



Class: TY BSc

Subject : Risk Management & Investment Management - II

Chapter: Unit 3 Chp1 - Part 1

Chapter Name: Investment Indices

Topics to be covered:

1. Reasons for categorization by industry
2. The FTSE industry classification system
3. Oil and gas
4. Basic materials
5. Industrials
6. Consumer goods
7. Healthcare
8. Consumer Services
9. Telecommunications
10. Utilities

Topics to be covered:

11. Financials
12. Technology
13. NSE Sectoral Indices
14. Nifty Auto Index
15. Nifty Bank Index
16. Nifty Consumer Durables Index
17. Nifty Financial Services Index
18. Nifty FMCG Index
19. Nifty Healthcare Index
20. Nifty IT Index

Topics to be covered:

- 21. Nifty Media Index
- 22. Nifty Metal Index
- 23. Nifty Oil & Gas Index
- 24. Nifty Pharma Index
- 25. Nifty Private Bank Index
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1 Reasons for categorisation by industry

Equity analysts (and other interested parties such as credit ratings analysts) often specialise in an industry and confine their research and advice to the relative merits of companies within that industrial group. The main reasons why this is so fall under two headings:

- i. Practicality
- ii. correlation of investment performance.

1 Reasons for categorisation by industry

Practicality

It is sensible for investment analysts to specialise within particular industrial sectors because:

- The factors affecting one company within an industry are likely to be relevant to other companies in the same industry.
- Much of the information for companies in the same industry will come from a common source and will be presented in a similar way.
- No single analyst can expect to be an expert in all areas. so specialisation is appropriate.

The grouping of equities according to some common factor gives structure to the decision-making process. It assists in portfolio classification and management.

1 Reasons for categorisation by industry

Correlation of investment performance

Research has shown that, after overall market movements have been taken into consideration, the share price movements of companies within industrial groupings tend to correlate more closely with each other than with companies in other industries. The share price movements reflect the changes that have occurred in the operating environment. Such changes affect companies in individual industries in similar ways.

Factors affecting one company in a sector that will probably be relevant to other companies in the same sector include:

- **resources:** companies in the same sector will use similar resources (eg labour, land and raw materials), and will therefore have similar input costs
- **markets:** companies in the same sector supply to the same markets, and will therefore be similarly affected by changes in demand
- **structure:** companies in the same sector often have similar financial structures and will therefore be similarly affected by changes in interest rates.

As there is a degree of correlation between the shares of companies in the same sector, investment managers construct their equity portfolios so that there is a good spread between sectors.

2 The FTSE industry classification system

- The FTSE (together with the Dow Jones) industry classification system is one example of a stock classification system. Other systems are in use, for example the Standard and Poor's classification in the US and the Morgan Stanley Capital International system for global equities.
- The FTSE system classifies companies into ten industry groups, which are further divided into supersectors, sectors and subsectors.
- The aim of the system is to group individual companies into subsectors based primarily on the company's source of revenue or where it constitutes the majority of revenue.
- The industry groups and their characteristics are described further. Each group encompasses a wide range of industries so the characteristics outlined below can only be broad generalisations.

3 Oil and gas

These companies are involved in the extraction and supply of oil and gas products used throughout the economy. Key characteristics are:

- **large companies.** Many of the companies, particularly integrated companies, will be large multinationals (eg BP Amoco) competing on the world market. Indeed several of the UK's largest companies come from this group. Some smaller firms are involved in specialist areas (eg geological surveying).
- **commodity price dependent.** Share prices in this sector may be more closely related to movements in oil prices than to general stock market or economic movements. Most commodities are priced in dollars (including oil) making them similar to a dollar-denominated investment.
- **risky.** This is particularly true of smaller exploration companies. For example, striking or failing to strike oil can have a big impact on their share price. In other cases new technology (eg the emergence of renewable energy sources) could have an adverse impact
- **global.** In many cases, domestic sales will be a small proportion of total sales. This makes the state of the world economy more important than the state of the domestic economy for these companies

3 Oil and gas



4 Basic materials

This group includes the chemical industry and the mining industry, as well as companies producing steel and other metals, and those engaged in forestry and paper. As such, these companies are mainly producing "intermediate" goods.



5 Industrials

Industrial companies are involved in the various stages in the supply and production of goods. Many of the goods tend to be capital items, ie aircraft, ships, machinery, electronic and electrical equipment. This group includes companies in the building material and construction industries, as well as industrial transportation and industry support services.

The distinctive features are:

- **dependent on the level of investment spending** — the companies are dependent on the strength of the economy and in particular the level of economic investment. ie "capital formation".
- **cyclical** — the performance of general industrials is very dependent on the state of the economy and the trade cycle. The impact of the trade cycle can be heightened by the accelerator principle.
- **company profits tend to move ahead of the trade cycle** — because capital expenditure throughout the economy is usually greatest at the start of a period of rapid economic growth. Share prices also move early in anticipation of a recovery.

5 Industrials

- **dependent on government spending** — a fairly large proportion of capital expenditure is under the control of the government (eg building roads, schools, hospitals), which means that general industrials may be exposed to the whims of government expenditure.
- **volatile profits** — because of the volatile demand for capital goods (due to the accelerator principle), profits can be very volatile. Also, in some cases the unit size of production is large. In these cases, winning or losing a new contract can have a big impact on profits.
- **high profit margins when conditions are good** — but when the economy moves towards recession, general industrials need to be able to cut their costs quickly to minimise their losses.
- **low gearing because of volatile profits** — recall that the stability of profits is an important consideration when determining whether or not to invest in a particular corporate bond.
- **possibly exposed to overseas markets and competition** — (eg engineering). in other cases domestic demand is more important (eg building materials).

5 Industrials



6 Consumer goods

- Companies in the consumer goods groups manufacture consumer durables and non-durables. Durables include cars, furniture, televisions and "white goods" such as washing machines. Non-durables include food and drink and tobacco.
- Generally the impact of an economic cycle is less severe on non-durable consumer goods companies than on general manufacturers. This is especially true for companies producing basic necessities.

6 Consumer goods

Other key features are.

- **increasingly capital-intensive** — increasing mechanisation of production processes is gradually increasing the proportion of added value from capital (where previously the industry has not been seen as capital intensive), reducing the degree of labour intensiveness in these industries.
- **importance of brand names** — in many cases a strong brand name allows higher profit margins to be generated. Consequently, many firms in this sector have large advertising budgets. Brand names can be difficult to value
- **increasingly international** — as advertising and consequently brand names become known around the world, this sector is becoming increasingly international.
- **moderate to high gearing** — gearing tends to be highest where profits are most stable, as investors are less inclined to lend at a fixed rate to riskier companies. Generally the impact of an economic cycle is less severe on consumer goods companies than on general industrials. The smaller unit size (of goods sold) for most consumer goods companies (compared with general industrials) also increases stability by reducing the dependence on individual customers.
- **low profit margins** — due to extreme competition.

