POLICY ON DISCLOSURE OF MATERIAL EVENTS AND INFORMATION AND DETERMINING MATERIALITY

VERSION 6.0

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Revision History

Version No.	Description	Prepared By / Revised By	Reviewed / Approved by	Issue / Revision Date
1.0	**Initial Version**	Ms. Riddhi Parekh	Reviewed by Ms. Riddhi Parekh Approved by MCXCCL Board	29/03/2018
2.0	**Revision through amendments in SEBI Regulations, 2015**	Ms. Riddhi Parekh	Reviewed by Mr. Narendra Ahlawat Approved by MCXCCL Board	11/07/2019
3.0	**Revisions incorporating:** **a) Modification of Policy pursuant to amendment in Listing Regulations.** **b) Inclusion of provision for policy review period**	Mr. Mandar Kulkarni	Reviewed by Mr. Narendra Ahlawat Approved by MCXCCL Board	22/10/2021
4.0	**The policy has been reviewed and no changes are proposed.**	Mr. Mandar Kulkarni	Reviewed by Mr. Narendra Ahlawat Approved by MCXCCL Board	25/08/2023
5.0	**a. Changes incorporated to give effect to amendments in SEBI (Listing Obligations and Disclosure Requirements) (Second Amendments) Regulations, 2023.** **b. Specified revised timelines for making disclosures as per the Regulations.** **c. Specified that MD & CEO, CFO and CS to determine materiality and making**	Mr. Mandar Kulkarni	Reviewed by Mr. Narendra Ahlawat Approved by MCXCCL Board	23/04/2024

	necessary disclosures on the website of the Company. **d. Certain agreements, details regarding fraud or defaults by Company, its promoter, director, key managerial personnel, senior management etc. to be disclosed on the website** **e. Details regarding resignation of Independent Directors, KMPs along with detailed reasons to be disclosed on the website.** **f. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, KMPs, senior management, promoter in relation to the Company to be disclosed.**			
6.0	**Changes incorporated to give effect to the amendments prescribed in SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024.**	Mr. Mandar Kulkarni	Reviewed by Mr. Narendra Ahlawat Approved by MCXCCL Board	12/03/2025

MULTI COMMODITY EXCHANGE CLEARING CORPORATION LIMITED
(hereinafter referred to as 'MCXCCL/ Company')

POLICY ON DISCLOSURE OF MATERIAL EVENTS AND INFORMATION AND DETERMINING MATERIALITY

Preamble:

This Policy is for disclosure of material events and/or information on the website of the Company and determining materiality of event/information for the purpose of disclosure. This Policy is framed in compliance with Regulation 30 and all other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations/ Regulations'), as amended from time to time.

1. All events or information that are in the opinion of the Board of Directors are material events and/or information, to be disclosed.

2. The following events/information shall be disclosed as material events.

A. Events which shall be disclosed <u>without any</u> application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30) of the Listing Regulations.

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation, merger, demerger, restructuring), sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the Company, sale of stake in associate company of the Company or any other restructuring.

   Explanation (1) - For the purpose of this sub-para, the word 'acquisition' shall mean,-

   (i) acquiring control, whether directly or indirectly; or,

   (ii) acquiring or agreeing to acquire shares or voting rights in a company, whether existing or to be incorporated, whether directly or indirectly, such that -

   (a) the Company holds shares or voting rights aggregating to twenty per cent or more of the shares or voting rights in the said company, or;

   (b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-paragraph and such change exceeds five per cent of the total shareholding or voting rights in the said company, or;

   (c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30:

   Provided that acquisition of shares or voting rights aggregating to five percent or more of the shares or voting rights in an unlisted company and any change in holding from the last disclosure made under this proviso exceeding two per cent of the total shareholding or voting rights in the said unlisted company shall be disclosed on a quarterly basis in the format as may be specified by SEBI.

Explanation (2) - For the purpose of this sub-paragraph, "sale or disposal of subsidiary" and "sale of stake in associate company" shall include-

(i) an agreement to sell or sale of shares or voting rights in a company such that the company ceases to be a wholly owned subsidiary, a subsidiary or an associate company of the Company; or

(ii) an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

Explanation (3)-For the purpose of this sub-paragraph, "undertaking" and "substantially the whole of the undertaking" shall have the same meaning as given under section 180 of the Companies Act, 2013.

2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.

