

PRESS RELEASE

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**ETF AUM tracking NIFTY Indices triples in FY 16-17, crosses
Rs. 36,000 Cr**

AUM of Equity ETFs crosses Rs. 43,000 crores in FY 16-17

Mumbai: Equity ETFs in India witnessed significant growth in FY 16-17. Total Assets under Management (AUM) of equity ETFs in India has almost tripled to Rs. 43,234 Cr, as on March 2017 as against Rs. 15,066 Cr as on March 2016. AUM of the ETFs tracking NIFTY indices accounts for 85% of the total equity ETF AUM. Accordingly, the AUM of Equity ETFs tracking NIFTY indices in India have reached Rs. 36,803 Cr as on March 2017, as against Rs. 12,865 Cr as on March 2016.

The key drivers of increase in AUM of Equity ETFs are increasing popularity of ETFs amongst retail investors, investment by pension funds including Employees' Provident Fund Organization (EPFO) in equity through the ETF route and the Government of India using the ETF route for disinvestment. In the previous financial year, the Government of India mobilised Rs. 8,500 Cr through CPSE ETF which tracks the NIFTY CPSE index.

Mr. Mukesh Agarwal, CEO of IISL, an NSE group company said "ETFs are increasingly becoming popular in India. Large institutional investors are also taking equity exposure via ETFs. In addition to interest in broad based indices such as NIFTY 50, we have also seen interest in sectoral indices such as NIFTY Bank Index and other factor based indices. There is a good demand for NIFTY indices amongst ETF issuers in the international markets also."

Equity ETFs tracking NIFTY indices

As on March 2017, there are 47 Equity ETFs trading in India out of which 34 are benchmarked to the NIFTY family of indices. 13 Equity ETFs in India track NIFTY 50 with a total AUM of Rs. 23,251 Cr. It is followed by NIFTY CPSE index with 1 ETF and a total AUM of Rs. 7,732 Cr and then NIFTY Bank with 4 ETFs and total AUM of Rs. 5,091 Cr. ETFs also track other NIFTY indices such as NIFTY Next 50, NIFTY 100, NIFTY Free Float Midcap 100, NIFTY PSU Bank, NIFTY50 Value 20, NIFTY Quality 30 etc.

Trading Volume of Equity ETFs

Trading volume of ETFs in India has also grown significantly. In the last 2 financial years, average Daily Traded Volume (ADV) for equity ETFs was Rs. 186 Cr in FY 16-17 as compared to Rs. 92 Cr in FY 14-15. In the last 10 years, ADV of equity ETFs has grown annually by 32%. The retail interest in ETFs has been increasing, with the number of investors trading in ETFs increasing by 82% in FY 16-17 over the previous financial year. In the last 10 years, number of active clients trading ETFs has increased by 38% annually. Investors from more than 580 cities, including Tier II and Tier III cities, are investing in ETFs.

NSE is continuously engaging with investors to ensure a larger participation from the retail segment in ETFs. The exchange has conducted more than 1600 investor awareness programs for retail investors in FY 16-17. Many such programs were conducted in association with the market regulator SEBI and benefits of ETFs were also discussed along with other topics related to investors' awareness etc.

ETFs are group of securities which are traded like individual stocks on an exchange. ETFs can track equity indices, bonds, commodities etc. A retail investor can buy ETFs for as little as about Rs.100 and these can be then bought and sold as a share on the exchange, with a minimum trading lot of one unit and carry significantly lower fund management costs.

Source of ETF Industry data: ICRA Online

About National Stock Exchange of India Limited (NSE):

The National Stock Exchange (NSE) is the leading stock exchange in India and the fourth largest in the world by equity trading volume in 2015, according to World Federation of Exchanges (WFE). 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 our exchange listings, trading services, clearing and settlement services, indices, market data feeds, technology solutions and financial education offerings. NSE also oversees compliance by trading and clearing members with the rules and regulations of 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. NSE believes that the scale and breadth of its products and services, sustained leadership positions across multiple asset classes in India and globally enable it to be highly reactive to market demands and changes and deliver innovation in both trading and non-trading businesses to provide high-quality data and services to market participants and clients.

About India Index Services & Products Ltd. (IISL):

India Index Services & Products Ltd. (IISL), a subsidiary of NSE, was setup in May 1998 to provide a variety of indices and index related services for the capital markets. IISL focuses upon the index as a core product. IISL owns and manages a portfolio of indices under the NIFTY brand of NSE, including the flagship index, the NIFTY 50. IISL equity Indices comprises of broad-based benchmark indices, sectoral indices, strategy indices, thematic indices and customised indices. IISL also maintains fixed income indices based on Government of India securities, corporate bonds and money market instruments. Many investment products based on IISL indices have been developed in the recent past, within India and abroad. These include index based derivatives traded on NSE, Singapore Exchange Ltd. (SGX), Chicago Mercantile Exchange Inc. (CME), Osaka Exchange Inc. (OSE), Taiwan Futures Exchange (TAIFEX) 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.nseindia.com

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