

Strictly Confidential

National Stock Exchange of India

Discussion Material

August 2021



Key terms of the Transaction and Indicative Timelines

Key terms of the transaction

Transaction	Upto 10,00,000 Equity Shares of National Stock Exchange of India (“ NSE ”) (with a greenshoe option of 21,00,000 Equity Shares at the discretion of the Seller)
Mode of Sales	Secondary Sale of equity shares
Seller	One of the shareholders of NSE
Company	National Stock Exchange of India Limited (“ NSE ”)
Minimum Lot Size	20,000 Equity Shares and thereafter in multiples of 1,000 equity shares
Floor Price	2,800/- per Equity Share
Clearing Price	On Price priority basis at the discretion of IIFL Securities and the client
Investment Currency	INR
Eligible investors	<p>Institutional investors (QIBs as defined under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended), foreign institutional investors investing through the FDI route, HNIs, corporate bodies and individuals</p> <p>Only one bid per PAN card is permitted. All bids are required to be valid for 90 days from the date of submission. Institutional Investors can bid directly. All other investors have to bid through from ARN holder registered with AMFI or trading members of registered stock exchanges (collectively referred to as “Brokers”)</p>
Deposit of refundable Earnest Money Deposit (EMD) of 15% of bid amount	Shortlisted buyers excluding all the qualified institutional buyers as defined under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and institutional investors investing through FDI route to deposit the refundable EMD
Governing Law	Definitive agreements be governed by Indian law
Costs and Expenses	Each party shall bear its own legal and other costs in connection with this Transaction. Stamp duty on the Share Purchase Agreement and on the transfer to be borne by the Purchasers
Advisor	IIFL Securities Limited (“ IIFL ”)

Key terms of the transaction (Contd.)

Share Purchase Agreement	To be provided on request
Brokerage	1% of the total sale consideration (exclusive of GST) per Equity Share has been offered by the Seller to the Brokers post completion of Transaction
Key details of the acquiring entity required with the bid	<p>Details of proposed acquiring entity including name, place of incorporation / registration, corporate address, ownership structure, PAN card, including details of its ultimate beneficial owner(s) (together with a copy of the most recent annual report and accounts of that entity and the proposed acquiring entity), and details of business activities of the entity and its affiliates</p> <p>If the entity is an individual, name of the individual, email address, contact details along with KYC documents, PAN card and commitment for funding the transaction</p> <p>Prospective bidders to clarify if they own equity shares already in NSE. Only one bid per PAN card is permitted</p>
Bid parameters	<p>Numbers of lots intended to be bought where minimum lot size if 20,000 Equity Shares and thereafter in multiples of 1,000 equity shares</p> <p>Price per share (quoted in INR / share), which should be at least equal to the Floor Price of INR 2,800 per share</p>
Eligibility Criteria	<p>If post-Transaction holding is <2%: declaration of compliance with SEBI's fit and proper criteria to hold shares in a recognized stock exchange will need to be provided</p> <p>If post-Transaction holding is 2 – 5%: an undertaking to be provided that the bidder will exercise all necessary efforts and endeavors to obtain SEBI approval within fifteen days of the acquisition in addition declaration of compliance with SEBI's fit and proper criteria</p>
Approvals and consents	An undertaking that all internal, corporate and other approvals (including, where relevant, third party and regulatory approvals) required for the submission of such Indicative Offer have been obtained
Applicability of Regulations	An undertaking that the Prospective Buyer is conversant with all relevant and applicable regulations including but not limited to SEBI SECC Regulations, SEBI Intermediaries Regulations, RBI FEMA Regulations

Key terms of the transaction (Contd.)

Submission

Your Offer should be submitted in password protected pdf form and executed on your behalf by an authorized officer by end of business hours in India on Tuesday, August 31, 2021 (the “Offer Date”) addressed to nse.stakesale@iiflcap.com

Note: The Advisor/ Client will not be under any obligation to accept, review or consider any proposal or offer you may submit and are not under any obligation to review or accept the highest offer submitted, or any offer at all. The Advisor/ Client also expressly reserve the right, at their sole discretion and without liability and without giving any reasons, at any time and in any respect to amend or terminate these procedures, to terminate discussions with you or any other prospective purchaser and to negotiate the terms of the proposed Transaction with any party including a party which has not submitted an Indicative Offer. Similarly, the Advisor/ Client may, at any time, in their absolute discretion, enter into any special arrangements with any prospective purchaser without notifying other prospective purchasers. The Advisor/Client shall be under no obligation to accept any Bid received in response to this Request for Proposal and shall be entitled to reject any or all Bids without assigning any reason whatsoever. Neither Advisor nor its Client will be providing any information about NSE. The Bidder itself is required to procure the information it considers necessary from the public domain or any other sources generally available to the public to evaluate the Bid and should use his independent judgment in evaluating and bidding in the process. For ease of reference, the Buyer may refer to the links for details on NSE which is publicly available information on NSE's website, such as <https://www.nseindia.com/> and <https://www.nseindia.com/investor-relations/financials>.