3. New Ratings or Revision in Rating(s).

4. Outcome of Meetings of the board of directors: The Company shall disclose on its website, the outcome of meetings of the board of directors, held to consider the following:

a) dividends recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;

b) any cancellation of dividend with reasons thereof;

c) the decision on buyback of securities;

d) the decision with respect to fund raising proposed to be undertaken including by way of issue of securities (excluding security receipts, securitized debt instruments or money market instruments regulated by the Reserve Bank of India), through further public offer, rights issue, American Depository Receipts/ Global Depository Receipts/ Foreign Currency Convertible Bonds, qualified institutions placement, debt issue, preferential issue or any other method;

e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;

f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;

g) short particulars of any other alterations of capital, including calls;

h) financial results.

5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Company), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.

5A. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, shall be disclosed on the website, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements:

Provided that such agreements entered into by the Company in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or they are required to be disclosed in terms of any other provisions of these regulations.

Explanation: For the purpose of this clause, the term "directly or indirectly" includes agreements creating obligation on the parties to such agreements to ensure that the Company shall or shall not act in a particular manner.

6. Fraud or defaults by Company, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the Company, whether occurred within India or abroad: .

For the purpose of this sub-paragraph:

a) 'Fraud' shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

b) 'Default' shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.

Explanation 1- In case of revolving facilities like cash credit, Company would be considered to be in 'default' if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.

Explanation 2- Default by a promoter, director, key managerial personnel, senior management and subsidiary shall mean default which has or may have an impact on the Company.

Explanation 3 – Fraud by senior management, other than who is promoter, director or key managerial/management personnel, shall be required to be disclosed only if it is in relation to the Company.

7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer.

(7A) In case of resignation of the auditor, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed on the website as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.

(7B) Resignation of Independent Director including reasons for resignation: In case of resignation of an independent director, within seven days from the date of resignation, the following disclosures shall be made on the website:

i. The letter of resignation along with detailed reasons for the resignation as given by the said director;
   Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided;
iii. The confirmation as provided by the independent director above shall also be disclosed on the website along with the disclosures as specified in sub clause (i) and (ii) above.

(7C) In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed on the website by the Company within seven days from the date that such resignation comes into effect.

(7D) In case the Managing Director or Chief Executive Officer of the Company was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty-five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed on the website.

8. Appointment or discontinuation of share transfer agent.

9. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:

(i) Decision to initiate resolution of loans/borrowings;
(ii) Signing of Inter-Creditors Agreement (ICA) by lenders;
(iii) Finalization of Resolution Plan;
(iv) Implementation of Resolution Plan;
(v) Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.

10. One time settlement with a bank.

11. Winding-up petition filed by any party / creditors.

12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the Company.

13. Proceedings of Annual and extraordinary general meetings of the Company.

14. Amendments to memorandum and articles of association of Company, in brief.

15. (a) (i) Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the meet) ;

    (ii) Presentations prepared by the Company for analysts or institutional investors meet, post earnings or quarterly calls shall be disclosed on the website prior to beginning of such events.

    Explanation [I]: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.

    Explanation [II]: Disclosure of names in the schedule of analysts or institutional investors meet shall be optional for the Company.

    (b) Audio recordings, video recordings, if any, and transcripts of post earnings or quarterly calls, by whatever name called, conducted physically or through digital means, in the following manner:

    (i) The audio recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;

    (ii) the video recordings, if any, shall be made available on the website within forty-eight hours from the conclusion of such calls:

    (iii) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls

16. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:

    a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;

    b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;

    c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;

    d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;

    e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;

    f) Appointment/ Replacement of the Resolution Professional;

g) Prior or post-facto intimation of the meetings of Committee of Creditors;

h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;

i) Number of resolution plans received by Resolution Professional;

j) Filing of resolution plan with the Tribunal;

k) Approval of resolution plan by the Tribunal or rejection, if applicable;

l) Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, including details such as:

(i) Pre and Post net-worth of the company;
(ii) Details of assets of the company post CIRP;
(iii) Details of securities continuing to be imposed on the companies' assets;
(iv) Other material liabilities imposed on the company;
(v) Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
(vi) Details of funds infused in the company, creditors paid-off;
(vii) Additional liability on the incoming investors due to the transaction, source of such funding etc.;
(viii) Impact on the investor – revised P/E, RONW ratios etc.;
(ix) Names of the new promoters, key managerial persons(s), if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
(x) Brief description of business strategy.

m) Any other material information not involving commercial secrets.

n) Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;

o) Quarterly disclosure of the status of achieving the MPS;

17. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made on the website of the Company:

a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;

b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Company along with comments of the management, if any.

