

PRESS RELEASE

Process for Removal of Scrip from BSE Indices Post Demerger

MUMBAI, APRIL 03, 2025: Asia Index Private Limited ("AIPL") announces the following Process change to the BSE Indices

Process of Demerger:

In a demerger, a company splits itself into two or more separate, independent entities which include the de-merging / parent entity and the spun-off / child entity or entities.

Corporate action involving demerger and spin-off

In the event of a scheme of arrangement for the demerger of an Index constituent, where a company (eg: "Entity A") is demerging into a separate spun-off / child entity (eg: Entity B) and the de-merging / parent entity (eg: Entity A), a Special Pre-open Session (SPOS) is conducted by Exchanges to facilitate discovery of the share price of the parent / de-merging entity. Additionally, after close of market hours on T-1 day (day prior to demerger date) a new scrip code for (eg: Entity B) will be added to the index, at "Zero" price, with no divisor adjustment.

Following the SPOS, the price of parent entity A is discovered. Additionally, the indicative price of constituent B is derived basis the difference between the previous day's closing market capitalization of entity A and discovered market capitalization of entity A during the SPOS. The constituent B will continue to remain in the index at the constant derived price until its day of listing. During this period, the Index will temporarily contain an additional constituent i.e. entity "B", beyond the maximum allowable constituents for that Index.

After the demerger process, the demerging parent entity "A" will continue to be retained in the Index.

Once normal trading resumes for entity "A" after the Special Pre-open session, the Index will be calculated based on the daily traded price of entity "A" and a constant derived price for entity "B".

If the price of entity "A" is not discovered during the Special Pre-open session, another session will be held until the price is determined.

Constituent weightages will be determined in accordance with the Index Methodology, as outlined in the relevant methodology document, with the temporary inclusion of the additional constituent (where applicable).

From the actual date of listing of spun-off / child entity (B) (beginning of the day), index will be calculated based on the traded prices of this new scrip.

Under normal circumstances, entity "B" will be removed from the Index after the close of trading on the third trading day following its listing. However, if entity "B" hits the lower price band on any of the above days, the removal of the entity B from the Index shall be postponed.

Final removal of entity "B" from the Index will take place only when the price of entity "B" does not hit the lower price band for two consecutive days and advance notice of removal will be issued at the end of the second day for removal of entity "B" from the Index at the end of the next trading day (after the two consecutive days).

Note: In cases where a company (entity "A") demerges 2 or more of its divisions into 2 or more separate entities, the entity "A" will be removed from the Index at the closing of one day prior to the entity "A" turning ex-demerger (i.e. the day the SPOS session is conducted), unless stated otherwise at the discretion of the Index Committee.

Link for FAQ on BSE Special Pre-open Session
https://www.bseindia.com/static/markets/equity/special_preopen.htmlp

Possible Scenarios:

Sr. No.	Day	Procedure
1.	Spun-off entity does not hit lower price band on the T Day and T + 1 Day, any time during the day, after its listing	The spun-off entity will be removed from the Index after the close of the T + 2 trading day (the "initial exclusion date") from the listing date. An advance notice will be issued after the close of trading on the T + 1 day following the listing, informing of this exclusion.

2.	Spun-off entity hits the lower price band on either the first or second trading day after listing, at any point during the day.	<p>Exclusion of spun off entity shall be made after the close of next trading day upon observing two consecutive days of the spun off entity not hitting the price band.</p> <p>An advance notice regarding the exclusion will be issued after the close of trading on the second day of two consecutive days of the spun-off entity not hitting the lower price band.</p>
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About ASIA INDEX PRIVATE LIMITED

Asia Index Pvt. Ltd is a wholly owned subsidiary of BSE Ltd, Asia's oldest stock exchange and home to the iconic SENSEX index – a leading indicator of Indian equity market performance. Asia Index Pvt. Ltd aims to provide a full array of indices to global / domestic investors and calculates, publishes, and maintains a diverse family of indices.

About BSE

BSE (formerly Bombay Stock Exchange Ltd.) is Asia's oldest exchange. BSE has been playing a prominent role in developing the Indian capital market as India's leading exchange group. BSE is a corporatized and demutualized entity with a broad shareholder base. BSE provides an efficient and transparent market for trading in equity, debt instruments, equity derivatives, currency derivatives, interest rate derivatives, mutual funds and stock lending and borrowing.

Index Services

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