Indicative Timelines

Milestone		Indicative Dates
Process Initiation	Seller to invite EOIs for the process along with timelines and advertisement in newspaper. SPA Sharing on request	Monday, August 23, 2021
EoI / Offers	Interested buyer to submit EoI indicating per share price and numbers of shares intended to be acquired	Tuesday, August 31, 2021
Buyer Selection	Intimation to shortlisted buyers alongwith bank account details for deposit of refundable EMD	Monday, September 6, 2021
Sharing of SPA	SPA with shortlisted buyers where SPA if not shared yet	Tuesday, September 7, 2021
Deposit of refundable Earnest Money Deposit (EMD) of 15% of bid amount	Shortlisted buyers excluding all the qualified institutional buyers as defined under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and institutional investors investing through FDI route to deposit the refundable EMD	Between Wednesday, September 8, 2021 to Friday, September 17, 2021
Execution of SPA	SPA to contain list of closing conditions, including seller getting all necessary approvals from NSDL, SEBI and regulatory bodies as applicable	Monday, September 20, 2021
Submission of documents as per detailed Checklist to be submitted by the Buyer	Detailed checklist to be submitted for buyer, including declaration of “fit and good” , duly stamped & executed SPA, and other internal KYC documents	Friday, September 24, 2021
NSE Approval	Final decision to approve of share transfer / buyer made by “Transfer Committee”	On or about Monday, October 25, 2021 at the discretion of NSE
Payment of 100% of consideration and settlement of share	Corporate action is registered with NSDL and shares / share titles are transferred	Friday, October 29, 2021
Refund of 15% EMD	IIFL Securities to refund the EMD to the buyer	Within 2 Business Days from Payment of consideration/Settlement of shares
FCTRS Filing	Form FCTRS to be filed within 60 days of earlier of transfer of securities or receipt of funds	Friday, October 29, 2021

Note: Timelines are indicative and subject to change

INVITATION FOR SUBMISSION OF BIDS

Partial Disinvestment of up to 10,00,000 Equity Shares (with a greenshoe option of 21,00,000 Equity Shares at the discretion of the Seller) of National Stock Exchange of India Limited ("NSE")

Dated: August 23, 2021

Dear Sir,

One of the shareholders of NSE ("**Client**") belonging to the category of trading member/associate of trading member intends to disinvest up to 10,00,000 Equity Shares (with a greenshoe option of 21,00,000 Equity Shares at the discretion of the Seller) representing 0.20% (without greenshoe option) and 0.63% (with greenshoe option) in the National Stock Exchange of India Ltd ("**NSE**"), through a competitive bidding process. IIFL Securities Limited ("**IIFL Securities**" "**Financial Advisor**") has been appointed as an Exclusive Advisor to the Client for advising and managing the proposed disinvestment process ("**Business**" or "**Transaction**").

IIFL Securities has published an advertisement on August 23, 2021, on behalf of the Client, for soliciting bids/ offers in relation to the Transaction, from interested and eligible parties for the Transaction, aggregating to 0.20% (without greenshoe option) and 0.63% (with greenshoe option) of the total Equity Shares of the National Stock Exchange of India Ltd.

This document ("**Request for Proposal**") sets forth the procedure requirements for submission of bids/ offer by the potential purchaser(s)/ investor(s), in relation to the Transaction (the "**Bid**").

A. Invitation for Bids

IIFL Securities invites interested and eligible parties / investor(s) (as defined below "**Bidder**") to submit duly executed Bids by end of business hours in India on Tuesday, August 31, 2021 setting out all of the information described in the subsequent paras.:

Bidder includes Institutional investors (QIBs as defined under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and foreign institutional investors investing through the FDI route, HNIs, corporate bodies and individuals.

The Bidder has to submit password protected bid to the following email id: **nse.stakesale@iiflcap.com**

Passwords for the bids are required to be sent in a separate email by end of business hours in India on Tuesday, August 31, 2021.

