

The CNX Shariah indices are designed to offer investors Shariah-compliant investment solutions. India Index Services & Products Limited calculates two Shariah indices – CNX Nifty Shariah & CNX 500 Shariah index.

The CNX Nifty Index is parent index to CNX Nifty Shariah Index. This index does not have fixed number of companies. Constituents of parent index which are Shariah compliant are part of CNX Nifty Shariah Index.

CNX Nifty Shariah Index can be used for a variety of purposes such as benchmarking fund portfolios, launching of index funds, ETF's and structured products.

Index Variants: CNX Nifty Shariah Total Returns Index.

## Index Methodology

### Eligibility Criteria for Selection of Constituent Stocks

- i. Market impact cost is the best measure of the liquidity of a stock. It accurately reflects the costs faced when actually trading an index. For a stock to qualify for possible inclusion into the CNX Nifty, have traded at an average impact cost of 0.50% or less during the last six months for 90% of the observations, for the basket size of Rs. 20 Million.
- ii. The company should have an investable weight factor (IWF) of at least 10%.
- iii. The company should have a listing history of 6 months.
- iv. A company which comes out with an IPO will be eligible for inclusion in the index, if it fulfills the normal eligibility criteria for the index for a 3 month period instead of a 6 month period.
- v. Stocks that meet above mentioned criteria and are also Shariah compliant form part of CNX Nifty Shariah Index.

### Index Re-Balancing:

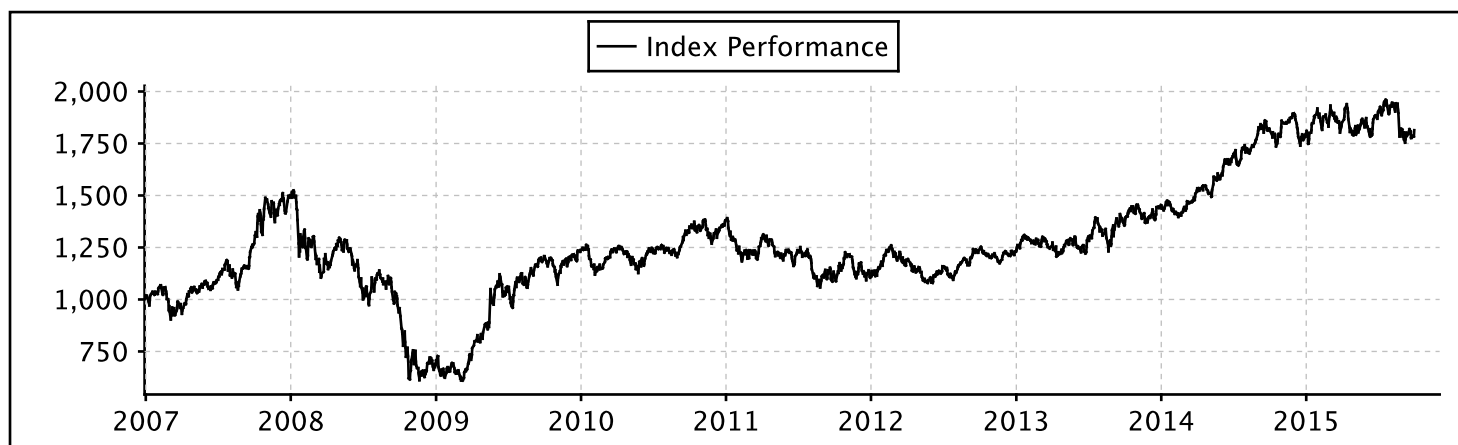
In general, additions are made to the Shariah indices once a month, typically the third Friday of the month, after the addition to the underlying index, if the stock is found compliant by the Shariah norms. Index deletions may also occur at that time, if a constituent is deemed no longer compliant by the Shariah norms.

Other deletions may occur during the month if a stock is being deleted from the underlying index. Such deletions will occur at the same time as the deletion from the parent index.

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### Portfolio Characteristics

Methodology	Free Float Market Capitalization
No. of Constituents	18
Launch Date	February 19, 2008
Base Date	December 29, 2006
Base Value	1000
Calculation Frequency	EOD Daily
Index Rebalancing	Monthly

### Sector Representation

Sector	Weight (%)
ENERGY	22.08
IT	20.61
PHARMA	16.60
CONSUMER GOODS	11.87
AUTOMOBILE	11.29
CEMENT & CEMENT PRODUCTS	7.72
TELECOM	5.78
INDUSTRIAL MANUFACTURING	2.30
METALS	1.75

### Statistics

	QTD	YTD	1 Year	5 Years	Since Inception
Returns (%) <sup>#</sup>	-3.70	1.03	-0.39	6.51	7.04

	1 Year	5 Years	Since Inception
Std. Deviation *	15.44	15.77	24.10
Beta (Nifty)	0.84	0.84	0.93
Correlation (Nifty)	0.89	0.91	0.96

### Fundamentals

P/E	P/B	Dividend Yield
19.75	2.78	1.41

### Top 10 constituents by weightage

Company's Name	Weight (%)
Reliance Industries Ltd.	17.61
Tata Consultancy Services Ltd.	16.40
Maruti Suzuki India Ltd.	7.67
Hindustan Unilever Ltd.	7.16
Dr. Reddy's Laboratories Ltd.	6.55
Lupin Ltd.	6.05
Bharti Airtel Ltd.	5.78
Asian Paints Ltd.	4.72
Tech Mahindra Ltd.	4.20
Cipla Ltd.	4.00

<sup>#</sup> QTD, YTD and 1 year returns are absolute returns. Returns for greater than one year are CAGR returns.

\* Average daily standard deviation annualised

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