



NSE Indices Limited

(Formerly known as India Index Services & Products Limited-IISL)

Nifty 5 yr Benchmark G-Sec Index

Methodology Document

November 2019

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Introduction

NSE Indices Limited (formerly known as India Index Services & Products Limited- IISL), a NSE group company provides a variety of indices and index related services and products for the Indian capital markets.

The 'Nifty 5 yr Benchmark G-Sec Index' is a single bond index tracking the most liquid 5 year benchmark security issued by the Government of India.

Highlights

- The index has a base date of September 03, 2001 and a base value of 1000
- The index seeks to measure the performance of the most liquid Government of India bond in the 5 year maturity segment
- The index is reviewed on a monthly basis

Methodology

INDEX METHODOLOGY:

- The index measures the performance of the most liquid Government of India bond in the 5 year maturity segment
- The index is computed using the total return methodology
- The bond valuation is sourced from the NSE Data and Analytics Limited (FIMMDA valuations prior to 01st August 2018)
- Index composition is reviewed on a monthly basis with a data cutoff of T-9 working days and effective on first working day of the month (T).

FRAMEWORK FOR IDENTIFICATION OF BENCHMARK SECURITY:

- **Eligible universe:**
 - All bonds issued by the Government of India (excluding special bonds, FRB, IIGS)
 - Residual maturity of the security should be between 4-6.5 years as on the index effective date
- **Rebalancing/Reconstitution:**
 - The most traded security in terms of traded value during the previous month (data analysis period) will be eligible to be included in the index
 - Data analysis period is the period between previous review cycle cut-off date and cut-off date for current cycle
 - Index will be reviewed on a monthly basis
 - An existing bond will be replaced only by an eligible bond whose total traded volume during the review period is equal to or more than 1.25x of the existing bond

Index Policy

The Nifty family of indices uses transparent, researched and publicly documented rules for index maintenance. These rules are applied regularly to manage changes to the index. Index reviews are carried out semi-annually to ensure that each security in the index fulfils eligibility criteria.

Announcements:

All index-related announcements are posted on the websites of NSE Indices Limited and NSE. Changes impacting the constituent list are also posted on the Web site.

Please refer to the www.niftyindices.com and www.nseindia.com.

Holiday Schedule:

For the calculation of indices, the NSE Indices Limited follows the official holiday schedule. A complete holiday schedule for the year is available on the NSE Indices Limited and NSE website. Please refer to the www.niftyindices.com and www.nseindia.com.

Index Precision

Index values are disseminated up to two decimal places.

Index Recalculations

All Nifty family of indices are recalculated whenever errors occur. Users of the Nifty indices are notified through appropriate channel of communication.

Market Feedback & Index Methodology Review

NSE Indices Limited is committed to ensure that all Nifty indices are relevant for the market participants. In order to ensure this, NSE Indices Limited on an on-going basis interacts with the stakeholders inviting the feedback through various channels of communication. The feedback received from the market participants forms a key input for all index related aspects.

Review of methodology of Nifty indices is carried out on an annual basis. Additionally, NSE Indices Limited also considers any feedback that it may receive with regards to index methodology as part of on-going market interactions. Any changes to the index methodology is approved by the Committee and the same is announced through a press release.

Other

In case of a market stress or disruption, NSE Indices Limited will review and deal with the situation on consultative basis with the National Stock Exchange of India Ltd. (NSE) as NSE is source for price data for computation of equity indices.

All indices are expected to reflect the performance of a basket of stocks selected based on the defined guidelines and theme. Every index user is advised to evaluate the benefits of index and take an informed decision before using the index for self or creation of index-linked products. NSE Indices Limited does not accept any liability for any losses, claims, expenses etc. that may be incurred by any person as a result of usage of Nifty family of indices as a result of reliance of the ground rules, any errors or inaccuracies.

Web site:

Methodology, Factsheet and press releases are available on www.niftyindices.com and www.nseindia.com.

About Us

About National Stock Exchange of India Limited (NSE):

National Stock Exchange of India Ltd. (NSE) is the leading stock exchange in India and the second largest in the world by nos. of trades in equity shares from January to December 2018, according to World Federation of Exchanges (WFE) report. NSE was the first exchange in India to implement electronic or screen-based trading. It began operations in 1994 and is ranked as the largest stock exchange in India in terms of total and average daily turnover for equity shares every year since 1995, based on SEBI data. NSE has a fully-integrated business model comprising exchange listings, trading services, clearing and settlement services, indices, market data feeds, technology solutions and financial education offerings. NSE also oversees compliance by trading and clearing members with the rules and regulations of the exchange. NSE is a pioneer in technology and ensures the reliability and performance of its systems through a culture of innovation and investment in technology. NSE believes that the scale and breadth of its products and services, sustained leadership positions across multiple asset classes in India and globally enable it to be highly reactive to market demands and changes and deliver innovation in both trading and non-trading businesses to provide high-quality data and services to market participants and clients.

For more information, please visit: www.nseindia.com

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 comprises of broad-based benchmark indices, sectorial 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, NSE IFSC and Singapore Exchange Ltd. (SGX) and a number of index funds and exchange traded funds. The flagship 'Nifty50' index is widely tracked and traded as the benchmark for Indian Capital Markets.

For more information, please visit: www.niftyindices.com

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