6 Consumer goods



7 Healthcare

This group covers healthcare providers, medical equipment and supplies, as well as pharmaceuticals.



8 Consumer Services

The companies in this group include food, drug and general retailers, media companies and companies in the travel and leisure industries, such as passenger airlines, casinos, hotels, bars and restaurants. Once again, the impact of the economic cycle will be greater on the cyclical industries.

Other key features are:

- **labour-intensive** — most services depend upon labour more than capital Exceptions include hotels and retailers where property costs are high.
- **the more defensive companies in the group may have high gearing.** Those with stable demand (eg food retailers) or with a strong asset base (eg hotels). are likely to have higher borrowings. More cyclical companies will probably have lower gearing.
- **the domestic market is the most important** — most companies will depend heavily on the domestic market although some (eg hotels) may operate in several countries.

8 Consumer Services



9 Telecommunications

This group covers the providers of fixed line and mobile telephone services.



10 Utilities

- Utilities are involved in the supply of continuously demanded services to households and business premises. Examples include electricity, water and gas distribution. Most UK utilities were formerly owned by the government, having been privatised during the 1980s. They are vulnerable to some political risk and to changes in the regulations under which they operate.
- Demand is very stable because the services that they provide are essential, or nearly essential, and because their market share will be stable (often at 100%). Thus, they are less affected by economic cycles than other groups.

10 Utilities

Other points are:

- **They usually require an extensive physical infrastructure. This tends to make them capital intensive.**
- **Most utility companies are natural monopolies** due to the high fixed costs of setting up the infrastructure.
- **They are usually subject to tight government regulation of prices and vulnerable to other forms of political risk.**
The regulation is intended to prevent abuse of their monopoly position. Often, this involves a government watchdog imposing some restriction on their pricing policies, eg limiting price increases to inflation less k%.
- **They generally have low growth prospects; this leads to a high gross dividend yield** and a lower price earnings ratio, than for any other sector. Low growth prospects are a result of:
 - lack of potential sales volume growth due to monopoly position
 - lack of profit margin growth due to regulatory control

10 Utilities

- **Despite their stable demand and large capital requirements, gearing is low** (ie financial gearing – operational gearing may be high). This is because most of their debt was written off by the government prior to privatisation.
- **They are largely dependent on the domestic market, although some companies are diversifying internationally.** In many cases close to 100% of sales will come from the domestic market. In the case of water and electricity distribution, 100% of sales may be from a single region within the domestic economy.

As a form of utility, these points also apply to some degree to telecommunications companies. However, deregulation of telecommunications markets has made the sector more volatile.



11 Financials

- The financial group companies are the various industries making up the financial services industry, eg banks, general insurance companies, life assurance companies, investment trusts and real estate (property) companies.
- The key distinctive feature of financial group companies is that they tend to be capital intensive.

11 Financials

Otherwise, the features of companies in this group are quite varied between the different sectors:

- **banks are highly-g geared and have volatile profits.** Small changes in the difference between saving and lending rates can have a big impact on shareholders profits. Also, provisions for bad debts during a recession can wipe out profits entirely. Note that higher interest rates have two effects on banks:
 - their profits will tend to be reduced because they will have to increase their provision for bad debts.
 - profits will tend to increase due to the "endowment- effect, ie they benefit from higher interest on lending whilst the interest on some of their borrowing (eg your current account balance) remains at zero or at very low levels.
- **general insurers also have volatile profits and virtually no borrowings.** This is because of the volatile nature of general insurance claims.
- **life insurers have stable profits and low gearing** (profits are realised gradually over the life of their contracts which are long-term)

11 Financials

- **labour costs are important for many companies in the group.** For the insurance contingent (life, composite and brokers) staff costs form a large proportion of the total costs. Staff costs are also significant for banks if compared with the difference between interest earned and interest paid However, for property companies the cost of labour should be minor.
- **the domestic market is most important but there is increasing internationalisation** as capital markets are deregulated, Companies involved in reinsurance often have a high proportion of overseas contracts.

11 Financials



12 Technology

- These are the companies involved in the "new" industries of information technology hardware, software and the provision of computer services. While investor demand for such shares has caused share prices to increase dramatically in the past, many of the companies have yet to make profits or pay dividends. Dividend yields on these companies are therefore low, and their assets can be largely intangible.

12 Technology



13 NSE Sectoral Indices

- While there are no explicit classifications of industries in the Indian Market, there are a few sectoral indices on the NSE which help classify important stocks in Indian markets.
- These Indices are:
 - Nifty Auto Index
 - Nifty Bank Index
 - Nifty Consumer Durables Index
 - Nifty Financial Services Index
 - Nifty FMCG Index
 - Nifty Healthcare Index
 - Nifty IT Index
 - Nifty Media Index
 - Nifty Metal Index
 - Nifty Oil & Gas Index
 - Nifty Pharma Index
 - Nifty Private Bank Index
 - Nifty PSU Bank Index
 - Nifty Realty Index

14 Nifty Auto Index

- The NIFTY Auto Index is designed to reflect the behaviour and performance of the Automobiles segment of the financial market.
- The NIFTY Auto Index comprises 15 tradable, exchange listed companies. The index represents auto related sectors like Automobiles 4 wheelers, Automobiles 2 & 3 wheelers, Auto Ancillaries and Tyres.
- NIFTY Auto Index is computed using free float market capitalization method, wherein the level of the index reflects the total free float market value of all the stocks in the index relative to particular base market capitalization value.
- NIFTY Auto Index can be used for a variety of purposes such as benchmarking fund portfolios, launching of index funds, ETFs and structured products.
- Index Variant: NIFTY Auto Total Returns Index

14 Nifty Auto Index

Top constituents by weightage

Company's Name	Weight(%)
Maruti Suzuki India Ltd.	21.13
Tata Motors Ltd.	17.16
Mahindra & Mahindra Ltd.	15.68
Bajaj Auto Ltd.	8.58
Eicher Motors Ltd.	6.82
Hero MotoCorp Ltd.	6.54
Ashok Leyland Ltd.	3.52
Balkrishna Industries Ltd.	3.51
Bharat Forge Ltd.	3.48
Tube Investments of India Ltd.	3.08



