

**PRESS RELEASE**

# Modification to the Methodologies of the S&P BSE Indices

**MUMBAI, MAY 17, 2022:** On March 31, 2022, the BSE and NSE Indices Ltd.<sup>1</sup> [announced](#) the introduction of a common India Industry Classification Structure for the classification of companies listed and traded on the BSE and NSE exchanges. This four-level classification structure comprises 12 Macro-Economic Indicators, 22 Sectors, 58 Industries and 200 Basic Industries. A detailed guideline governing the classification structure and categorization of companies listed and traded on the BSE and NSE exchanges can be accessed [here](#).

In response to this development and in order to align the applicable S&P BSE Indices with this common classification structure, Asia Index Private Limited (“AIPL”) announces that applicable S&P BSE Indices will adopt this common classification structure and integrate it into the methodologies of applicable indices. As a result of the adoption of this common classification structure, AIPL announces the following methodology changes to the S&P BSE Indices.

## S&P BSE POWER

Methodology	Eligibility Criteria
Previous	Stocks classified as Heavy Electrical Equipment and Electric Utilities under the BSE Sub-Industry Group form the eligible universe.
Updated	Stocks classified as Heavy Electrical Equipment, Electric Utilities and Power - Transmission under the India Industry Classification Structure Basic Industries form the eligible universe.

This change will be implemented in conjunction with the June 2022 rebalancing, which takes effect prior to the market open on Monday, June 20, 2022.

## S&P BSE AllCap Sector Indices

Constituent selection will be based on a company’s macro-economic indicator classification under the common India Industry Classification Structure instead of BSE sector classification. Additionally, four sector indices will be renamed to names in-line with the new classification structure and an 11<sup>th</sup> sector index will be created – the S&P BSE Services. The tables below and on the following page summarize the changes.

Methodology	Index Name
Previous	<ol style="list-style-type: none"> <li>1. S&amp;P BSE Basic Materials</li> <li>2. S&amp;P BSE Consumer Discretionary Goods &amp; Services</li> <li>3. S&amp;P BSE Finance</li> <li>4. S&amp;P BSE Telecom</li> </ol>
Updated	<ol style="list-style-type: none"> <li>1. S&amp;P BSE Commodities</li> <li>2. S&amp;P BSE Consumer Discretionary</li> <li>3. S&amp;P BSE Financial Services</li> <li>4. S&amp;P BSE Telecommunication</li> </ol>

<sup>1</sup> NSE Indices Ltd. is a group company of the National Stock Exchange of India Limited (NSE).

Methodology	Constituent Selection	
Previous	At the annual reconstitution in September, index constituents are drawn from the S&P BSE AllCap and are assigned to a sector index based on the constituent's sector classification according to the BSE Sector Classification System. All eligible share classes of a company are assigned to the same sector and included in the respective index.	
	Index	Sector(s)
	S&P BSE Basic Materials	Basic Materials
	S&P BSE Consumer Discretionary Goods & Services	Consumer Discretionary Goods & Services
	S&P BSE Energy	Energy
	S&P BSE Finance	Finance
	S&P BSE Fast Moving Consumer Goods	Fast Moving Consumer Goods
	S&P BSE Healthcare	Healthcare
	S&P BSE Industrials	Industrials, Diversified
	S&P BSE Information Technology	Information Technology
	S&P BSE Telecom	Telecom
S&P BSE Utilities	Utilities	
Updated	At the annual reconstitution in September, index constituents are drawn from the S&P BSE AllCap and are assigned to a sector index based on the constituent's macro-economic indicator classification according to the India Industry Classification Structure. All eligible share classes of a company are assigned to the same macro-economic indicator and included in the respective index.	
	Index	Macro-Economic Indicator(s)
	S&P BSE Commodities	Commodities
	S&P BSE Consumer Discretionary	Consumer Discretionary
	S&P BSE Energy	Energy
	S&P BSE Financial Services	Financial Services
	S&P BSE Fast Moving Consumer Goods	Fast Moving Consumer Goods
	S&P BSE Healthcare	Healthcare
	S&P BSE Industrials	Industrials, Diversified
	S&P BSE Information Technology	Information Technology
	S&P BSE Telecommunication	Telecommunication
S&P BSE Services	Services	
S&P BSE Utilities	Utilities	

These changes will be implemented in conjunction with the September 2022 rebalancing, which takes effect prior to the market open on Monday, September 19, 2022.

