



**NATIONAL STOCK EXCHANGE OF INDIA LIMITED**

**DIVIDEND DISTRIBUTION POLICY**

*Version 4.0*

**Document Control**

Document Name	Dividend Distribution Policy
Version	4.0
Date of Creation	August 25, 2025

**Version History:**

<b>Version</b>	<b>Date of approval of the Board of Directors</b>	<b>Effective Date</b>
1.0	June 2, 2009	June 2, 2009
2.0	October 4, 2016	October 4, 2016
3.0	August 12, 2021	August 12, 2021
4.0	August 25, 2025	August 25, 2025

**TABLE OF CONTENT**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page No</b>
1	Background	4
2	Objective	4
3	Definitions	4
4	Parameters to be considered while declaring or recommending the dividend	4-5
5	Free Cash Flow	5
6	The circumstances under which the shareholders may or may not expect dividend	5
7	Policy as to how the retained earnings shall be utilized	5
8	Provisions in regard to various classes of shares	6
9	Review	6
10	Disclosure of the Policy	6
11	Limitations and amendment	6

## **1. BACKGROUND:**

Dividends will be recommended by the Board and approved by the Shareholders (as applicable for final dividend), subject to the provisions of the Articles of Association and applicable laws, including the Act, the SEBI Listing Regulations and the SECC Regulations.

In distributing the profits of the Company amongst shareholders, the Board of Directors will seek to balance shareholders' need for a reasonable return on their investment with the Company's funding / capital management requirements.

The Company shall comply with the relevant statutory requirements that are applicable to the Company for declaring the dividend. Generally, the Board shall determine the dividend for a particular period after taking into consideration the financial performance of the Company, and other parameters described in this Policy. The Company will endeavour to maintain the dividend track record subject to the factors which the Board might appropriately consider at that point in time. When the performance of the Company coupled with the market conditions are conducive/favourable, the Board may consider declaring interim dividends too.

In terms of the Securities Contract (Regulation) (Stock Exchange and Clearing Corporations) Regulation, 2018, the disclosure requirements and corporate governance norms as specified for listed companies shall mutatis mutandis apply to the Company, being a Recognized Stock Exchange. Accordingly, this Dividend Distribution Policy (hereinafter referred to as "this Policy") is framed adopting of practices applicable to listed companies under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**"), the Companies Act, 2013 and amendments thereto from time to time.

## **2. OBJECTIVE:**

The objective of this Policy is to lay down the criteria to be considered by the Board of Directors of National Stock Exchange of India Limited ("**the Company**") before recommending dividend to its shareholders for a financial year and also to ensure transparency on the Company's view on dividend. The Company will endeavor to return the free cash flow generated for the relevant financial year to shareholders through dividends subject to the statutory provisions as applicable and the factors herein mentioned in this Policy and such other factors as thought appropriate and may be decided by the Board from time to time.

## **3. DEFINITIONS:**

The terms referred to in the Policy will have the same meaning as defined under the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time.

## **4. PARAMETERS TO BE CONSIDERED WHILE DECLARING OR RECOMMENDING THE DIVIDEND:**

The Board of the Company shall generally consider such financial parameters, internal factors and external factors as it deems fit while declaring or recommending dividends to its shareholders - these may include but not limited to the following:

- Distributable surplus available statutorily.

- Earnings, overall financial performance, liquidity position and retained earnings of the Company.
- Maintaining adequate financial strength of the Company.
- Net worth requirements.
- Capital allocation plans including:
  - Expected cash requirements of the Company towards working capital.
  - Capital expenditure towards technology and infrastructure etc.
  - Current and future funding requirements for Business expansion, investment in subsidiaries, associates, JVs, new business, modernization and growth as approved by the Board.
  - Provisioning for financial implications arising out of unforeseen events and/or contingencies.
  - Capital restructuring.
- Contractual and / or legal obligations / restrictions.
- Cost of raising funds from alternate sources of capital, if any.
- Company's dividend distribution history including any interim & special dividend paid.
- Any dividend income received or extra-ordinary gains from subsidiary / associate companies.
- Adherence to all regulatory requirements; likely change in the business or competitive environment; any proposed / likely political and tax change in the geographies in which the Company operates.
- Cash required for any contingencies or unforeseen events etc.

**5. FREE CASH FLOW:**

Free cash flow shall include cash generated from operations, available after considering spendings on operations (internal cash requirements), capital expenditure and maintaining a reasonable cash balance towards probable requirements for factors stated in para 4 above. The Company will endeavor to return the free cash flow generated for the relevant financial year to the shareholders through dividends subject to the statutory provisions as may be applicable and may be decided by the Board from time to time.

**6. THE CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND:**

Some conceivable circumstances under which shareholders may or may not expect a dividend inter-alia include adverse market conditions and business uncertainty, inadequacy of profits earned during the fiscal year, inadequacy of cash balance, large forthcoming capital requirements which are best funded through internal accruals, regulatory / market exigencies, changing regulations, etc.

Even under such circumstances, the Board may, at its discretion, subject to applicable laws, rules and regulations etc., choose to declare / recommend an interim dividend, special dividend, final dividend, buy back of shares or any other arrangement/methodology out of the Company's free cash reserves and maintain a dividend payout percentage.

**7. POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILIZED:**

The profits earned by the Company can be retained in the business and used for various purposes outlined above or can be distributed to the shareholders in the manner stated above.

**8. PROVISIONS IN REGARD TO VARIOUS CLASSES OF SHARES:**

The provisions contained in this Policy apply to all classes of shares in the Company.

**9. REVIEW:**

The Board may review and amend this Policy from time to time, as may be deemed necessary.

**10. DISCLOSURE OF THE POLICY:**

This Policy shall be uploaded on the website of the Company, and a web-link shall also be provided in the annual reports of the Company.

**11. LIMITATIONS AND AMENDMENT:**

In the event of any conflict between the provisions of this Policy and of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (LODR) or any other statutory enactments, rules, then the provisions of such Act or LODR or statutory enactments, rules etc. including any amendments / modifications thereto shall prevail over this Policy.