

Policy on Determining "Material" Subsidiaries

1. INTRODUCTION

The Board of directors ('the Board') of National Stock Exchange of India Limited (the "Company") has adopted the following policy and procedures with regard to determination of "material" subsidiaries as defined below. The Board may review and amend this policy from time-to-time.

This policy shall be applicable to the Company with effect from April 1, 2015. This policy is in terms of clause 49 of the Listing Agreement with the stock exchanges / Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. POLICY OBJECTIVE

The objective of the policy is to determine the "material" subsidiaries of the Company and to provide the governance framework for such subsidiaries.

3. DEFINITIONS

"Audit committee or committee" means "audit committee" constituted by the Board of directors of the Company, from time-to-time, under provisions of Listing Agreement / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and rules framed thereunder.

"Board of director" or Board means the Board of directors of National Stock Exchange of India Limited, as constituted from time-to-time.

"Chief financial officer" ('CFO') means a person appointed as the chief financial officer of a Company.

"Company" means National Stock Exchange of India Limited (NSE) incorporated under the Companies Act, 1956

"Independent director" means a director of the Company, not being a whole-time director and who is neither a promoter nor belongs to the promoter group of the company and who satisfies other criteria for independence under the Companies Act, 2013 and the Listing Agreement with the stock exchanges / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Policy" means this policy for determining material subsidiary.

"Material Subsidiary" shall mean a subsidiary, , whose income or net worth

exceeds 20 per cent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

"Significant transaction or arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10 per cent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted material subsidiary for the immediately preceding accounting year.

"Subsidiary" has the meaning as assigned to it under the Companies Act, 2013 and the Rules framed thereunder

4. POLICY

1. At least one independent director on the Board of directors of the NSE shall be a director on the Board of directors of its unlisted material subsidiary company, incorporated in India subject to directive, if any, from SEBI in this regard.

3. The Audit Committee of NSE shall also review the financial statements, in particular, the investments made by its unlisted subsidiary company.

4. The minutes of the Board meetings of the unlisted subsidiary companies of NSE shall be placed at the Board meeting of NSE.

5. The CFO should periodically bring to the attention of the Board of directors of NSE, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

6. The CFO shall present to the Audit Committee annually the list of such material subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of independent director in the material unlisted subsidiary incorporated in India, subject to directive, if any, from SEBI in this regard.

7. Furthermore, where NSE has a listed subsidiary which is itself a holding company, the above clauses of policy shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

5. DISPOSAL OF MATERIAL SUBSIDIARY

The Company without the approval of the members by special resolution in its general meeting, shall not:

(a) dispose of shares in material subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50% (fifty per cent) ; or

(b) ceases the exercise of control over the material subsidiary.

The Company, without the prior approval of the members by special resolution, shall not sell, dispose or lease the assets amounting to more than 20% (twenty per cent) of the assets of the material subsidiary on an aggregate basis during a financial year.

However, where a divestment/sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal, the aforesaid restrictions shall not apply.

6. DISCLOSURES

The Company shall disclose the policy on the Company's website and a web link thereto shall be provided in the annual report.

Date: April 1, 2015.