



Department: Index

Circular No: MSE/Index/6537/2018

Date: 09 July, 2018

Sub: Modification in the SX40 Index Capping Limits

The Industry level capping limits of the SX40 Index are being modified as below:

- Industry level weights in SX40 Index will be capped at 40% and implemented w.e.f 06 August, 2018 after issue of this circular.
- Number of companies in the index, representing any specific Industry, will be capped at 25%, thereby increasing the limit on the number of companies representing any specific industry to 10 (Ten).
- At each periodic review and rebalancing, if the industry-level weight in the Index is greater than the maximum allowed weight (40%), its weight will be capped at the maximum allowed weight (40%). Within the capped industry, securities will be weighted in proportion to their free float-adjusted market capitalization. The weight of the securities forming part of other industries outside of the capped industry, will be increased in proportion to their weight prior to such capping.

The constituent-level changes pursuant to the adoption of the new capping limits will be effective from the next periodic review and rebalancing. The Industry-level weights will be modified w.e.f. 06 August, 2018. The index divisor will be suitably adjusted to ensure continuity in index values. Historical values of the index (up until 03 August, 2018) will remain unchanged.

Members are requested to take note of the same.

For and on behalf of

Metropolitan Stock Exchange of India Limited

Jossie Dsouza
Manager

Metropolitan Stock Exchange of India Limited

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