

<b>Heading:-</b> Nifty 50 completed 25 years	
<b>Source:-</b> Various Publications	<b>Date:</b> 23 April, 2021

## Money Control

### Nifty50 turns 25! Here's how the index evolved over the years

Over the years, the sectoral representation of the Nifty has also changed tremendously and remains in consonance with the changes in the underlying economy.

23 April 2021

India's flagship equity index Nifty50 completed 25 years of its journey on April 22. The equity barometer came into existence on April 22, 1996, and since then has seen many changes in its components, indicating the changing business-economic dynamics of the country.

Nifty has come a long way after it was launched in April 1996, when it traded at 1,107, with the base year of November 1995 set as 1,000.

For the first time in history, Nifty closed above the psychological mark of 15,000 on February 8, 2021.

Nifty50 is a benchmark equity index and it shows the weighted average of India's top 50 companies, across sectors, that are listed on NSE.

With time, many components of the index exit the group while the new ones enter.

Over the years, the sectoral representation of the Nifty has also changed tremendously and remains in consonance with the changes in the underlying economy.

"With a change in the economy from manufacturing to services over the past three decades and the rise of the private sector, the sectoral representation in 2021 is vastly different from that of 1996," said brokerage firm Motilal Oswal.

Of the 50 stocks in the Nifty, 13 companies – HDFC Bank, RIL, HDFC, ITC, HUL, L&T, SBI, Tata Motors, Dr Reddy's Labs, Tata Steel, Grasim, Hero, and Hindalco – have been a part of the index's journey since inception.

The combined market cap of these 13 companies has grown at a CAGR of 18 percent between April 1996 and February 2021, said the brokerage firm, said a report from brokerage firm Motilal Oswal Financial Services.

The average P/E multiple of the Nifty between April 1996 and February 2021 stands at 15.7 times; however, the average for the last 10 years is 18.8 times, said the brokerage firm.

Motilal Oswal highlighted while traversing its journey from 1,107 to 15,000, the Nifty (up about 14 times) has delivered 11.1 percent CAGR returns in the last 25 years.

Binod Modi, Head Strategy at Reliance Securities said the journey of 25 years for Nifty has been fantastic as 11 percent CAGR return of Nifty, by and large, has outpaced the return of all asset classes in the country.

"While the Indian economy has grown manifold during the period with real GDP recording over 8 percent CAGR during the period, Nifty constituent companies like RIL, TCS, Infosys, HDFC Bank delivered astounding returns to shareholders," said Modi.

"Notably, gold has traditionally been a preferred asset class for the Indian population for so many decades, Nifty return of 11 percent CAGR has also surpassed gold return of over 9 percent CAGR during the period," he said.

Rusmik Oza, Executive-VP and Head of Fundamental Research, Kotak Securities underscored that the wider number of stocks in the Nifty50 gives proper diversification and representation to various sectors.

The double-digit compounding returns of Nifty50 over the last 25 years reflect the underlying growth potential of India across various sectors.

"Unlike BSE Sensex, the Nifty50 looks more relevant on an ongoing basis. The six-monthly reshuffling exercise of Nifty50 helps in removing the weaker and outdated companies and replacing it with relevant higher market cap companies," Oza said.

Ashis Biswas, Head of Technical Research at CapitalVia Global Research underscored the Nifty50 constituents account for approximately 58 percent of India's overall market capitalization.

"From the moment it was launched, the Nifty has replicated its economic development on its incredible ride.

In the Indian context, the biggest development recently that has long-term impact was the Union Budget in the first week of February," Biswas said.

The government pegged the fiscal deficit for the financial year 2020-21 at 9.5 percent of GDP and set the target for 2021-22 at 6.8 percent of GDP. These were much higher than the market expectations. The fiscal consolidation roadmap also got extended to lower the fiscal deficit to 4.5 percent only by the fiscal year 2025-26, Biswas pointed out.

"For the long-term, we remain bullish on Nifty50 index performance, but profit-taking is likely from 14,200-14,500 levels, and near-term uncertainty cannot be ruled out. Any drop to about 13,800 will be a decent time to start building a long-term investment portfolio," he said.