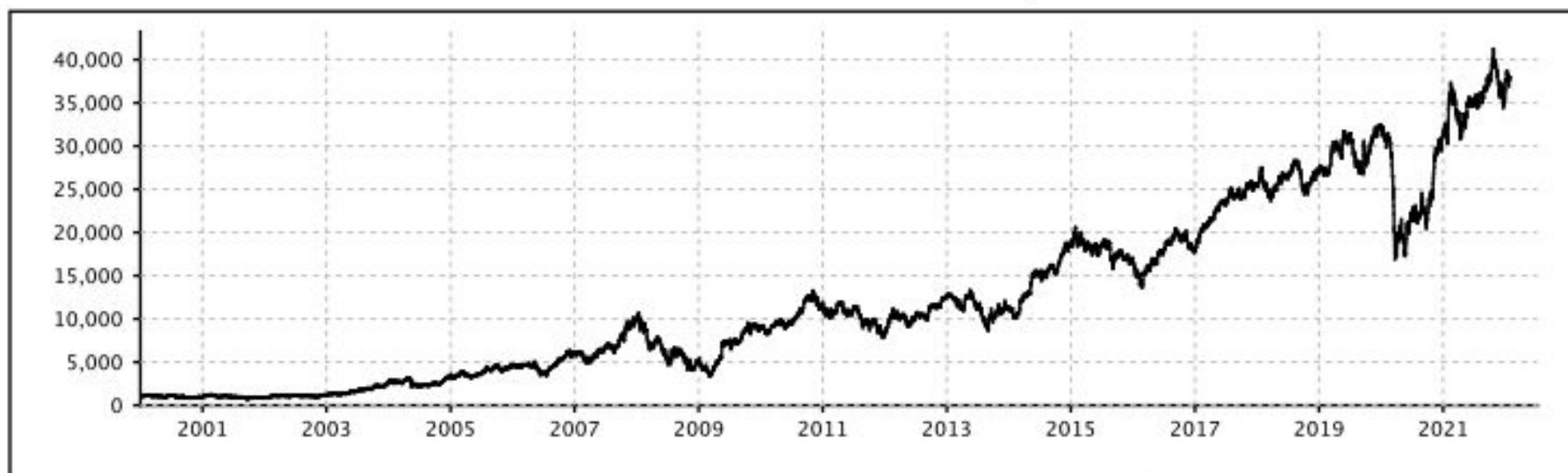
15 Nifty Bank Index

- The NIFTY Bank Index comprises of the most liquid and large Indian Banking stocks. It provides investors and market intermediaries a benchmark that captures the capital market performance of the Indian banks.
- The Index comprises of maximum 12 companies listed on National Stock Exchange of India (NSE).
- NIFTY Bank Index is computed using free float market capitalization method.
- NIFTY Bank Index can be used for a variety of purposes such as benchmarking fund portfolios, launching of index funds, ETFs and structured products.
- Index Variant: NIFTY Bank Total Returns Index.

15 Nifty Bank Index

Top constituents by weightage

Company's Name	Weight(%)
HDFC Bank Ltd.	26.09
ICICI Bank Ltd.	22.53
State Bank of India	12.51
Axis Bank Ltd.	12.26
Kotak Mahindra Bank Ltd.	11.21
IndusInd Bank Ltd.	5.42
AU Small Finance Bank Ltd.	2.75
Bandhan Bank Ltd.	2.04
Federal Bank Ltd.	1.92
IDFC First Bank Ltd.	1.39



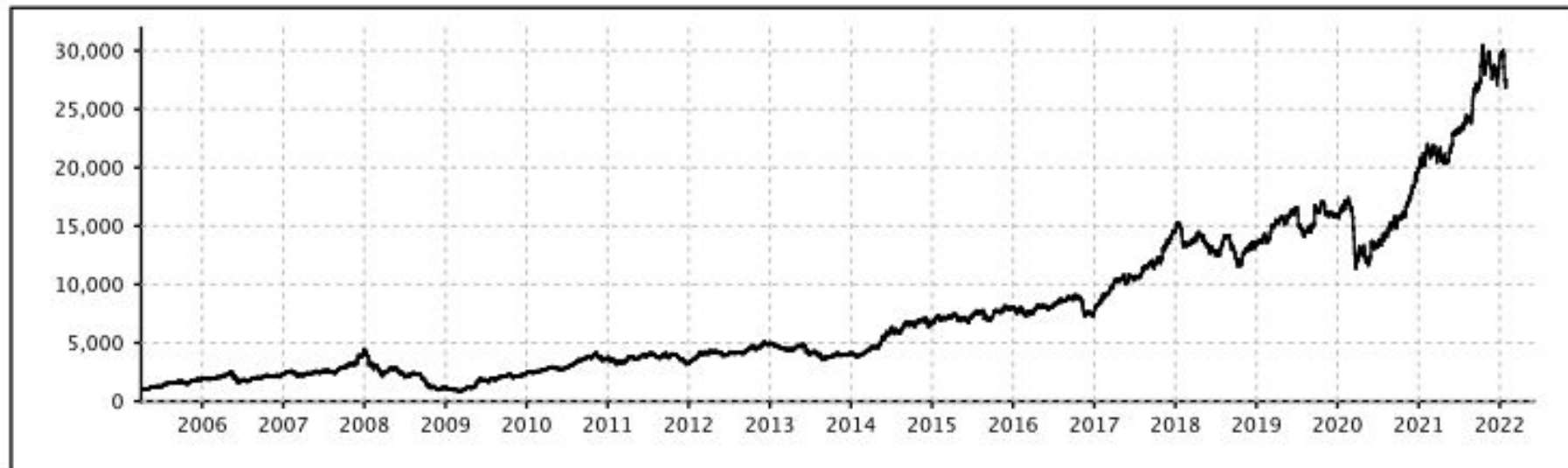
16 Nifty Consumer Durables Index

- The Nifty Consumer Durables Index is designed to reflect the behaviour and performance of the companies belonging to Consumer Durables industry.
- The Nifty Consumer Durables Index comprises of maximum of 15 tradable, exchange listed companies.
- Nifty Consumer Durables Index is computed using free float market capitalization method, wherein the level of the index reflects the total free float market value of all the stocks in the index relative to particular base market capitalization value.
- Nifty Consumer Durables Index can be used for a variety of purposes such as benchmarking fund portfolios, launching of index funds, ETFs and structured products.
- Index Variant: Nifty Consumer Durables Total Returns Index.

16 Nifty Consumer Durables Index

Top constituents by weightage

Company's Name	Weight(%)
Titan Company Ltd.	33.87
Havells India Ltd.	11.49
Voltas Ltd.	10.61
Crompton Greaves Consumer Electricals Ltd.	9.70
Dixon Technologies (India) Ltd.	6.28
Bata India Ltd.	4.83
Rajesh Exports Ltd.	4.43
Kajaria Ceramics Ltd.	4.29
Relaxo Footwears Ltd.	3.44
Amber Enterprises India Ltd.	2.36



17 Nifty Financial Services Index

- The Nifty Financial Services Index is designed to reflect the behaviour and performance of the Indian financial market which includes banks, financial institutions, housing finance, insurance companies and other financial services companies.
- The Nifty Finance Index comprises of 20 stocks that are listed on the National Stock Exchange (NSE).
- NIFTY Financial Services Index is computed using free float market capitalization method, wherein the level of the index reflects the total free float market value of all the stocks in the index relative to particular base market capitalization value.
- NIFTY Financial Services Index can be used for a variety of purposes such as benchmarking fund portfolios, launching of index funds, ETFs and structured products.
- Index Variant: NIFTY Financial Services Total Returns Index.

