

## ABOUT THE INDEX

SX40 is the flagship Index of the Metropolitan Stock Exchange of India Limited. It is a adjusted free float weighted market capitalization based index with sector capping at 40% of the total index, and within each sector no more than 10 stocks are permitted, comprising 25% of the total index.

### Objective

SX40 is designed to be a performance benchmark and facilitate creation of efficient investment and risk management instruments. It would also help in structuring passive investment vehicles.

## PERFORMANCE OF SX40



## RETURN IN %

| Years     | Returns % | STD Dev % | P/E   |
|-----------|-----------|-----------|-------|
| FY 15-16  | -8.13%    | 1.06%     | 21.39 |
| FY 16-17  | 16.95%    | 0.76%     | 22.68 |
| FY 17-18  | 9.44%     | 0.61%     | 24.20 |
| FY 18-19  | 14.33%    | 0.79%     | 27.87 |
| FY 19-20  | -25.05%   | 1.74%     | 19.59 |
| FY 20-21  | 76.60%    | 1.41%     | 35.67 |
| FY 21-22* | 17.27%    | 1.00%     | 29.36 |
| FY 22-23* | -3.79%    | 0.95%     | 16.73 |
| FY 23-24* | 26.42%    | 0.62%     | 19.87 |
| FY 15-25* | 190.27%   | 1.02%     | 21.95 |

\* Data as on Dec 2025

### Quick Facts

- Index Universe:**  
Large Cap companies
- No. of Companies:** 40
- Base Date:** March 31, 2010
- Base Value:** 10,000
- Currency:** Indian Rupee
- Index Basket Recasting:**  
Semi-annually
- Minor Share Issuance adjustment:** Monthly
- Methodology:**  
Adjusted Free-float  
weighted market  
capitalisation

### Index Code

- Bloomberg:** SX40 Index
- Thomson Reuters:** MCSX40
- TickerPlant:** SX40

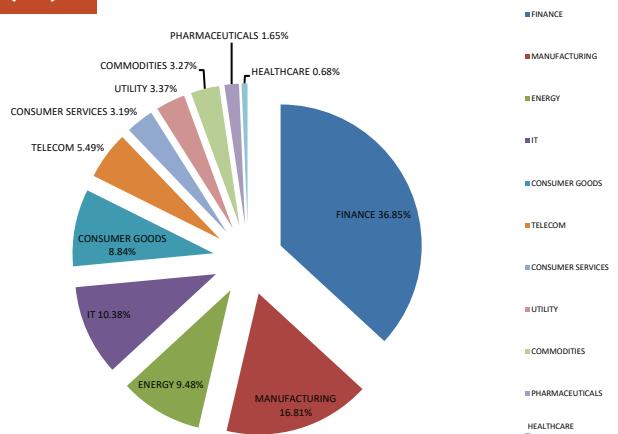
### Selection Criteria

- Underlying stocks must have a positive networth
  - The stock must have free float of at least 10% and should be within top 100 liquid companies
  - Industry capping at 40%
  - Within Industry 25% stock capping
- Top 40 companies meeting above criteria constitute SX40

## KEY FEATURES

- Superior return and risk adjusted return
- A unique index of India, benchmarking global best practices of index designing
- Better reflection of the organised sector in the economy through optimal representation of various industries & sectors
- Rule based, index methodology - easily replicable.
- Low cost for funds (MFs and ETFs) - construction and maintenance
- Low tracking error for passive portfolio management (MFs, ETFs, etc.)

## INDUSTRY WEIGHTS (%)



## TOP 10 CONSTITUENTS

| Symbol     | Weightage % | Sector         | FF Market Cap (In Cr.) |
|------------|-------------|----------------|------------------------|
| HDFCBANK   | 13.36%      | FINANCE        | 1,534                  |
| RELIANCE   | 9.48%       | ENERGY         | 687                    |
| ICICIBANK  | 8.40%       | FINANCE        | 712                    |
| BHARTIARTL | 5.49%       | TELECOM        | 297                    |
| INFY       | 5.11%       | IT             | 360                    |
| ITC        | 4.43%       | CONSUMER GOODS | 1,250                  |
| LT         | 4.23%       | MANUFACTURING  | 118                    |
| SBIN       | 3.58%       | FINANCE        | 415                    |
| AXISBANK   | 3.19%       | FINANCE        | 286                    |
| M&M        | 3.17%       | MANUFACTURING  | 97                     |

\* Data as on Dec 2025

## SX40 vs International Best Practice

| Parameters  | SX40           | International Practices  |
|---|----------------|--|
| Minimum Free Float                                | 10%            | FTSE-25%, CAC 20%, S&P 500- 50%  |
| Liquidity   | Within Top 100 | NIKKEI: Turnover as Liquidity  |
| Review  | Semi-annually  | Quarterly, Half yearly, Annual, Need Based   |
| Minor Share Issuance adjustment Free Float Change | Monthly        | DAX, FTSE: Qtrly, 10% and above changed else annual, Nasdaq, S&P 500 Qtrly if less than 5% |
| Industry Cap                                      | 40%            | S&P/TSX (10% & 25% Capped)   |

# X**MSE**

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