On April 22, 2021, the index closed 110 points, or 0.77 percent, higher at 14,406.15.

<https://www.moneycontrol.com/news/business/markets/nifty50-turns-25-heres-how-the-index-evolved-over-the-years-6801431.html>

## Economic Times

### Happy 25th Birthday, Nifty50! So, what has changed & what hasn't

22 April 2021

"No man ever steps in the same river twice, for it's not the same river and he's not the same man."

What Greek philosopher Heraclitus said in 544 BC holds true for Nifty as well due to the churning of stocks the heartbeat index has seen every six months in the last 25 years.

Launched on April 22, 1996, the National Stock Exchange's (NSE) flagship index completed 25 years of its journey on Thursday, April 22. In between, three out of every four stocks have got thrown out of it.

Out of the 50 stocks on the index, only 13 – HDFC Bank, Reliance Industries (RIL), HDFC, ITC, HUL, L&T, SBI, Tata Motors, Dr Reddy's Labs, Tata Steel, Grasim, Hero and Hindalco – could keep pace in multiplying their market-caps in order to be able to stay put on the index till its silver jubilee year.

Most of these 13 stocks, barring Tata Steel, Tata Motors, Grasim and Hindalco, have been among the top wealth creators in the last two-and-a-half decades.

Growing at a compounded annual growth rate (CAGR) of 11.1 per cent, Nifty is up almost 14 times in these 25 years. Back in 1996, the index was dominated by old-economy sectors related to energy, auto and commodities. The information technology (IT) industry had zero representation. Although financials had almost 24 per cent weightage, private banks hardly had any presence, data from Motilal Oswal Financial Services showed.

After the recent Nifty rebalancing that came into effect from March 31, financial services now hold a 38.03 per cent weightage, followed by IT (16.77 per cent), oil and gas (11.78 per cent) and consumer goods (11.49 per cent).

Together, these four sectors comprise 78 per cent of Nifty that currently has representation from 13 sectors.

Energy, which has 13.45 per cent weightage now, had begun its Nifty journey with a weightage of 12.6 per cent in 1996. In March 2009, the sectoral weightage touched its peak at 40.74 per cent only to narrow down gradually over the next few years. Energy's high weightage in Nifty is now largely on account of RIL.

HDFC Bank, which has been one of the largest wealth creators among the blue chips in last 25 years, had just 0.4 percent weightage in Nifty in 1996 and was the only representative of the private banks on the index.

HDFC Bank (10.24 per cent) and three other stocks - Reliance Industries (10.19 per cent), Infosys (7.98 per cent) and HDFC (7.08 per cent) - make up for more than one-third of today's Nifty. The stocks with higher weightages have more firepower to move the index up and down.

#### Top constituents by weightage

Company's Name	Weight(%)
HDFC Bank Ltd.	10.24
Reliance Industries Ltd.	10.19
Infosys Ltd.	7.98
Housing Development Finance Corporation	7.08
ICICI Bank Ltd.	6.34
Tata Consultancy Services Ltd.	5.18
Kotak Mahindra Bank Ltd.	4.05
Hindustan Unilever Ltd.	3.42
ITC Ltd.	3.01
Axis Bank Ltd.	2.76

Back in 1996, SBI, HUL, Tata Motors, RIL and Tata Steel were the top five companies on the index. When energy stocks were ruling the roost, ONGC's weightage had shot up to 12.4 per cent in December 2005 and is now down to just 0.59 per cent.

The change in the pecking order has been unkind to the PSU banks (whose weightage has come down from 12.2 per cent to 2.3 per cent) and metals (from 10.7 per cent to 2.86 per cent). Sectors like textiles (4.9%), hotels (2.2%), and shipping (0.9%), which were part of the 1996 batch, have since lost their seats in Nifty Club Elite.

