

Headline: NSE subsidiary launches indices on Tata, Birla, Mahindra groups

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The market cap of the IISL brainchild is over ₹11 lakh crore

OUR BUREAU

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The NSE's subsidiary IISL launched three corporate indices on Wednesday, the first such in India, to reflect the performance of conglomerates across their various sectors and subsidiaries.




All firms under group

India Index Services & Products (IISL) launched these indices for the Tata Group, Aditya Birla Group and Mahindra Group. These indices are based on the full market capitalisation method (which includes promoter holding) and will feature all the companies of the respective groups listed on the NSE.

Speaking to *BusinessLine*, Mu-

kesh Agarwal, CEO, IISL, said, "There are indices abroad that focus on certain corporate groups, such as the S&P Mitsubishi Group Index in Japan or the Samsung corporate group in Korea. There are ETF products launched that track these indices. As the ETF market develops in India, there might be demand for similar products here as well, when it is relevant for market participants. Also, conglomerates would be able to evaluate their own performance this way."

The details of the three indices were laid down in a press statement released by the exchange. The Nifty Tata Group Index consists of 25 companies across 12 sectors. The market capitalisation of this index is about ₹7.51 lakh crore, which is 7.83 per cent of the total market capitalisation of companies listed on the NSE. For this group, IISL has launched an additional 'Nifty Tata Group 25 per cent

NSE's corporate index		
	Number of companies in index	Sectors covered
	25	12
	8	7
	7	6

Cap' based on the free float market capitalisation (minus the promoter holding) with 10 constituents capped at 25 per cent weightage each.

The Nifty Aditya Birla Group Index consists of eight companies

across seven sectors. The market capitalisation of this index is about ₹2.08 lakh crore, which is 2.17 per cent of the total market cap on the NSE.

The Nifty Mahindra Group Index consists of seven companies

across six sectors. The market capitalisation of this index is about ₹1.64 lakh crore, which is 1.71 per cent of the total m-cap on the exchange.

Base date, value

The base date of these indices is April 1, 2005, and base value is ₹1,000.

These indices will be maintained by IISL and calculated on end-of-day basis.

IISL might consider launching similar indices for other corporate groups as well, depending on the demand for these three products, Agarwal said. "We decided on the conglomerates by ranking them according to market cap and picking the first three. A conglomerate must have at least five companies listed on the NSE to qualify. We will consider launching more such indices on other corporate groups soon," Agarwal added.