17 Nifty Financial Services Index

Top constituents by weightage

Company's Name	Weight(%)
HDFC Bank Ltd.	22.20
ICICI Bank Ltd.	18.69
Housing Development Finance Corporation	15.56
Kotak Mahindra Bank Ltd.	9.30
State Bank of India	7.05
Axis Bank Ltd.	6.80
Bajaj Finance Ltd.	6.34
Bajaj Finserv Ltd.	3.24
HDFC Life Insurance Company Ltd.	1.98
SBI Life Insurance Company Ltd.	1.85



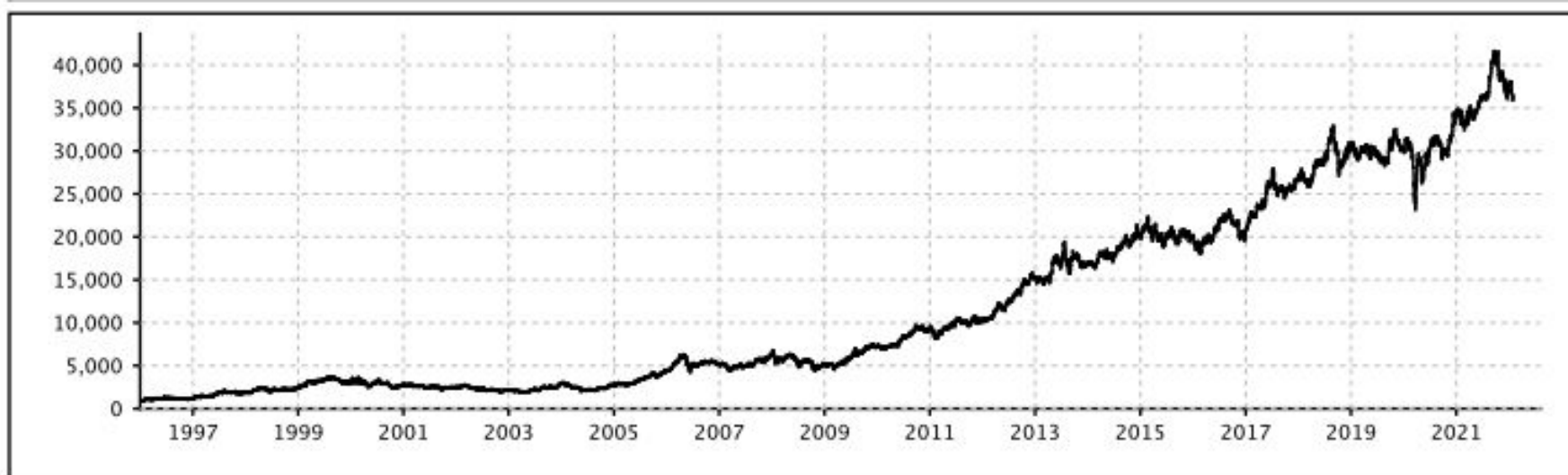
18 Nifty FMCG Index

- The NIFTY FMCG Index is designed to reflect the behaviour and performance of FMCGs (Fast Moving Consumer Goods) which are non-durable, mass consumption products and available off the shelf.
- The NIFTY FMCG Index comprises of 15 stocks from FMCG sector listed on the National Stock Exchange (NSE).
- NIFTY FMCG Index is computed using free float market capitalization method, wherein the level of the index reflects the total free float market value of all the stocks in the index relative to particular base market capitalization value.
- NIFTY FMCG Index can be used for a variety of purposes such as benchmarking of fund portfolios, launching of index funds, ETFs and structured products.
- Index Variant: NIFTY FMCG Total Returns Index.

18 Nifty FMCG Index

Top constituents by weightage

Company's Name	Weight(%)
Hindustan Unilever Ltd.	27.42
ITC Ltd.	26.03
Nestle India Ltd.	8.93
Tata Consumer Products Ltd.	5.90
Britannia Industries Ltd.	5.65
Godrej Consumer Products Ltd.	4.55
Dabur India Ltd.	4.24
United Spirits Ltd.	3.49
Marico Ltd.	3.38
Colgate Palmolive (India) Ltd.	2.57



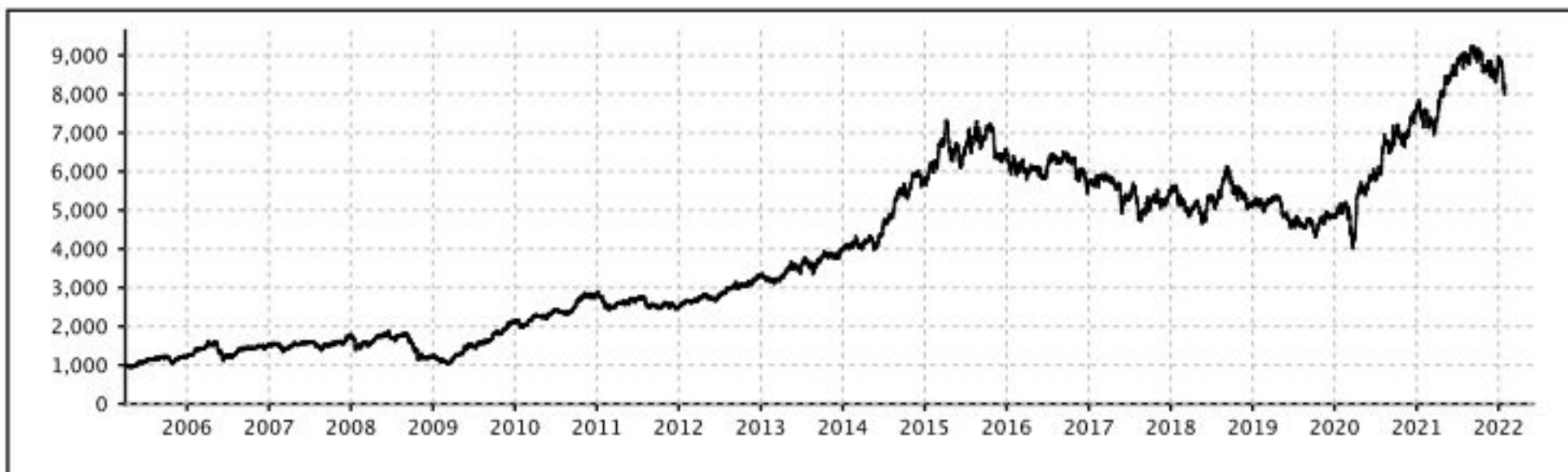
19 Nifty Healthcare Index

- The Nifty Healthcare Index is designed to reflect the behaviour and performance of the Healthcare companies.
- The Nifty Healthcare Index comprises of maximum of 20 tradable, exchange listed companies.
- Nifty Healthcare Index is computed using free float market capitalization method, wherein the level of the index reflects the total free float market value of all the stocks in the index relative to particular base market capitalization value.
- Nifty Healthcare Index can be used for a variety of purposes such as benchmarking fund portfolios, launching of index funds, ETFs and structured products.
- Index Variant: Nifty Healthcare Total Returns Index.

