iron | | |
| | | | Iron & Steel | | |
| | | | Non - Ferrous Metals | Aluminium | |
| | | | | Copper | |
| | | | | Zinc | |
| | | | | | Precious Metals |
| | | | | Diversified Metals | Diversified Metals |
| | | | | Minerals & Mining | Industrial Minerals |
| | | Metals & Minerals Trading | Trading - Metals | | |
| | | | Trading - Minerals | | |
| | Forest Materials | Paper, Forest & Jute Products | Paper & Paper Products | | |
| | | | Forest Products | | |
| | | | Jute & Jute Products | | |
| Consumer Discretionary | Automobile and Auto Components | Automobiles | Passenger Cars & Utility Vehicles | | |
| | | | 2/3 Wheelers | | |

| Macro Economic Indicator | Sector | Industry | Basic Industry |
|--------------------------|------------------------------------|------------------------|--|
| | | | Auto Dealer |
| | | Auto Components | Auto Components & Equipments |
| | | | Tyres & Rubber Products |
| | | | Trading - Auto Components |
| | Consumer Durables | Consumer Durables | Cycles |
| | | | Consumer Electronics |
| | | | Furniture, Home Furnishing |
| | | | Ceramics |
| | | | Granites & Marbles |
| | | | Gems, Jewellery And Watches |
| | | | Glass - Consumer |
| | | | Household Appliances |
| | | | Houseware |
| | | | Leather And Leather Products |
| | | | Leisure Products |
| | | | Plastic Products - Consumer |
| | | | Plywood Boards/ Laminates |
| | | | Sanitary Ware |
| | | | Paints |
| | | | Diversified consumer products |
| | | | Footwear |
| | Textiles | Textiles & Apparels | Garments & Apparels |
| | | | Other Textile Products |
| | | | Trading - Textile Products |
| | Media, Entertainment & Publication | Media | Advertising & Media Agencies |
| | | | Electronic Media |
| | | | Web based media and service |
| | | | Print Media |
| | | Entertainment | Film Production, Distribution & Exhibition |
| | | | Digital Entertainment |
| | | | Media & Entertainment |
| | | | TV Broadcasting & Software Production |
| | | Printing & Publication | Printing & Publication |
| | Realty | Realty | Residential, Commercial Projects |
| | | | Real Estate related services |
| | | | Real Estate Investment Trusts (REITs) |
| | Consumer Services | Leisure Services | Hotels & Resorts |
| | | | Restaurants |
| | | | Amusement Parks/ Other Recreation |
| | | | Wellness |

| Macro Economic Indicator | Sector | Industry | Basic Industry |
|----------------------------|-----------------------------|------------------------------------|------------------------------------|
| | | | Tour, Travel Related Services |
| | | Other Consumer Services | Education |
| | | | E-Learning |
| | | | Food Storage Facilities |
| | | | Other Consumer Services |
| | | Retailing | Speciality Retail |
| | | | Pharmacy Retail |
| | | | Diversified Retail |
| | | | E-Retail/ E-Commerce |
| | | | Internet & Catalogue Retail |
| | | | Distributors |
| Energy | Oil, Gas & Consumable Fuels | Gas | Gas Transmission/Marketing |
| | | | LPG/CNG/PNG/LNG Supplier |
| | | | Trading - Gas |
| | | Oil | Oil Exploration & Production |
| | | | Offshore Support Solution Drilling |
| | | | Oil Storage & Transportation |
| | | | Oil Equipment & Services |
| | | Petroleum Products | Refineries & Marketing |
| | | | Lubricants |
| | | Consumable Fuels | Coal |
| | | | Trading - Coal |
| Fast Moving Consumer Goods | Fast Moving Consumer Goods | Agricultural Food & other Products | Edible Oil |
| | | | Sugar |
| | | | Tea & Coffee |
| | | | Other Agricultural Products |
| | | Beverages | Breweries & Distilleries |
| | | | Other Beverages |
| | | Cigarettes & Tobacco Products | Cigarettes & Tobacco Products |
| | | Food Products | Animal Feed |
| | | | Dairy Products |
| | | | Other Food Products |
| | | | Packaged Foods |
| | | | Seafood |
| | | | Meat Products including Poultry |
| | | Personal Products | Personal Care |
| | | Household Products | Household Products |
| | | | Stationary |
| | | Diversified FMCG | Diversified FMCG |
| Financial Services | Financial Services | Finance | Financial Institution |
| | | | Housing Finance Company |
| | | | Investment Company |

| Macro Economic Indicator | Sector | Industry | Basic Industry |
|--------------------------|---------------|--|--|
| | | | Non Banking Financial Company (NBFC) |
| | | | Other Financial Services |
| | | | Holding Company |
| | | | Microfinance Institutions |
| | | | Securitisation |
| | | Banks | Public Sector Bank |
| | | | Private Sector Bank |
| | | | Other Bank |
| | | Capital Markets | Asset Management Company |
| | | | Depositories, Clearing Houses and Other Intermediaries |
| | | | Financial Products Distributor |
| | | | Ratings |
| | | | Exchange and Data Platform |
| | | | Stockbroking & Allied |
| | | | Other Capital Market related Services |
| | | Insurance | General Insurance |
| | | | Life Insurance |
| | | | Other Insurance Companies |
| | | | Insurance Distributors |
| | | Financial Technology (Fintech) | Financial Technology (Fintech) |
| Healthcare | Healthcare | Pharmaceuticals & Biotechnology | Pharmaceuticals |
| | | | Biotechnology |
| | | Healthcare Equipment & Supplies | Medical Equipment & Supplies |
| | | Healthcare Services | Hospital |
| | | | Healthcare Service Provider |
| | | | Healthcare Research, Analytics & Technology |
| Industrials | Construction | Construction | Civil Construction |
| | Capital Goods | Aerospace & Defense | Aerospace & Defense |
| | | Agricultural, Commercial & Construction Vehicles | Tractors |
| | | | Commercial Vehicles |
| | | | Construction Vehicles |
| | | | Dealers–Commercial Vehicles, Tractors, Construction Vehicles |
| | | Electrical Equipment | Heavy Electrical Equipment |
| | | | Other Electrical Equipment |
| | | Industrial Manufacturing | Railway Wagons |

