

PRESS RELEASE

Mumbai, February 24, 2023

NSE Indices launches India's first Municipal Bond Index

NSE's index services subsidiary, NSE Indices Limited today launched India's first ever Municipal Bond Index, Nifty India Municipal Bond Index at a SEBI workshop on Municipal Debt Securities at Bengaluru.

The Nifty India Municipal Bond Index tracks the performance of municipal bonds issued by Indian municipal corporations across maturities and having investment grade credit rating. The index includes municipal bonds issued as per the Securities Exchange Board of India Issue and Listing of Municipal Debt Securities Regulations, 2015. Presently, the index has 28 municipal bonds issued by 10 issuers all having credit rating in the AA rating category. The index constituents are assigned weights based on their outstanding amount.

Indian municipal bond market has seen a resurgence of issuances after the SEBI Issue and Listing of Municipal Debt Securities Regulations, 2015 came into effect and a renewed emphasis on municipal finance by policymakers. Raising money from capital markets incentivizes municipal corporations to fund new projects and improve civic infrastructure while encouraging them to become financially disciplined and governance oriented.

Mr. Mukesh Agarwal, CEO, NSE Indices, said, "The municipal bond market has a potential to play a pivotal role in financing the borrowing requirements of different municipal corporations in India. The proceeds from bonds issued by municipal corporations can be utilized to finance the expansion of essential municipal services through growth-driven infrastructure projects & can contribute to bridging India's urban infrastructure financing gap. The launch of the Nifty India Municipal Bond Index - India's first ever Municipal Bond Index aligns with NSE's vision to provide market representative benchmarks. The Nifty India Municipal Bond Index will track the performance of Indian municipal bond market and act as a benchmark for passive funds which will provide more investment choices to Indian fixed income investors. I am confident that with the launch of the Nifty India Municipal Bond Index, an impetus will be created for asset managers to consider investing in the municipal bond market thereby providing an investment vehicle to fixed income investors."

The index is computed using the total return methodology including price return and coupon return. The index has a base date of January 01, 2021, and a base value of 1000. The index will be reviewed quarterly. The index is expected to act as a benchmark for asset managers and be a reference index tracked by passive funds in the form of Exchange Traded Funds (ETFs), index funds and structured products.

For more information on index methodology and factsheet, please visit us at www.niftyindices.com or www.nseindia.com.

About National Stock Exchange of India Limited (NSE):

National Stock Exchange of India (NSE) is the world's largest derivatives exchange by trading volume (contracts) as per the statistics maintained by Futures Industry Association (FIA) for calendar year 2022. NSE is ranked 3rd in the world in the cash equities by number of trades as per the statistics maintained by the World Federation of Exchanges (WFE) for calendar year 2022. NSE was the first exchange in India to implement electronic or screen-based trading. It began operations in 1994 and is ranked as the largest stock exchange in India in terms of total and average daily turnover for equity shares every year since 1995, based on SEBI data. NSE has a fully integrated business model comprising exchange listings, trading services, clearing and settlement services, indices, market data feeds, technology solutions and financial education offerings. NSE also oversees compliance by trading, clearing members and listed companies with the rules and regulations of SEBI and the exchange. NSE is a pioneer in technology and ensures the reliability and performance of its systems through a culture of innovation and investment in technology.

For more information, please visit: www.nseindia.com

About NSE Indices Limited:

NSE Indices Limited (formerly known as India Index Services & Products Ltd. - IISL), a subsidiary of NSE, provides a variety of indices and index related services for the capital markets. The company focuses on the index as a core product. The company owns and manages a portfolio of indices under the NIFTY brand of NSE, including the flagship index, the NIFTY 50. NIFTY equity indices comprises of broad-based benchmark indices, sectoral indices, strategy indices, thematic indices and customised indices. NSE Indices Limited also maintains fixed income indices based on Government of India securities, corporate bonds, money market instruments and hybrid indices. Many investment products based on NIFTY indices have been developed within India and abroad. These include index based derivatives traded on NSE, NSE IFSC and Singapore Exchange Ltd. (SGX) and a number of index funds and exchange traded funds. The flagship 'NIFTY 50' index is widely tracked and traded as the benchmark for Indian Capital Markets.

For more information, please visit: www.niftyindices.com

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