

## NSE Indices include Adani Firms

In the recent National Stock Exchange (NSE) rejig (Feb 2023), Adani Wilmar, and Adani Power are going to be included in some Nifty indices. Read more about this development for [UPSC exam](#) Indian economy segment.

### NSE to Include Two Adani Group Firms in a Few Indices

From 31 March 2023, two companies from the Adani Group will join the Nifty indices. **Adani Wilmar and Adani Power are the two companies that have been included in the [National Stock Exchange of India](#).**

- According to Nifty's official statement, Adani Wilmar will become a part of the Nifty Next 50 Index, while Adani Power will be included in the Nifty Next 500 Index and Nifty Midcap 150 Index.

### Criteria for inclusion in Nifty 50:

**The criteria for inclusion in the Nifty indices are as follows:**

1. **Listing:** The company should be listed on the National Stock Exchange (NSE).
2. **Market Capitalization:** The company should have a market capitalization that is among the top 500 companies listed on the NSE. For inclusion in the Nifty 50, the market capitalization should be among the top 50 companies.
3. **Liquidity:** The company should have traded at an average impact cost of 0.5% or less during the last six months for 90% of the observations for a portfolio of Rs. 10 crores.
4. **Free Float:** The company should have at least 10% of its total shares available for trading.
5. **Sector Representation:** The company should represent the relevant sector that it belongs to.

### Impact of including in Nifty Indices:

- The impact of inclusion in the Nifty indices can be significant for the company as it leads to increased visibility and attracts more investors.
- The inclusion can also result in increased trading volumes and higher liquidity for the company's shares, which can help improve its market capitalization.
- Moreover, the inclusion in the Nifty indices also leads to a higher weightage for the company in [exchange-traded funds \(ETFs\)](#) and other index funds, which can result in higher investment flows into the company.
- However, being excluded from the Nifty indices can have the opposite effect, causing a drop in a company's stock price and market valuation. This is because exclusion from the indices can signal to investors that a company is no longer considered a strong player in the market, and may face difficulties in attracting investment and growth opportunities.

## About National Stock Exchange (NSE)

The National Stock Exchange (NSE) is one of the largest stock exchanges in India that has introduced fully automated trading systems and promoted paperless trade.

- **Since its inception, electronic trading has been incorporated into the exchange.**
- The NSE is ranked **11th globally in terms of stock exchange rankings.**
- NSE's Stock Index, known as NIFTY, represents the top 50 stock index.
- Trading in **equity, debts, and currency derivatives is promoted by NSE**, which was recognized as a stock exchange in 1993.