19 Nifty Healthcare Index

Top constituents by weightage

Company's Name	Weight(%)
Sun Pharmaceutical Industries Ltd.	19.59
Dr. Reddy's Laboratories Ltd.	11.36
Divi's Laboratories Ltd.	11.18
Cipla Ltd.	10.61
Apollo Hospitals Enterprise Ltd.	9.75
Lupin Ltd.	4.75
Laurus Labs Ltd.	4.28
Aurobindo Pharma Ltd.	3.88
Biocon Ltd.	3.74
Alkem Laboratories Ltd.	3.59



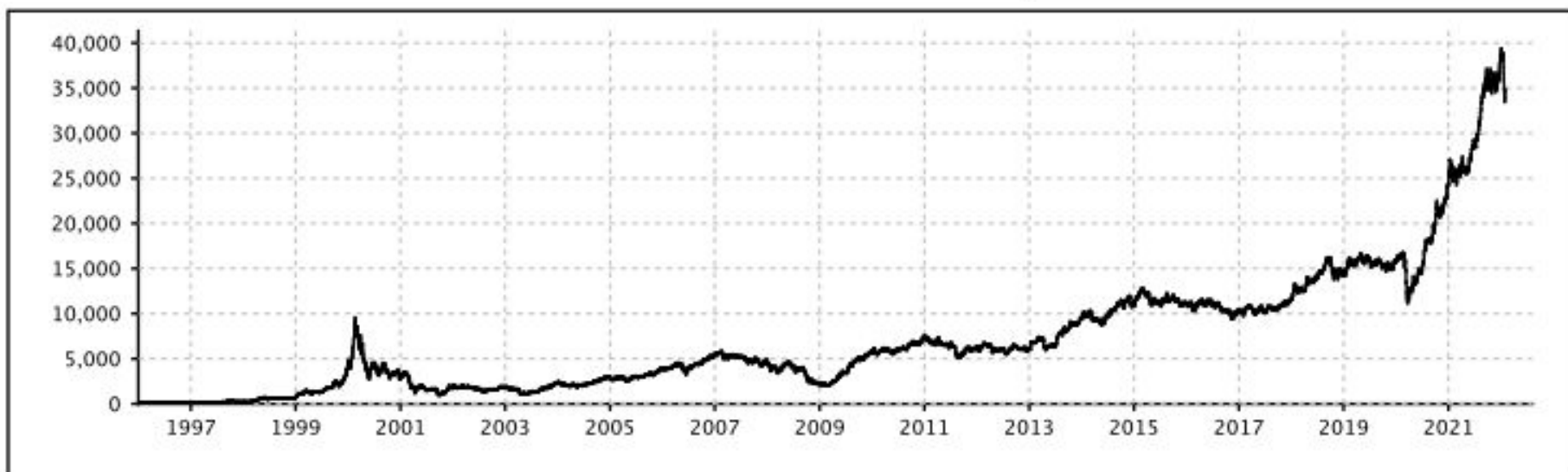
20 Nifty IT Index

- The NIFTY IT index captures the performance of the Indian IT companies. The NIFTY IT Index comprises of 10 companies listed on the National Stock Exchange (NSE).
- The NIFTY IT index is computed using free float market capitalization method with a base date of Jan 1, 1996 indexed to a base value of 1000 wherein the level of the index reflects total free float market value of all the stocks in the index relative to a particular base market capitalization value. The base value of the index was revised from 1000 to 100 with effect from May 28, 2004.
- NIFTY IT Index can be used for a variety of purposes such as benchmarking fund portfolios, launching of index funds, ETFs and structured products.
- Index Variant: NIFTY IT Total Returns Index.

20 Nifty IT Index

Top constituents by weightage

Company's Name	Weight(%)
Infosys Ltd.	28.13
Tata Consultancy Services Ltd.	27.87
HCL Technologies Ltd.	8.59
Tech Mahindra Ltd.	8.22
Wipro Ltd.	8.15
Larsen & Toubro Infotech Ltd.	5.08
MindTree Ltd.	4.58
Mphasis Ltd.	4.55
Coforge Ltd.	2.55
L&T Technology Services Ltd.	2.29