The Bid should be submitted by the Bidders in the prescribed format set out in **Annexure I** on their letter head. Any Bid received after the specified time on the due date shall not be eligible for consideration and shall be summarily rejected.

Institutional Investors can bid directly. All other investors have to bid through from ARN holder registered with AMFI or trading members of registered stock exchanges (collectively referred to as "**Brokers**")

At any time prior to the due date for submission of Bids, IIFL Securities may modify this Request for Proposal and/ or extend the deadline for submission of Bids, and all such information will be made available on the IIFL Securities' website: <http://www.iiflcap.com/InvestmentBanking/ServiceOffering>

The Bid submitted should contain the information as given below:

- (a) **Bid Parameters:** Price per share (quoted in INR / share), which should be at least equal to the Floor Price of INR 2,800/- per equity share and Numbers of lots intended to be bought where minimum lot is comprised of 20,000 equity shares and thereafter in multiples of 1,000 equity shares.
- (b) **Key details of the acquiring entity required with the bid:** Details of proposed acquiring entity including name, place of incorporation / registration, corporate address, ownership structure, including details of its ultimate beneficial owner(s) (together with a copy of the most recent annual report and accounts of that entity

INVITATION FOR SUBMISSION OF BIDS

and the proposed acquiring entity), the PAN card of the investing entity and details of business activities of the entity and its affiliates. If the entity is an individual, name of the individual, email address, contact details along with KYC documents and PAN card and commitment for funding the transaction will have to be provided.

- (c) Any other information which the Bidder may consider relevant.
- (d) Details of equity shares held by the Bidder as on date of bidding in NSE directly and through persons acting in concert, if any.

The Client/IIFL Securities Limited reserves the right to reject the Bid if:

- (a) the Bid is incomplete; or
- (b) any condition stated by the Bidder is not acceptable to the Client or IIFL Securities ; or
- (c) if this Request for Proposal and any of the terms and conditions stipulated in this Request for Proposal are not accepted by the Bidder; or
- (d) if the Bidder does not meet the '*Fit & Proper*' criteria for acquiring Equity Shares of NSE; or
- (e) any information submitted by the Bidder is found to be untrue/ false in any respect and at any stage.

The Client/IIFL Securities shall be under no obligation to accept any Bid received in response to this Request for Proposal and shall be entitled to reject any or all Bids without assigning any reason whatsoever.

It is the discretion of the Client to decide quantity of shares to be transferred to the Shortlisted Bidders. The clearing price for the Transaction shall be on price priority basis at the discretion of the Client and IIFL Securities. Only one bid per PAN card is permitted. All bids are required to be valid for 90 days from the date of submission

The Shortlisted Bidders excluding all the qualified institutional buyers as defined under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and institutional investors investing through FDI route are required to furnish a refundable Earnest Money Deposit (EMD) of 15% of bid amount. Details of the same shall be intimated post the selection of the Bidder.

The Client is offering a brokerage of 1% of the total sale consideration (exclusive of GST) transferred to the Brokers to be payable on completion of the Transaction.

B. Other Matters

The Client/IIFL Securities reserves the right at their sole discretion and without any liability to:

- a. reject or accept the Bids;
- b. amend any written material or information verbally transmitted to any potential bidder;
- c. change or terminate the procedures at any time and in any respect;
- d. modify the timelines
- e. reject any and all Bids;
- f. terminate negotiations and discussions at any time without being obliged to give reasons thereof, with any or all Bidders and to negotiate with any party in a manner

Neither this Request for Proposal nor any information to be provided by IIFL Securities or the Client shall constitute an offer to sell any part of the shareholding in NSE as envisaged in this Request for Proposal. An offer will be deemed to have been made and accepted only when a Share Purchase Agreement and related ancillary agreements, documents, as maybe required, have been executed.

The Bidder shall conduct its own independent investigation and analysis of the Business of NSE. Neither IIFL Securities nor its Client, make or will make any express or implied warranty as to the accuracy or completeness of any written or verbal information provided including, without limitation, any financial results, estimates or projections that may be provided to the Bidder in the course of their evaluation of the Business, except any representations or warranties as may eventually be included in a definitive written agreement related to the Transaction and then only to the extent provided therein. No liability or responsibility shall attach to IIFL Securities, or to Client or their affiliates by reason of their making such information available to the Bidder or any of their advisors/ consultants, nor will they be liable for any costs incurred by any other party with regard to this process. IIFL Securities and its Client, also undertake no duty to update or correct any information provided to the Bidder.

