

## S&P BSE Indices: Corporate Action Policy Changes

S&P Dow Jones Indices (S&P DJI) is conducting a consultation with members of the investment community on potential corporate action policy changes for S&P BSE Indices.

### **Spin off:**

Under current S&P BSE Indices corporate action policies and procedures, a stock undergoing a spin-off is dropped from the index if price adjustment information is not available.

Going forward, in the event of a spin off, S&P DJI is proposing that following actions are taken:

1. The parent stock is not dropped from the index
2. The spun off entity is typically added to the index at a zero price
3. If the spun-off entity does not qualify for continued index membership post listing, it is removed from the index at the closing price after at least one day of regular trading.

### **Suspended Stocks and “Z” group stocks**

Generally, any stock undergoing a suspension or being transferred to the “Z” group is dropped from the index.

1. At what price the stock should be dropped from the index - the last traded price or at a zero price?

### **Mergers**

Under current S&P BSE Indices corporate action policies and procedures regarding mergers, the target company is dropped from the index on the effective date, allowing index clients not to participate in the deal. In cases where both the acquirer and the target are in the index, we propose the following:

1. Keep the target in the index
2. Drop the target only when the new shares of the acquirer are available for listing

For more details on corporate actions, please refer to [Equity Indices Policies & Practices Methodology](#)

Your participation in this consultation is important as we gather information on your views and preferences.

Your responses will be kept confidential. Please respond to this survey by **November 26, 2015**.

To participate in this consultation, please respond to S&P Dow Jones Indices' at [index\\_services@spdji.com](mailto:index_services@spdji.com).

*Please be advised that all comments will be reviewed and considered before a final decision is made; however S&P Dow Jones Indices 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 S&P Dow Jones Indices decides to change the index methodology, an announcement will be posted on our Web site.*

Thank you for taking the time to complete this survey.

Kind regards,

S&P Dow Jones Indices

Beijing: 86.10.6569.2770  
Dubai: 971 (0)4 371 7131  
Hong Kong: 852 2532 8000  
London: 44.207.176.8888  
New York: 1.212.438.2046 or 1.877.325.5415  
Sydney: 61 2 9255 9802  
Tokyo: 81 3-4550-8564

### **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 Ltd**

BSE (formerly Bombay Stock Exchange Ltd.) – Established in 1875, BSE Ltd. (formerly known as Bombay Stock Exchange Ltd.), is Asia's first & fastest Stock Exchange with the response time of 200 microseconds and one of India's leading exchange groups and has played a prominent role in developing the Indian capital market. BSE is a corporatized and demutualised entity, with a broad shareholder-base which includes two leading global exchanges, Deutsche Bourse and Singapore Exchange as strategic partners. 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 (SME). 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 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, the wholly owned subsidiary of BSE, acts as the central counterparty to all trades executed on BSE platform and provides full novation guaranteeing the settlement of all bonafide trades executed on the BSE Platform. BSE Institute Ltd, a 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 is one of the two central depository services in India.

### **About S&P Dow Jones Indices**

S&P Dow Jones Indices LLC, a part of McGraw Hill Financial, is the world's largest, global resource for index-based concepts, data and research. Home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average™, S&P Dow Jones Indices LLC has over 115 years of experience constructing innovative and transparent solutions that fulfill the needs of investors. More assets are invested in products based upon our indices than any other provider in the world. With over 1,000,000 indices covering

a wide range of asset classes across the globe, S&P Dow Jones Indices LLC defines the way investors measure and trade the markets. To learn more about our company, please visit [www.spdji.com](http://www.spdji.com).

Standard & Poor's and S&P are registered trademarks of Standard & Poor's Financial Services LLC, a part of McGraw Hill Financial. Dow Jones is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). These trademarks have been licensed to S&P Dow Jones Indices LLC. It is not possible to invest directly in an index. S&P Dow Jones Indices LLC, Dow Jones, S&P and their respective affiliates (collectively "S&P Dow Jones Indices") do not sponsor, endorse, sell, or promote any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. This document does not constitute an offer of services in jurisdictions where S&P Dow Jones Indices does not have the necessary licenses. S&P Dow Jones Indices receives compensation in connection with licensing its indices to third parties.