Till June 2009, NSE used to take into account full market capitalisation of a stock for consideration for Nifty50 entry. Since then, the selection methodology has undergone a change to include free float market cap, besides other factors. Although RIL's market-cap of Rs 12.26 lakh crore is substantially higher than that of HDFC Bank's Rs 7.87 lakh crore today, yet the latter enjoys a higher weightage on Nifty because a higher free float market-cap.

<https://economictimes.indiatimes.com/markets/stocks/news/happy-25th-birthday-nifty50-so-what-has-changed-what-hasnt/articleshow/82192938.cms>

## **Business Standard**

### **Nifty turns 25: Here's how the index progressed from 1,000 to 14,000**

The complexion of the index has undergone a drastic change since its inception.

23 April 2021

It has been 25 years since the National Stock Exchange (NSE) introduced its benchmark Nifty index, a gauge for the performance of the country's 50 blue-chip stocks. The index was set up on April 22, 1996, less than two years after the exchange launched electronic screen-based trading.

Today, the Nifty 50 index is the most-traded derivatives index. It is also the most-tracked index by domestic exchange-traded funds (ETFs) with assets under management of \$18 billion (Rs 1.35 trillion).

The complexion of the index has undergone a drastic change since its inception. Back in 1996, State Bank of India (SBI) had the highest weightage at nearly 8.6 per cent, followed by Tata Motors at 6.9 per cent.

While both the stocks continue to be part of the index, they are no longer in the top 10, both in terms of market cap as well as weightage. Reliance Industries is currently the highest weighted stock, followed by HDFC Bank.

Today, the index is dominated by banks and financial stocks. Back then, banking stocks were an important part of the index, but their combined weightage was below 20 per cent — half that of now.

Out of the 50 components, only 14 are common between 1996 and 2021; several manufacturing and old-economy stocks have been pushed out of the index over the years. HDFC Bank has generated the highest annualised returns in this period, at 32 per cent.

"India's real GDP has recorded 8 per cent CAGR between 1996 and 2021. The Nifty return of 11 per cent CAGR has also surpassed the gold return of over 9 per cent CAGR during the period," says Binod Modi, head of strategy at Reliance Securities.

[https://www.business-standard.com/article/markets/nifty-turns-25-here-s-how-the-index-progressed-from-1-000-to-14-000-121042300026\\_1.html](https://www.business-standard.com/article/markets/nifty-turns-25-here-s-how-the-index-progressed-from-1-000-to-14-000-121042300026_1.html)

## Business Standard

# NIFTY TURNS 25: FROM 1,000 TO 14,000

It has been 25 years since the National Stock Exchange (NSE) introduced its benchmark Nifty index, a gauge for the performance of the country's 50 blue-chip stocks. The index was set up on April 22, 1996, less than two years after the exchange launched electronic screen-based trading. Turn to Page 15 ▶

SAMIE MODAK

## NIFTY50 THEN AND NOW



## TOP FIVE STOCKS BY WEIGHTAGE

### 1996 (M-cap)

	(₹ cr)	Weightage (%)
SBI	14,482	8.6
Tata Motors	11,633	6.9
HUL	11,070	6.6
RIL	10,945	6.5
IDBI Bank	7,936	4.7

### 2021 (M-cap)

	₹ trn	Weightage (%)
RIL	12.5	9.9
HDFC Bank	7.8	9.6
Infosys	5.7	7.8
HDFC	4.5	6.9
ICICI Bank	4.0	6.2

## 14 COMMON STOCKS

	M-cap (₹ cr)		CAGR returns (%)
	1996	2021	
HDFC Bank	753	7,84,192	32.0
ICICI Bank	3,268	4,00,644	21.2
HDFC	3,731	447,325	21.1
Dr Reddy's Labs	737	86,474	21.0
RIL	10,945	12,49,767	20.9
Hero MotoCorp	551	56,960	20.4
HUL	11,070	5,52,007	16.9
ITC	6,553	2,53,439	15.7
L&T	6,645	1,87,761	14.3
SBI	14,482	3,00,447	12.9
Grasim	4,411	85,559	12.6
Tata Steel	7,731	1,10,254	11.2
Hindalco	6,284	79,948	10.7
Tata Motors	11,633	1,04,453	9.2