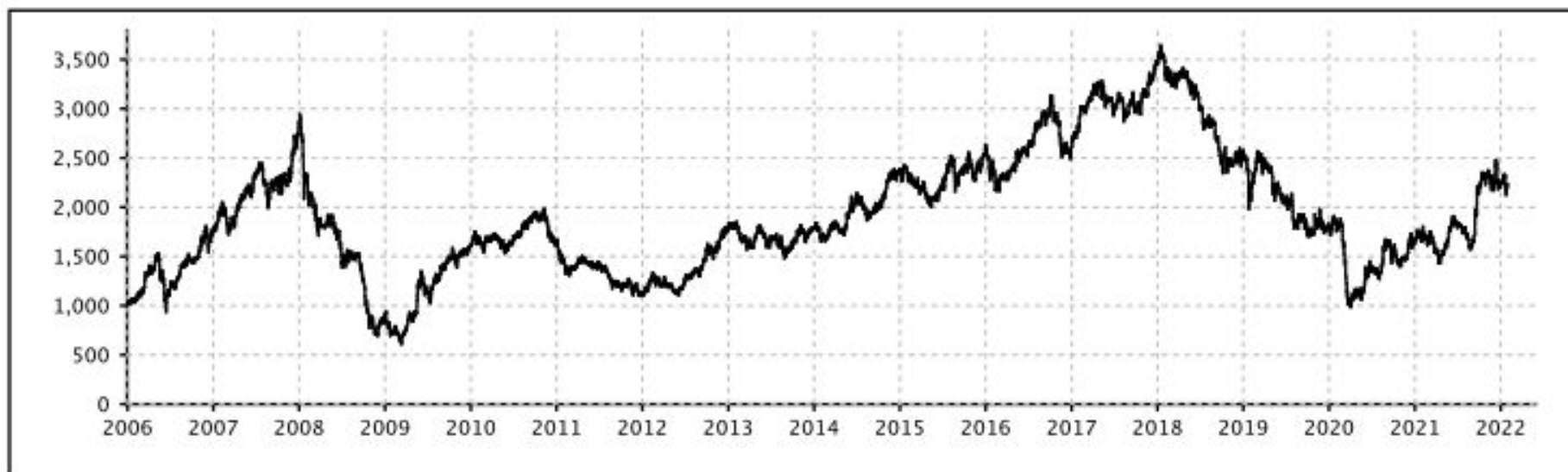
21 Nifty Media Index

- The NIFTY Media Index is designed to reflect the behaviour and performance of the Media & Entertainment sector including printing and publishing.
- The NIFTY Media Index comprises of maximum 15 stocks from Media & Entertainment sector that are listed on the National Stock Exchange (NSE).
- NIFTY Media Index is computed using free float market capitalization method, wherein the level of the index reflects the total free float market value of all the stocks in the index relative to particular base market capitalization value.
- NIFTY Media Index can be used for a variety of purposes such as benchmarking fund portfolios, launching of index funds, ETFs and structured products.
- Index Variant: NIFTY Media Total Returns Index.

21 Nifty Media Index

Top constituents by weightage

Company's Name	Weight(%)
Zee Entertainment Enterprises Ltd.	29.53
PVR Ltd.	17.03
Sun TV Network Ltd.	11.82
TV18 Broadcast Ltd.	9.77
Saregama India Ltd	8.94
Inox Leisure Ltd.	6.76
Dish TV India Ltd.	5.01
Network18 Media & Investments Ltd.	4.97
Nazara Technologies Ltd.	3.84
Hathway Cable & Datacom Ltd.	2.34



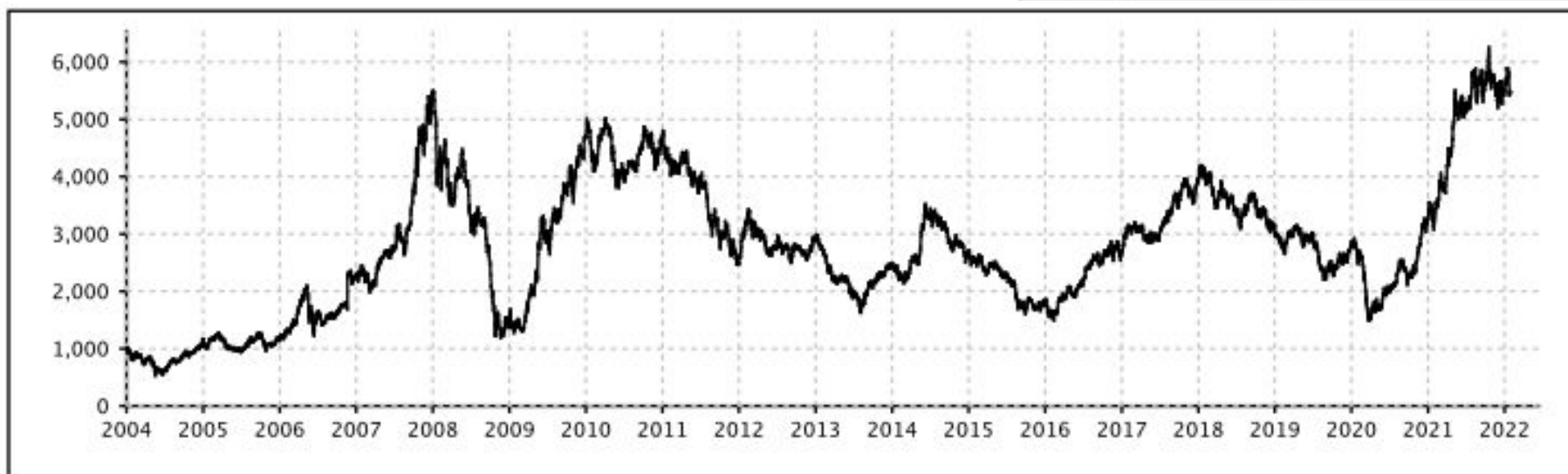
22 Nifty Metal Index

- The NIFTY Metal Index is designed to reflect the behaviour and performance of the Metals sector (including mining).
- The NIFTY Metal Index comprises of maximum 15 stocks that are listed on the National Stock Exchange (NSE).
- NIFTY Metal Index is computed using free float market capitalization method, wherein the level of the index reflects the total free float market value of all the stocks in the index relative to particular base market capitalization value.
- NIFTY Metal Index can be used for a variety of purposes such as benchmarking fund portfolios, launching of index funds, ETFs and structured products.
- Index Variant: NIFTY Metal Total Returns Index.

22 Nifty Metal Index

Top constituents by weightage

Company's Name	Weight(%)
Tata Steel Ltd.	20.15
Hindalco Industries Ltd.	16.69
JSW Steel Ltd.	14.56
Adani Enterprises Ltd.	11.02
Vedanta Ltd.	9.78
Coal India Ltd.	7.82
NMDC Ltd.	3.71
Jindal Steel & Power Ltd.	3.68
Steel Authority of India Ltd.	3.33
APL Apollo Tubes Ltd.	2.83



