NSE Ahimsa Index: India’s New Benchmark for Ethical and Animal Welfare Investing

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NSE Ahimsa Index Latest News

- The National Stock Exchange (NSE) launched the Nifty 500 Ahimsa Index on July 10, 2026.
- This is India’s **first thematic index** focused exclusively on animal cruelty-free companies, arriving weeks after BSE’s similar Saatvik 100 Index launched on June 17, 2026.

National Stock Exchange: Structure, Role and Regulatory Framework

- The National Stock Exchange (NSE) is India’s premier stock exchange and a core pillar of the country’s financial system.
- Established in 1992 and operational from 1994, it was set up to bring transparency, efficiency, and nationwide access to securities trading.
- Headquartered in **Mumbai**, NSE replaced India’s earlier manual trading system with a fully automated, screen-based platform.

Legal Status and Recognition

- NSE is a regulated stock exchange, officially recognised under the **Securities Contracts (Regulation) Act, 1956**.
- It offers trading across multiple asset classes:
  - Equities (shares)
  - Derivatives (futures and options)
  - Currency and commodity products
  - Debt securities
- It is owned by major financial institutions, banks, and insurers, and operates under the regulatory oversight of the **Securities and Exchange Board of India (SEBI)**.

Organisational Structure

- **Ownership –** Key shareholders include major public institutions such as LIC, SBI, ICICI Bank, and GIC.
- **Management –** NSE is run by a Board of Directors, supported by executive leadership and functional departments covering trading, clearing, settlement, and surveillance.
- **Regulatory Oversight** – SEBI regulates NSE under multiple statutes, including the Companies Act, the SEBI Act, the Securities Contracts (Regulation) Act, and the Depositories Act.
- **Clearing, Settlement and Depository Services** – Clearing and settlement functions are handled by NSE Clearing Limited; Depository services are provided through the National Securities Depository Limited (NSDL).

Governing Legal Framework

- NSE's functioning is governed by four key legislations:
  - Securities Contracts (Regulation) Act, 1956
  - Companies Act, 2013
  - SEBI Act, 1992
  - Depositories Act, 1996

About Ahimsa Index

- The Nifty 500 Ahimsa Index tracks **top 500 NSE companies** whose business practices align with the principle of "Ahimsa" (non-violence).
- It gives investors a way to invest specifically in companies that avoid activities harming animals.
- This marks a shift from conventional ESG (Environmental, Social, Governance) investing, which focuses on carbon emissions and governance metrics, toward a values-based screening rooted in Indian philosophical traditions.
- The index was developed jointly by **NSE Indices and the Ahimsagain Foundation**, a non-profit established in November 2024 by ethical finance advocates.

Selection Framework

- Companies are evaluated using the Ahimsa Investment Movement (**AIM**) framework, which classifies firms into three bands:
    - **Green band**: Fully compliant with animal-cruelty-free criteria
    - **Orange band**: Partial compliance
    - **Red band**: Non-compliant
- Only green-band companies are included in the index.

Who Is Included and Excluded

- The index includes leading companies from IT services, automobile, real estate, and healthcare sectors.
- Notable exclusions include:
    - Most Reliance Group companies (except Reliance Power)
    - Pharmaceutical companies using animal testing
    - All commercial banks and major NBFCs
    - Dairy, meat, poultry, and leather companies
    - Fashion brands, retail chains, and cosmetics companies using leather or wool

Comparison with BSE's Saatvik Index

- BSE's Saatvik 100 Index, launched earlier, has a broader mandate. It screens against animal cruelty, addictive or toxic products, and generally harmful or violent business activities.
- The near-simultaneous launch of two thematic ethical indices by India's major exchanges signals a new direction in India's capital markets — screening companies through **indigenous philosophical lenses rather than only global ESG frameworks**.
    - Global ESG frameworks are structured guidelines that help companies measure and report their performance on Environmental, Social, and Governance factors.
    - **Environmental:** Tracks a company's impact on nature, including greenhouse gas emissions, waste management, energy efficiency, and water use.
    - **Social:** Evaluates how a company treats people, covering labor practices, workplace health and safety, diversity, and community relations.
    - **Governance:** Assesses corporate leadership, executive pay, business ethics, internal controls, and shareholder rights.

Significance for Investors

- Expected to serve as a benchmark for asset managers.
- Likely to enable new passive investment products such as ETFs and index funds.
- Reflects a broader trend of younger, values-conscious investors entering capital markets.
- Market analysts note it will take time for mutual funds to build products around this theme, but see long-term growth potential.

Conclusion

- NSE’s Ahimsa Index reflects a maturing Indian capital market willing to root ethical investing in home-grown philosophical concepts rather than borrowed frameworks.
- As younger, values-driven investors enter the market, such indices could reshape how corporate responsibility is measured and rewarded in India.

Source: IE | ToI