### **S&P BSE India Infrastructure Index and S&P BSE India Manufacturing Index**

Constituent selection will be based on a company's basic industry classification under the common India Industry Classification Structure instead of BSE industry sub-group classification. Please refer to the below link for the classification mapping file for the India Industry Classification Structure basic industries eligible for these indices.

<https://www.spglobal.com/spdji/en/documents/additional-material/spbsethematicindicesclassificationmapping.xlsx>

These changes will be implemented in conjunction with the September 2022 rebalancing, which takes effect prior to the market open on Monday, September 19, 2022.

## IMPACT ASSESSMENT

Several S&P BSE Indices are impacted by the adoption of the common India Industry Classification Structure. Please refer to the below link for the impacted indices file for a list of impacted S&P BSE Indices. The file provides the actual adds, drops, and turnover figures from the most recent index reconstitution, as well as the theoretical impact had the new classification structure and related methodology updates been in effect at the given index reconstitution.

<https://www.spglobal.com/spdji/en/documents/additional-material/spbseindicesimpactassessment.xlsx>

These changes will be implemented in conjunction with the index reconstitution as stated in the impacted indices file mentioned above.

For the S&P BSE AllCap and its sector indices, S&P BSE India Infrastructure Index, S&P BSE India Manufacturing index, and S&P BSE Private Banks Index, there will be no changes during the June 2022 quarterly sector review process.

Please note the methodology documents located on the AIPL website ([www.asiaindex.co.in](http://www.asiaindex.co.in)) are being updated to reflect these changes.

Please contact Client Services at [index\\_services@spglobal.com](mailto:index_services@spglobal.com) with any questions or requests for further information.

## About ASIA INDEX PRIVATE LIMITED

Asia Index Pvt. Ltd is a 50-50 partnership between S&P Dow Jones Indices LLC, the world's largest provider of financial market indices, and BSE Ltd, Asia's oldest stock exchange and home to the iconic SENSEX index – a leading indicator of Indian equity market performance. Asia Index Pvt. Ltd, which combines the benchmarks, market intelligence, and insights of both parent companies, each established more than 115 years ago, aims to provide a full array of indices enabling global and domestic investors to participate in South Asia's vibrant economies. The Company is best known for calculating, publishing, and maintaining a diverse family of Asian indices under the umbrella brand, S&P BSE Indices.

## About BSE

BSE (formerly Bombay Stock Exchange) established in 1875, is Asia's first & now the world's fastest Stock Exchange with a speed of 6 microseconds. BSE is India's leading exchange group and has played a prominent role in developing the Indian capital market. BSE is a corporatized and demutualised entity, with a broad shareholder base that includes the leading global exchange- Deutsche Bourse, as a strategic partner. BSE provides an efficient and transparent market for trading in equity, debt instruments, equity derivatives, currency derivatives, commodity derivatives, interest rate derivatives, mutual funds and stock lending and borrowing.

BSE also has a dedicated platform for trading in equities of small and medium enterprises (SMEs) that has been highly successful. BSE also has a dedicated MF distribution platform BSE Star MF which is India Largest Mutual Funds Distribution Infrastructure. BSE launched

commodity derivatives trading in Gold, Silver, Copper, Oman Crude Oil Guar Gum, Guar Seeds & Turmeric.

BSE provides a host of other services to capital market participants including risk management, clearing, settlement, market data services and education. It has a global reach with customers around the world and a nation-wide presence. BSE's systems and processes are designed to safeguard market integrity, drive the growth of the Indian capital market and stimulate innovation and competition across all market segments.

Indian Clearing Corporation Limited, a wholly owned subsidiary of BSE, acts as the central counterparty to all trades executed on the BSE trading platform and provides full novation, guaranteeing the settlement of all bonafide trades executed. BSE Institute Ltd, another fully owned subsidiary of BSE runs one of the most respected capital market educational institutes in the country. Central Depository Services Ltd. (CDSL), associate company of BSE, is one of the two Depositories in India.

BSE has set up an Investor Protection Fund (IPF) on July 10, 1986 to meet the claims of investors against defaulter Members, in accordance with the Guidelines issued by the Ministry of Finance, Government of India. BSE Investor Protection Fund is responsible for creating Capital markets related awareness among the investor community in India.

## About S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies, and governments to make decisions with confidence. For more information, visit [www.spglobal.com/spdji](http://www.spglobal.com/spdji).

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