INVITATION FOR SUBMISSION OF BIDS

IIFL Securities/ Client will not be under any obligation to accept, review or consider any proposal or offer you may submit and are not under any obligation to review or accept the highest offer submitted, or any offer at all. IIFL Securities/ Client also expressly reserve the right, at their sole discretion and without liability and without giving any reasons, at any time and in any respect to amend or terminate these procedures, to terminate discussions with you or any other prospective purchaser and to negotiate the terms of the proposed Transaction with any party including a party which has not submitted an Indicative Offer. Similarly, IIFL Securities/ Client may, at any time, in their absolute discretion, enter into any special arrangements with any prospective purchaser without notifying other prospective purchasers

IIFL Securities and the Client shall evaluate the Bid(s) submitted by the Bidder(s), based on the aggregate Purchase Price offered by the Bidder. To facilitate the evaluation of Bids, the Client and IIFL Securities may, in its sole discretion, ask for additional information / document and / or seek any clarifications from the Bidders regarding its Bid.

Neither IIFL Securities nor its Client will entertain any query or clarification from Bidders who fail to qualify or who's Bids have not been accepted, at any stage of the process.

Neither IIFL Securities nor its Client will be providing any information about NSE. The Bidder itself is required to procure the information it considers necessary from the public domain or any other sources generally available to the public to evaluate the Bid and do its/their own independent analysis before submitting any bid. For ease of reference, the Buyer may refer to the links for details on NSE which is publicly available information on NSE's website, such as <https://www.nseindia.com> and <https://www.nseindia.com/investor-relations/financials>.

Each Bidder shall bear all its costs, expenses or fees of any nature whatsoever associated with or relating to the preparation and submission of its Bid including without limitation preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by the Client or any other costs incurred in connection with or relating to its Bid. IIFL Securities or the Client shall not be responsible in any way for such costs, expenses or fees, regardless of the conduct or outcome of the Bid Process. The stamp duty on the share purchase agreement and the stamp duty on the transfer will be paid by the Bidder.

The Bidder should note that in connection with the Transaction, IIFL Securities is acting for its Client and no one else, and will not be responsible to anyone other than its Client for providing the protection afforded to clients of IIFL Securities for providing advice in relation to the Transaction.

Further Bidder should also note that IIFL Securities, through its associates, group companies and affiliates maybe holding Equity Shares in NSE.

This Request for Proposal and subsequent modifications thereof relating to the Transaction shall be governed and construed in accordance with the Indian law, and the courts of India shall have exclusive jurisdiction to hear and decide any action or proceedings which may arise in connection with the Transaction and the jurisdiction for the Transaction shall rest with the Courts of Mumbai.

Any clarifications sought regarding the Transaction or any other information request should be directed to the following:

Mr. Pinak Rudra Bhattacharyya- Phone No: +91 99675 81555/ Ms. Nishita Mody: Phone No: +91 98191 68798;
Email Id: nse.stakesale@iiflcap.com.

Further communication/ corrigendum/ addendum/ clarification, if any, will be uploaded on IIFL Securities' website: <http://www.iiflcap.com/InvestmentBanking/ServiceOffering>

Yours faithfully,

Sd/-

Senior Vice President

INVITATION FOR SUBMISSION OF BIDS

Annexure I – Bid Format

_____, 2021

To,
[•]

Dear Sir,

Sub: Bid to acquire stake in National Stock Exchange of India Limited

We, the undersigned, herewith submit our Bid to acquire _____ number of equity shares, in National Stock Exchange of India Limited (“NSE”).

We agree and acknowledge that the information provided herein can be used by IIFL Securities, Client and / or NSE, and any of their advisors and authorized representatives appointed specifically for the Proposed Transaction, to evaluate the offer made by us and all information provided below is true and accurate in all respects.

Name	
Place of incorporation / registration (Applicable only to Corporate Entity)	
Ownership structure, including details of its ultimate beneficial owner(s) (Applicable only to non-individual Bidders)	
Contact details	Address: PAN Number: Email: Tel: Principal point of contact: Ms./Mr.
Details of business activities of the entity and its affiliates	
Is the Bidder a Trading Member*/ Associate of Trading Member/ Public Shareholder	Yes / No
Does Bidder qualify as a Domestic Investor as per applicable laws in India	Yes / No
Are you the existing equity shareholder of NSE, if yes please confirm if the shareholding is >2%	Yes / No

Corporate Entities to attach with a copy of the most recent annual report and accounts of that entity and the proposed acquiring entity)