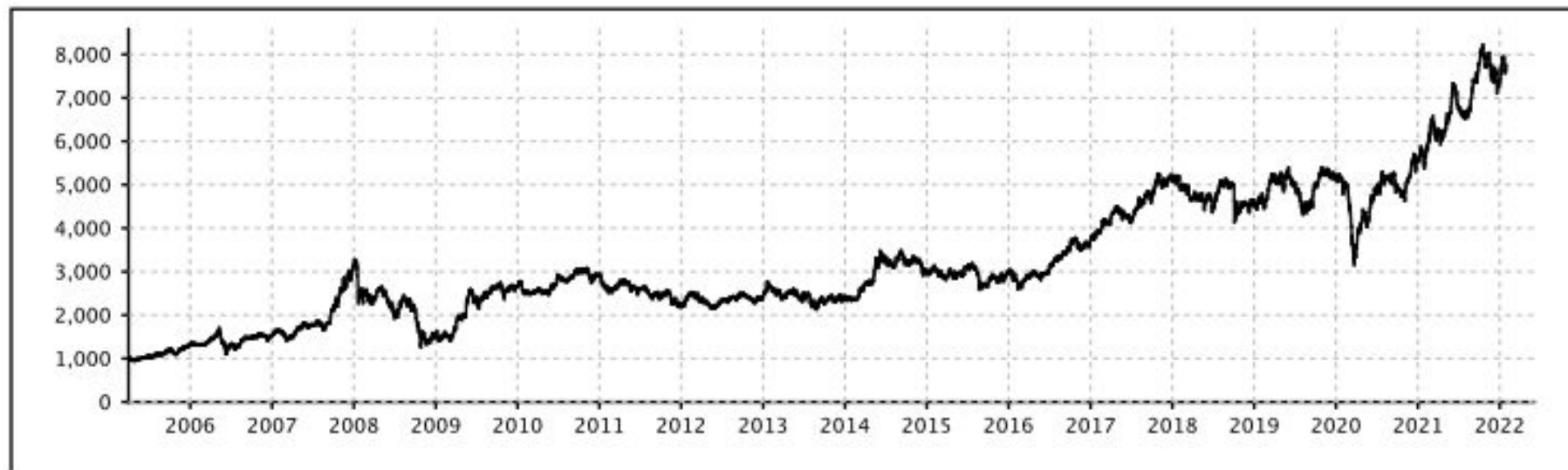
23 Nifty Oil & Gas Index

- The Nifty Oil & Gas Index is designed to reflect the behaviour and performance of the companies belonging to Oil, Gas and Petroleum industry.
- The Nifty Oil & Gas Index comprises of maximum of 15 tradable, exchange listed companies.
- Nifty Oil & Gas Index is computed using free float market capitalization method, wherein the level of the index reflects the total free float market value of all the stocks in the index relative to particular base market capitalization value.
- Nifty Oil & Gas Index can be used for a variety of purposes such as benchmarking fund portfolios, launching of index funds, ETFs and structured products.
- Index Variant: Nifty Oil & Gas Total Returns Index.

23 Nifty Oil & Gas Index

Top constituents by weightage

Company's Name	Weight(%)
Reliance Industries Ltd.	31.29
Oil & Natural Gas Corporation Ltd.	14.46
Adani Total Gas Ltd.	11.50
Bharat Petroleum Corporation Ltd.	8.70
Indian Oil Corporation Ltd.	7.31
GAIL (India) Ltd.	6.03
Hindustan Petroleum Corporation Ltd.	4.61
Petronet LNG Ltd.	3.68
Indraprastha Gas Ltd.	3.16
Gujarat Gas Ltd.	2.66



24 Nifty Pharma Index

- NIFTY Pharma Index captures the performance of the pharmaceutical sector. The Index comprises of 20 companies listed on National Stock Exchange of India (NSE).
- NIFTY Pharma Index is computed using free float market capitalization method, wherein the level of the index reflects the total free float market value of all the stocks in the index relative to particular base market capitalization value.
- NIFTY Pharma Index can be used for a variety of purposes such as benchmarking fund portfolios, launching of index funds, ETFs and structured products.
- Index Variant: NIFTY Pharma Total Returns Index.

24 Nifty Pharma Index

Top constituents by weightage

Company's Name	Weight(%)
Sun Pharmaceutical Industries Ltd.	20.78
Dr. Reddy's Laboratories Ltd.	12.06
Divi's Laboratories Ltd.	11.86
Cipla Ltd.	11.25
Lupin Ltd.	5.04
Laurus Labs Ltd.	4.54
Aurobindo Pharma Ltd.	4.12
Gland Pharma Ltd.	4.03
Biocon Ltd.	3.96
Alkem Laboratories Ltd.	3.81



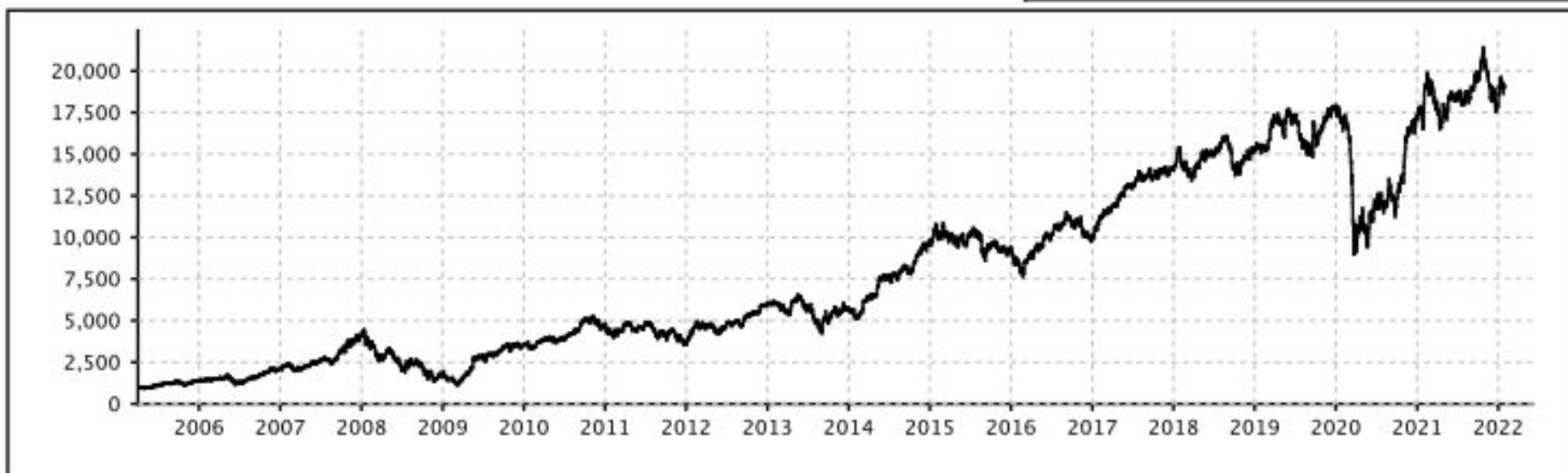
25 Nifty Private Bank Index

- The NIFTY Private Bank Index is designed to reflect the performance of the banks from private sector.
- NIFTY Private Bank Index can be used for a variety of purposes such as benchmarking fund portfolios, launching of index funds, ETF's and structured products.
- Index Variant: NIFTY Private Bank Total Returns Index.