| Macro Economic Indicator | Sector | Industry | Basic Industry |
|---------------------------------|------------------------|-----------------------------------|---|
| | | | Ship Building & Allied Services |
| | | | Industrial Products |
| | | Industrial Products | Cables - Electricals |
| | | | Castings & Forgings |
| | | | Packaging |
| | | | Plastic Products - Industrial |
| | | | Rubber |
| | | | Other Industrial Products |
| | | | Glass - Industrial |
| | | | Aluminium, Copper & Zinc Products |
| | | | Iron & Steel Products |
| | | | Abrasives & Bearings |
| | | | Compressors, Pumps & Diesel Engines |
| | | | Electrodes & Refractories |
| Information Technology | Information Technology | IT - Software | Computers - Software & Consulting |
| | | | Software Products |
| | | IT - Services | IT Enabled Services |
| | | IT - Hardware | Computers Hardware & Equipments |
| Services | Services | Engineering Services | Dredging |
| | | Transport Services | Airline |
| | | | Logistics Solution Provider |
| | | | Railways |
| | | | Road Transport |
| | | | Shipping |
| | | | Transport Related Services |
| | | Transport Infrastructure | Airport & Airport services |
| | | | Port & Port services |
| | | | Road Assets–Toll, Annuity, Hybrid-Annuity |
| | | Commercial Services & Supplies | Trading & Distributors |
| | | | Consulting Services |
| | | | Data Processing Services |
| | | | Diversified Commercial Services |
| | | | Business Process Outsourcing (BPO)/ Knowledge Process Outsourcing (KPO) |
| | | Public Services | Urban Local Bodies |
| | | | Development Authority |
| Telecommunication | Telecommunication | Telecom - Services | Telecom - Cellular & Fixed line services |
| | | | Telecom - Infrastructure |
| | | | Other Telecom Services |
| | | Telecom - Equipment & Accessories | Telecom - Equipment & Accessories |

| Macro Economic Indicator | Sector | Industry | Basic Industry |
|---------------------------------|---------------|-----------------|----------------------------|
| Utilities | Power | Power | Power Generation |
| | | | Integrated Power Utilities |
| | | | Power Trading |
| | | | Power - Transmission |
| | | | Power Distribution |
| | Utilities | Other Utilities | Water Supply & Management |
| | | | Waste Management |
| | | | Emergency Services |
| | | | Multi Utilities |
| | | | Other Utilities |
| Diversified | Diversified | Diversified | Diversified |

Methodology

NSE Indices Ltd. classifies each company to basic industry whose definition most closely describes the nature of its business. As revenues are more stable than the profits, they are considered as basis to classifying a company into particular category of industry classification structure. Revenues provide more accurate description of company's core business activities.

- In case a company has only 1 line of business, company would be classified according to that business.
- In case company has more than single business, classification is based on the business segment (Segment Revenue) that contributes more than 50% of the total revenue.
- In case a company is engaged into multiple business segment where no single business segment contributes more than 50% of companies' total revenue and two or more segments each contributes at least 20% of total revenue OR in case of a company is engaged into multiple business segment, where no single business segment contributes more than 20% of companies' total revenue, such company would be classified as 'Diversified'

Source

Audited consolidated annual financials report shall be the prime source information that is considered for classification of a company.

Where revenue information is unavailable or insufficient, or where a company is newly listed or it has undergone a change in its line of business, the company will be classified based on the definition closely coincides with the description of company's business as stated in company's annual report, or if the annual report is not available, description of the company's business provided in its red herring prospectus (RHP), information memorandum, any other regulatory filings by company, business description provided on company's website etc.

Review of Classification

Review of classification of companies:

The classification of all companies listed on NSE will be reviewed on annual basis following receipt of companies' annual report. Additionally, classification of a company may be reviewed upon significant change in company's business activities as a result of any corporate event such as a merger or demerger.

If a company wishes to revise its current classification, it should contact NSE Indices Ltd. providing rationale for proposing a change of classification, having regard to the classification rules and attaching any documentary evidence in support of its claim.

No changes in classification will be made on the basis of non-public information, promises of action, assertions or company's/ director's aspiration, unless these can be substantiated by audited or independently authenticated formal company statements. Any adjustment resulting from a change in a company's classification will be implemented at the same time as the corporate event is completed. A company's classification may also be reviewed by NSE Indices Ltd. either at their discretion or at the request of the company or professional advisors acting on its behalf.

Review of industry classification structure:

Changes to the industry structure is evolutionary. Any changes to the industry classification structure will be based on long-term trends and may not consider temporary fluctuations within individual industries. NSE Indices annually reviews the industry classification structure based on internal assessment, market feedback and consultation with relevant stakeholders.

Disclaimer

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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 comprise 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 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