Sources: NSE, BS Research Bureau



# 11 फीसदी सालाना रिटर्न के साथ निफ्टी के 25 साल पूरे

नैशनल स्टॉक एक्सचेंज ने बेंचमार्क निफ्टी सूचकांक 25 साल पहले पेश किया था, जो देश के 50 ब्लूचिप शेयरों के प्रदर्शन का मापक है। 22 अप्रैल, 1996 को इंडेक्स की स्थापना की थी और उसके दो साल बाद एक्सचेंज ने इलेक्ट्रॉनिक स्क्रीन आधारित ट्रेडिंग की शुरुआत की।

आज निफ्टी-50 इंडेक्स सबसे ज्यादा ट्रेडिंग वाला डेरिवेटिव इंडेक्स है। साथ ही यह देसी एक्सचेंज ट्रेडेड फंडों की तरफ से भी ट्रेड किया जाता है, जिसकी प्रबंधनाधीन परिसंपत्तियां 18 अरब डॉलर यानी 1.35 लाख करोड़ रुपये हैं। तालिका से पता चलता है कि पिछले दशक में इंडेक्स में काफी बदलाव हुआ है। 1996 में सरकारी बैंक भारतीय स्टेट बैंक का भारांक सबसे ज्यादा करीब 8.6 फीसदी था, जिसके बाद टाटा मोटर्स 6.9 फीसदी भारांक के साथ दूसरे स्थान पर काबिज थी। दोनों शेयर हालांकि इंडेक्स का हिस्सा बने हुए हैं, लेकिन बाजार पूंजीकरण व भारांक के लिहाज से अब ये 10 अग्रणी शेयरों में शामिल नहीं

हैं। अभी रिलायंस इंडस्ट्रीज का भारांक सबसे ज्यादा है, जिसके बाद एचडीएफसी बैंक का स्थान है। आज निफ्टी-50 इंडेक्स में बैंकों व वित्तीय क्षेत्र की कंपनियों का वर्चस्व है। 25 साल पहले भी बैंकिंग शेयर इंडेक्स का अहम हिस्सा थे, लेकिन उनका संयुक्त भारांक 20 फीसदी से नीचे था, यानी आज के मुकाबले आधा।

निफ्टी के 50 शेयरों में 1996 व 2021 के बीच 14 शेयर ही अपनी जगह बरकरार रख पाए। कई विनिर्माण व पुरानी अर्थव्यवस्था वाले शेयर विभिन्न वर्षों में इंडेक्स से बाहर हो गए। एचडीएफसी बैंक ने 1996 व 2021 के बीच सबसे ज्यादा 32 फीसदी सालाना रिटर्न अर्जित किया। आईसीआईसीआई बैंक, एचडीएफसी और डॉ. रेड्डीज का स्थान सालाना चक्रवृद्धि रिटर्न के लिहाज से 21-21 फीसदी रहा। इंडेक्स ने कुल मिलाकर 11.3 फीसदी सालाना रिटर्न अर्जित किया, जो अन्य अहम परिसंपत्ति वर्गों के मुकाबले ज्यादा है।

रिलायंस सिंक्रोरेटिज के रणनीति प्रमुख विनोद मोदी ने कहा, 1996-2021 के बीच भारत की वास्तविक जीडीपी 8 फीसदी रही। निफ्टी का 11 फीसदी सालाना चक्रवृद्धि रिटर्न इस अवधि में सोने के 9 फीसदी से ज्यादा के सालाना चक्रवृद्धि रिटर्न से ज्यादा रहा।

समी मोडक



## निफ्टी-50 के बेमिसाल 25 साल

	निफ्टी-50	बाजार पूंजीकरण (लाख करोड़ रुपये)
22 अप्रैल, 1996	1,000	1.7
22 अप्रैल, 2021	14,406	11.3
सालाना चक्रवृद्धि रिटर्न (फीसदी)	11.3	18.3