25 Nifty Private Bank Index

Top constituents by weightage

Company's Name	Weight(%)
ICICI Bank Ltd.	24.56
HDFC Bank Ltd.	23.95
Axis Bank Ltd.	13.37
Kotak Mahindra Bank Ltd.	12.23
IndusInd Bank Ltd.	11.26
Bandhan Bank Ltd.	4.24
Federal Bank Ltd.	3.99
IDFC First Bank Ltd.	2.88
City Union Bank Ltd.	2.05
RBL Bank Ltd.	1.46



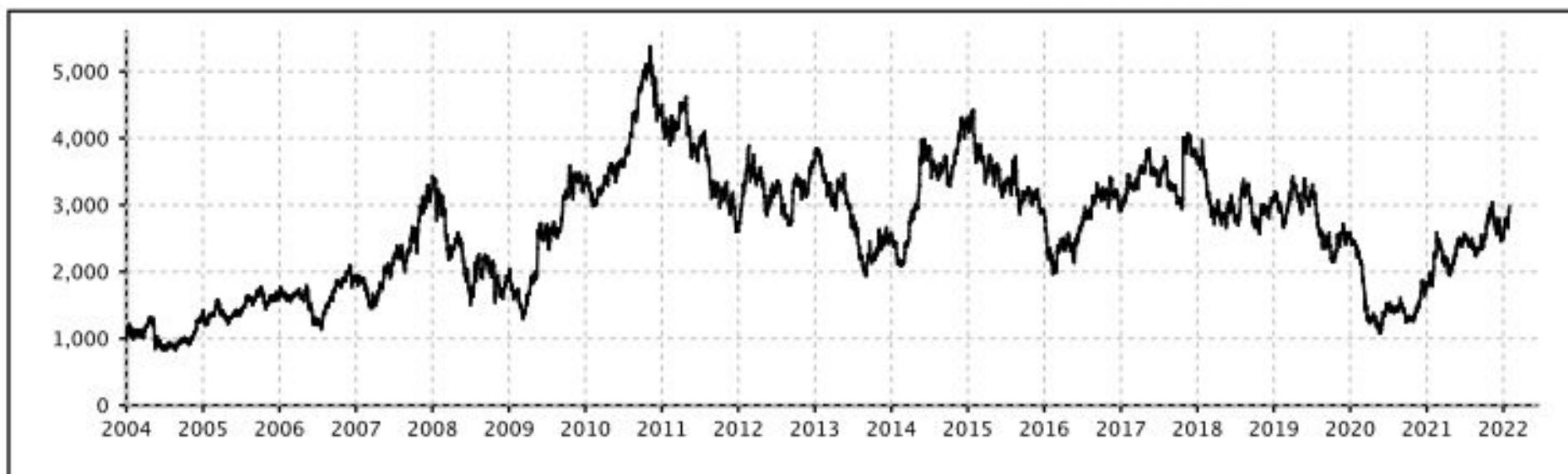
26 Nifty PSU Bank Index

- The NIFTY PSU Bank Index captures the performance of the PSU Banks. All Public Sector Banks that are traded (listed & traded and not listed but permitted to trade) at the National Stock Exchange (NSE) are eligible for inclusion in the index subject to fulfilment of other inclusion criteria namely listing history and trading frequency.
- NIFTY PSU Bank Index is computed using free float market capitalization method, wherein the level of the index reflects the total free float market value of all the stocks in the index relative to particular base market capitalization value.
- NIFTY PSU Bank Index can be used for a variety of purposes such as benchmarking fund portfolios, launching of index funds, ETFs and structured products.
- Index Variant: NIFTY PSU Bank Total Returns Index.

26 Nifty PSU Bank Index

Top constituents by weightage

Company's Name	Weight(%)
State Bank of India	30.81
Bank of Baroda	18.47
Canara Bank	15.66
Punjab National Bank	13.37
Union Bank of India	5.96
Bank of India	4.58
Indian Bank	4.23
Indian Overseas Bank	1.75
Central Bank of India	1.43
Bank of Maharashtra	1.38



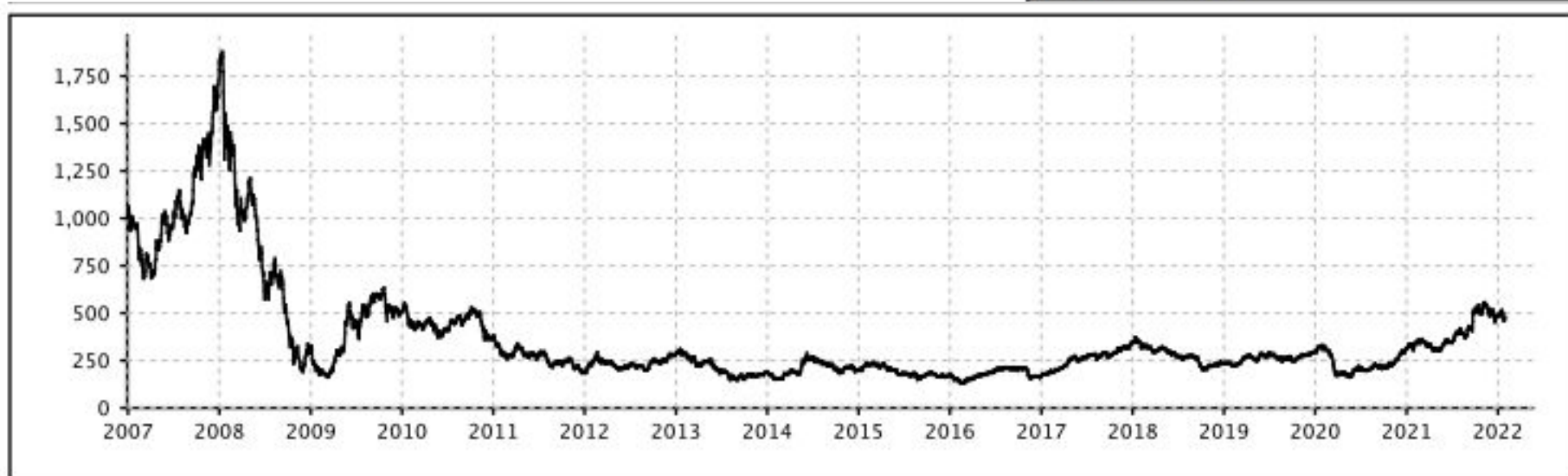
27 Nifty Realty Index

- NIFTY Realty Index is designed to reflect the behaviour and performance of Real Estate companies. The Index comprises of 10 companies listed on National Stock Exchange of India (NSE).
- NIFTY Realty Index is computed using free float market capitalization method, wherein the level of the index reflects the total free float market value of all the stocks in the index relative to particular base market capitalization value.
- NIFTY Realty Index can be used for a variety of purposes such as benchmarking fund portfolios, launching of index funds, ETFs and structured products.
- Index Variant: NIFTY Realty Total Returns Index.

27 Nifty Realty Index

Top constituents by weightage

Company's Name	Weight(%)
DLF Ltd.	24.35
Godrej Properties Ltd.	20.16
Macrotech Developers Ltd.	11.29
Oberoi Realty Ltd.	10.72
Phoenix Mills Ltd.	9.32
Prestige Estates Projects Ltd.	6.90
Brigade Enterprises Ltd.	6.48
Indiabulls Real Estate Ltd.	5.22
Sobha Ltd.	3.09
Sunteck Realty Ltd.	2.48



Thank You!