

S&P BSE 100 and S&P BSE MidCap Select Index Consultation

MUMBAI, OCTOBER 26, 2017: Asia Index Private Limited (“AIPL”) is conducting a consultation with members of the investment community on potential changes to the S&P BSE 100 and S&P BSE MidCap Select indices.

AIPL is considering adding an additional screen to the constituent selection process. Such a screen would entail the exclusion of stocks with low trading volumes. The following tables outline the current and proposed constituent selection factors:

S&P BSE 100

Parameter	Methodology	
	Current	Proposed
Constituent Selection:	At each semi-annual rebalancing, eligible companies must satisfy all of the following in order to be considered for index inclusion.	At each semi-annual rebalancing, eligible companies must satisfy all of the following in order to be considered for index inclusion.
Additional Screening – Liquidity	<ul style="list-style-type: none"> a) Have an annualized traded value of at least INR 10 billion (INR 8 billion for current index constituents). b) Have no more than five non-trading days in the past six months, as of the rebalancing reference date. 	<ul style="list-style-type: none"> a) Have an annualized traded value of at least INR 10 billion (INR 8 billion for current index constituents). b) Have no more than five non-trading days in the past six months, as of the rebalancing reference date. c) Have a median number of shares traded in the past six months of at least 500,000 (400,000 for current index constituents), as of the rebalancing reference date.

S&P BSE MidCap Select

Parameter	Methodology	
	Current	Proposed
Constituent Selection:	At each semi-annual rebalancing, eligible companies must satisfy all of the following in order to be considered for index inclusion.	At each semi-annual rebalancing, eligible companies must satisfy all of the following in order to be considered for index inclusion.
Additional Screening – Liquidity	<ul style="list-style-type: none"> a) Have an average daily float-adjusted market capitalization of at least INR 20 billion (INR 16 billion for current index constituents). b) Have an annualized traded value of at least INR 10 billion (INR 8 billion for current index constituents). c) Have a turnover ratio of at least 20% (16% for current index constituents). d) Have no more than five non-trading days in the past six months, as of the rebalancing reference date. 	<ul style="list-style-type: none"> a) Have an average daily float-adjusted market capitalization of at least INR 20 billion (INR 16 billion for current index constituents). b) Have an annualized traded value of at least INR 10 billion (INR 8 billion for current index constituents). c) Have a turnover ratio of at least 20%. (16% for current index constituents). d) Have no more than five non-trading days in the past six months, as of the rebalancing reference date. e) Have a median number of shares traded in

		past six months of at least 500,000 (400,000 for current index constituents), as of the rebalancing reference date.
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IMPACT ANALYSIS

The following table shows the one-way turnover for these indices using the current and proposed methodologies, based on their most recent rebalancings:

Index (Rebalancing)	Current Methodology (Actual)	Proposed Methodology (Hypothetical)	Incremental Impact due to proposed change
S&P BSE 100 (June 2017 Rebalancing)	3.77%	3.67%	-0.1%
S&P BSE MidCap Select (September 2017 Rebalancing)	36.97%	42.40%	5.43%

QUESTIONS:

1. Do you agree with the proposal to add a minimum median number of shares traded over the past six months as a parameter for constituent selection for the S&P BSE 100 and/or S&P BSE MidCap Select indices? If so, is a minimum of 500,000 shares (400,000 for current index constituents) appropriate?
2. Do you have any other comments or feedback regarding the proposed changes outlined above?

Your participation in this consultation is important as we gather information from various market participants in order to properly evaluate your views and preferences. AIPL will make responses to consultations freely available upon request.¹ If you do not want your response to be made available, you must clearly state that in your response. Please respond to this survey by **November 10, 2017**. After this date, AIPL will no longer accept survey responses. Prior to the Index Committee's final review, AIPL will consider the issues and may request clarifications from respondents as part of that review. Alternative options to the proposed questions after the deadline require that the consultation be re-opened to the public.

To participate in this consultation, please respond to AIPL at index_services@spglobal.com.

Please be advised that all comments from this consultation will be reviewed and considered before a final decision is made; however, AIPL makes no guarantees or is under any obligation to comply with any of the responses. The survey may result in no changes or outcome of any kind. If AIPL decides to change the index methodology, an announcement will be posted on our website.

Thank you for taking the time to complete this survey.

For more information about S&P BSE Indices, please visit www.asiaindex.co.in.

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

¹ Individual and company names as well as contact details will be redacted.

CONSULTATION

calculating, publishing, and maintaining a diverse family of Asian indices under the umbrella brand, S&P BSE Indices.

About BSE Ltd

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, 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 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), a subsidiary of BSE, is one of the two Depositories 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 become home to over 1,000,000 indices across the spectrum of asset classes that have helped define the way investors measure and trade the markets.

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