## भारांक के लिहाज से पांच अग्रणी शेयर

1996	एमकैप (करोड़ रु.)	भारांक फीसदी	2021	एमकैप (करोड़ रु.)	भारांक फीसदी
एसबीआई	14,482	8.6	आरआईएल	12,49,767	9.9
टाटा मोटर्स	11,633	6.9	एचडीएफसी बैंक	7,84,192	9.6
एचयूएल	11,070	6.57	इन्फोसिस	5,75,675	7.8
आरआईएल	10,945	6.5	एचडीएफसी	4,47,325	6.9
आईडीबीआई बैंक	7,936	4.71	आईसीआईसीआई बैंक	4,00,644	6.2

## 14 कॉमन शेयरों का एमकैप व रिटर्न

शेयर	एमकैप (करोड़ रुपये) 1996	एमकैप (करोड़ रुपये) 2021	चक्रवृद्धि रिटर्न (फीसदी)
आरआईएल	10,945	12,49,767	20.9
एचडीएफसी बैंक	753	7,84,192	32.0
एचयूएल	11,070	5,52,007	16.9
एचडीएफसी	3,731	4,47,325	21.1
आईसीआईसीआई बैंक	3,268	4,00,644	21.2
एसबीआई	14,482	3,00,447	12.9
आईटीसी	6,553	2,53,439	15.7
एलएंडटी	6,645	1,87,761	14.3
टाटा स्टील	7,731	1,10,254	11.2
टाटा मोटर्स	11,633	1,04,453	9.2
डॉ. रेड्डीज लैब्स	737	86,474	21.0
ग्रासिम	4,411	85,559	12.6
हिंडाल्को	6,284	79,948	10.7
हीरो मोटोकॉर्प	551	56,960	20.4

स्रोत : एनएसई, बीएस रिसर्च ब्यूरो

Times of India

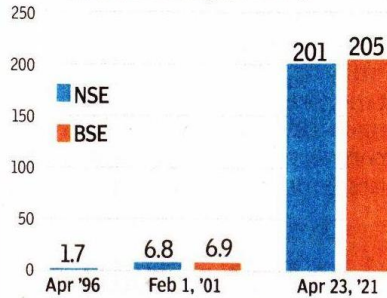
## NIFTY 50@25: FAVOURITE INDEX OF TRADERS

NSE's Nifty is the most traded index in the country. It is a traders' index, compared to BSE's sensex, which is the more popular gauge of market sentiment among those who invest and also those who do not. Over the last 25 years, the Nifty has given a total return of 13 times. In effect, a Rs 10-lakh investment in the index at start would be worth Rs 1.3 crore now. Nifty's compounded average annual return of nearly 11% during this time also means it has taken a little less than seven years to double investor's money...

**Nifty 50 over 25 years** (closing pts)



**NSE vs BSE mcap** (in ₹ L cr)



**118X** | Growth in NSE mcap since Nifty 50's inception

**21%** | CAGR of NSE mcap in this period

**30X** | Growth in both NSE & BSE's mcap since Feb 2001, since when data is available

**15%** | CAGR of both ex-changes' mcap in this period

**Top 5 sectors by Nifty weightage** (in %)

As of April 1996		As of April 23, 2021	
Consumer	17.6	Banks	23.2
PSU banks	12.2	Infotech	17.5
Oil & gas	11.7	Oil & gas	12.4
NBFC	11.3	Finance	10.7
Auto	10.9	FMCG	8.2

**Top 5 cos by Nifty weightage** (in %)

As of March 1996		As of April 23, 2021	
SBI	7.6	RIL	9.8
Tata Motors	7.0	Infosys	8.3
HUL	7.0	HDFC Bk	7.9
RIL	6.5	HDFC	7.6
Tata Steel	4.6	TCS	5.4

(Source: MOSL/  
ETIG Database)

## CNBC TV18

### Nifty turns 25: Here's how the NSE index has evolved

Nifty started its journey at 1,107, with the base year set as November 1995 at 1,000.