**Trading member means a person having trading rights in any recognized stock exchange and includes a stock broker as per the Stock Exchanges and Clearing Corporations (SECC) Regulations, 2018*

Our Bid for the Proposed Transaction is as follows:

1. Number of Equity Shares proposed to be acquired: _____ [A]

INVITATION FOR SUBMISSION OF BIDS

2. Price per share: INR _____/- [B]

3. Total Consideration (A*B) = INR _____/-

We have the relevant corporate authorisations (along with a list of such internal approvals) necessary to submit this Bid and we represent and warrant that:

1. The Bid contains true and correct contact details pertaining to the bidder and not of any agent/ representative
2. Our offer is unconditional and binding upon us in all aspects and is valid for a period of 90 days from the date of submission;
3. We will continue to comply with all applicable regulations and laws during the participation in the Proposed Transaction;
4. We will submit all the documents as required from us to give effect to the Proposed Transaction;
5. We agree with the terms and conditions laid out in the Request for Proposal
6. We agree with the terms and conditions laid out in the Share Purchase Agreement (SPA) provided to us in connection with the Proposed Transaction¹;
7. We undertake that, if shortlisted, we shall submit all the documents/ declarations required by NSE for satisfying the 'Fit and Proper' criteria or by SEBI for granting its approval for holding shares of a stock exchange in India, in accordance with the applicable laws immediately after being shortlisted²;
8. We have not been disqualified by any Statutory Authority or Regulator, which would impact our participation in the Proposed Transaction in any manner whatsoever.
9. We undertake that we are conversant with all relevant and applicable regulations including but not limited to SEBI Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 as amended, SEBI Intermediaries Regulations, RBI FEMA Regulations.
10. We undertake that all internal, corporate and other approvals (including, where relevant, third party and regulatory approvals) required for the submission of such Indicative Offer have been obtained
11. We undertake that if post-Transaction holding is <2%:, we will provide a declaration of compliance with SEBI's fit and proper criteria to hold shares in a recognized stock exchange.
12. We undertake that if post-Transaction holding is 2 – 5%,,we will exercise all necessary efforts and endeavors to obtain SEBI approval within fifteen days of the acquisition in addition declaration of compliance with SEBI's fit and proper criteria

For and on behalf of:

Name:

Designation:

The SPA shall be provided by IIFL Securities upon Bidder's request. Only such changes as the Bidder considers absolutely necessary may be considered by Client/ IIFL Securities. In particular, the Client/ IIFL Securities shall not entertain any request from the shortlisted Bidders for inclusion of any representations, warranties and / or indemnities from National Stock Exchange of India Limited in the Share Purchase Agreement. Request for such changes should be submitted by the Bidder as an annexure to this Bid

² An indicative list of the documents required shall be provided on Bidder's request

INVITATION FOR SUBMISSION OF BIDS

DISCLAIMER NOTICE TO THE ABOVE INVITATION OF BIDS (the “INVITATION”) BY IIFL SECURITIES LIMITED

This Invitation is issued by IIFL Securities Limited (the “**IIFL Securities**”) for general information purposes only, without regard to specific suitability, financial situations and needs of any particular person and does not constitute any legal, accounting, technical, tax advice or recommendation and should not be construed as an investment advice or as an offer to sell or solicitation of an offer to buy, purchase or subscribe to any securities, including by bidders in jurisdictions where such an invitation is not in accordance with the applicable rules and regulations, but is merely an invitation of offer from interested parties/bidders to purchase/acquire Stake of NSE; and neither this Invitation nor anything contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

The Client and IIFL Securities reserves the right to suspend and/or cancel the bidding process and/or amend and/or supplement the bidding process or modify the dates or other terms and conditions relating thereto. No financial obligation will accrue to IIFL Securities in such an event. IIFL Securities shall not be responsible for non- receipt of correspondence sent by any interested party/bidder through any mode. Interested party/bidder should regularly visit IIFL Securities’ website to keep themselves updated regarding clarifications/amendments/time-extensions, if any.

Distributing/taking/sending/dispatching/transmitting/printing this Invitation in any form is restricted and should not be done without the prior written approval from IIFL Securities.

Neither IIFL Securities and its affiliates, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of this Invitation. Further, no representation or warranty, expressed or implied, is made or given by or on behalf of IIFL Securities or its affiliates, nor any other person about the accuracy, authenticity, completeness or fairness of the information contained in this Invitation and therefore, any liability or responsibility thereof is expressly disclaimed.