

Nifty: Tata Consumer may dislodge Gail

The benchmark Nifty could see the addition of one more stock from the FMCG space.

According to an analysis by ICICI Securities, Tata Consumer Products is on course to replace state-owned Gail India in the widely-followed index, during the semi-annual review slated for March.

The free-float market cap — a key parameter for index inclusion — of Tata Consumer is currently at ₹36,000 crore, while

that of Gail is at ₹30,000 crore. If the Tata group firm that operates Starbucks in India gets added to the Nifty, it will join peers such as HUL, Nestlé India, and ITC in the blue-chip index.

Avenue Supermarts, which operates the DMart chain of hypermarkets, has a free-float market similar to Tata Consumer.

However, it doesn't meet the index inclusion criteria for trading in the derivatives segment.

Tata Consumer's inclusion

in the Nifty could lead to buying worth ₹760 crore by exchange-traded funds (ETFs).

“At present, the Nifty ETF and index AUM stand at ₹1.26 trillion. Gail currently has an estimated weight of 40 bps in the index, while Tata Consumer is expected to enter the index with a weight of 60bps — entailing ETFs and index funds buying worth ₹760 crore,” ICICI Securities said in a note. **SAMIE MODAK**