The first 1,00 points took the longest time for the benchmark. It hit the 2,000-mark in December 2004 after 9 years of its origin.

Over the years, the sectoral representation of the Nifty has also changed tremendously.

23 April 2021

NSE Nifty marked its 25th anniversary on Thursday, April 22. The broader equity barometer has come a long way and crossed many milestones since its launch on April 22, 1996.

The index started its journey at 1,107, with the base year set as November 1995 at 1,000. Since then, it has reached a record high of 15,289 on February 8, 2021. It took the NSE benchmark index nearly about 18 years to reach the level of 7,000, while the next 8,000 points came in just seven years.

#### The journey

The first 1,00 points took the longest for the benchmark and Nifty reached the 2,000-mark in December 2004 after nine years of its origin. The 3,000 mark came in just 13 months after in January 2006, while the 5,000 milestone was achieved in September 2007. Three months later, Nifty in December 2007 was at 6,000 level.

Thereafter, it took the NSE frontline index more than six years to complete the journey from 6,000 to 7,000 amid the market slump due to the 2008 Global financial crisis. After the Narendra Modi-led government's rise to power, the Nifty scaled the 7,000-mark on 12 May 2014 and then went past the 8000-mark in September 2014. It took Nifty just a little over six years to scale from 8,000 to its record high of 15,000. The move from 14,000 to 15,000 was the quickest—covered over just 25 days.

#### Sectoral representation

Over the years, the composition of sectors represented on the Nifty has also changed tremendously.

"With a change in the economy from manufacturing to services over the past three decades and the rise of the private sector, the sectoral representation in 2021 is vastly different from that of 1996," said brokerage firm Motilal Oswal said in a note.

In 1996, the benchmark had zero representation from the IT sector and was dominated by Consumer, PSU Banks, and other sectors such as Oil & Gas, NBFC, Autos, Metals, and Textiles, the brokerage report stated.

Private Banks had only one representative in the form of HDFC Bank with 0.4 percent weight, it added. The top two sectors in 2021 are Private Banks with 25.5 percent weight and Technology at 16.1 percent weightage. These had 0.4 percent and 0 percent representation in the beginning. Meanwhile, MOSL reported that PSU Banks and Metals have also seen a massive decline in weights to 2.3 percent and 2.1 percent, respectively in 2021, from 12.2 percent and 10.7 percent in 1996.

#### Stocks

The complexion of the index has undergone a drastic change since its inception. Of the 50 stocks in the Nifty, thirteen companies—HDFC Bank, RIL, HDFC, ITC, HUL, L&T, SBI, Tata Motors, Dr Reddy's Labs, Tata Steel, Grasim, Hero and Hindalco—have been a part of the index's journey since inception.

Back in 1996, public lender State Bank of India (SBI) had the highest weightage at nearly 8.6 percent, followed by Tata Motors at 6.9 percent. Even though they continue to be a part of the index, they are not even in the top 10 in terms of weightage.

Currently, Reliance Industries is currently the highest weighted stock, followed by HDFC Bank.

#### Market cap

The combined market cap of these 13 companies has grown at a CAGR of 18 percent between April 1996 and February 2021, said the brokerage firm. It also noted that the common stock weightage in the Nifty-50 has reduced to 44 percent currently from 50.8 percent in April 1996.

#### Nifty50 and the crises

As per the brokerage report, Nifty's journey has mirrored the country's economic growth from the time that it was launched. After the initial phase of political instability over 1996–98, the benchmark has witnessed several crises like the Asian Financial Crisis, the dot com bubble, the Global Financial Crisis, the Taper Tantrum, and the COVID pandemic currently.

The recent sprint to 15,000 this month from pandemic lows of 7,600 hit in March 2020 has seen the index has doubled in just 220 days.

The sharp recovery in the index has been driven by a benign global liquidity backdrop, better containment of COVID-19 cases, sharp recovery in corporate earnings, and a market-friendly budget.

<https://www.cnbctv18.com/market/nifty-turns-25-heres-how-the-nse-index-has-evolved-9034031.htm>

ET Now

