

PRESS RELEASE

MODIFICATION TO THE CORPORATE ACTION POLICY –S&P BSE INDICES

The following changes will be made to the corporate action policy for S&P BSE indices with effect from the upcoming rebalance that will take place after the close of trading on the third Friday of December which is **19th Dec 2014** –

Corporate Action	Current Corporate Action policy	New Corporate Action policy
Special Dividend	If the dividend amount of a stock is >5% of the close price of the stock on Ex-1 day it is considered as special.	“Special dividends” are those dividends that are outside of the normal payment pattern established historically by the corporation. For more details refer to the link provided below.
Share Rebalancing	Changes of less than 5% of the total shares are accumulated and made on a monthly basis. The shares are effective on the second Monday of the month.	Changes of less than 5% of the total shares are accumulated and made quarterly on the third Friday (close of) of March, June, September and December. The shares outstanding are rounded off to nearest thousand.
	Changes of >5% of the total shares outstanding are made on the nearest Monday giving a minimum of 3 days’ notice to the clients	Changes >5% of the total shares are made- 1. Changes in a company’s shares outstanding due to its acquisition of another public company are made as soon as reasonably possible. At S&P Dow Jones Indices’ discretion, de minimis merger and acquisition share changes are accumulated and implemented with the quarterly share rebalancing. 2. Other changes of 5% or more (for example, due to company stock repurchases, private placements, redemptions, exercise of options, warrants, conversion of preferred stock, notes, debt, equity participations, at-the-market stock offerings or other recapitalizations) are made weekly and are announced after the market close on Fridays for implementation after the close of trading the following Friday.

IWF Review	Investable Weight Factors (IWFs) are reviewed on a quarterly basis. Implementation is done on the 2nd Monday of Feb, May, Aug and Nov. The IWF is rounded off to the higher multiple of 0.05.	Investable Weight Factors (IWFs) are reviewed annually based on the most recently available data filed with regulators and exchanges, and are effective with the rebalance after the close of trading on the third Friday of September. The IWF will be rounded off to two decimal places.
	Any IWF changes other than quarterly rebalances are implemented on the nearest Monday giving a minimum of 3 days' notice to the clients.	Changes in IWFs resulting from corporate actions which exceed five percentage points are implemented as soon as possible (usually with two to five days' notice); changes of less than five percentage points are implemented at the next annual review.
Stock Split, Stock Bonus and Rights Offering	--	--
Capping	Currently S&P BSE GREENEX and S&P BSE IPO are capped at each divisor change (except special dividend).	Indices are capped at rebalancing or on a quarterly basis depending on the methodology.

For more details please refer to the [S&P DJI Corporate Actions: Policies and Practices document](#)

Following corporate actions will be analyzed case by case –

Corporate Action	Current Corporate Action policy	New Corporate Action policy
Stock spin offs, demergers or stock dividends of another class	1. Stock is dropped from the index if the scheme document does not provide any details for the price of the demerged entity	SPDJI proposes that if information regarding price adjustment is available, the surviving stock will remain in the index with an adjusted price. If the relevant information is not available then the surviving stock will be dropped from the index. The Index Committee will have final discretion.
	2. Price Adjustment is made to the parent in case scheme document provide the details for any kind of price adjustment.	
Group change	--	If the stock moves to Z group in between rebalancing then it should be removed as soon as possible. The index committee will have final discretion.



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