Explanation –For the purpose of this sub-paragraph, forensic audit refers to the audits, by whatever name called, which are initiated with the objective of detecting any mis-statement in financial statements, mis-appropriation, siphoning or diversion of funds and does not include audit of matters such as product quality control practices, manufacturing practices, recruitment practices, supply chain process including

procurement or other similar matters that would not require any revision to the financial statements disclosed by the Company.

18. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of the Company, in relation to any event or information which is material for the Company in terms of regulation 30 of these regulations and is not already made available in the public domain by the Company.

    Explanation –"social media intermediaries" shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.

19. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of the following:

    (a) search or seizure; or
    (b) re-opening of accounts under section 130 of the Companies Act, 2013; or
    (c) investigation under the provisions of Chapter XIV of the Companies Act, 2013; along with the following details pertaining to the actions(s) initiated, taken or orders passed:

        i. name of the authority;
        ii. nature and details of the action(s) taken, initiated or order(s) passed;
        iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
        iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
        v. impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible.

20. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of the following:

    (a) suspension;
    (b) imposition of fine or penalty;
    (c) settlement of proceedings;
    (d) debarment;
    (e) disqualification;
    (f) closure of operations;
    (g) sanctions imposed;
    (h) warning or caution; or
    (i) any other similar action(s) by whatever name called;

    along with the following details pertaining to the actions(s) taken or orders passed:

    i. name of the authority;
    ii. nature and details of the action(s) taken or order(s) passed;

iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
v. impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible.

Explanation –Imposition of fine or penalty shall be disclosed in the following manner alongwith the details pertaining to the action(s)taken or orders passed as mentioned in the sub-paragraph:

(i) disclosure of fine or penalty of rupees one lakh or more imposed by sectoral regulator or enforcement agency and fine or penalty of rupees ten lakhs or more imposed by other authority or judicial body shall be disclosed within twenty four hours.

(ii) disclosure of fine or penalty imposed which are lower than the monetary thresholds specified in the clause (i) above on a quarterly basis in the format as may be specified.

21. Voluntary revision of financial statements or the report of the board of directors under section 131 of the Companies Act, 2013.

In addition to the above the following events shall deemed to be material events and shall be disclosed as soon as reasonably possible and not later than twenty four hours from the occurrence of the event:

a) receipt of request for re-classification from the promoter(s) seeking re-classification;
b) outcome of the board meeting considering such request which would include the views of the board on the request;
c) submission of application seeking no-objection or approval of the SEBI for re-classification of status as /public by the Company to SEBI;
d) decision of the SEBI on such application as communicated to the Company;
e) approval of shareholders on the request of the promoters seeking reclassification as public within the timelines specified in sub-regulation (3) of regulation 44 of Listing Regulations.

B. Criteria and Events which shall be disclosed upon application of the guidelines for materiality referred under sub-regulation (4) of regulation (30) :

Criteria for determination of materiality of events/ information under sub-regulation (4) of regulation (30) of Listing Regulations:

(a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or

(b) the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date; or

(c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:

(1) two percent of turnover, as per the last audited consolidated financial statements of the Company;

(2) two percent of net worth, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative;

(3) five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company

(d) In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the Company, the event or information is considered material:

Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30) of Listing Regulations:

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.

2. Any of the following events pertaining to the Company:

   (a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or
   (b) adoption of new line(s) of business; or
   (c) closure of operation of any unit, division or subsidiary (in entirety or in piecemeal)

3. Capacity addition or product launch.

4. Awarding, bagging/receiving, amendment or termination of awarded/ bagged orders/contracts not in the normal course of business.

5. Agreements (viz. loan agreement(s) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.

6. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.

7. Effect(s) arising out of change in the regulatory framework applicable to the Company.

8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company.

9. Frauds or defaults by employees of the Company which has or may have an impact on the Company.

10. Giving of guarantees or indemnity or becoming a surety by whatever named called, for any third party.

11. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

12. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.

C. Any other information/event viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

D. Without prejudice to the generality of para (A), (B) and (C) above, the Company may make disclosures of event/information as specified by SEBI from time to time.

The Company shall, with respect to disclosures referred to in this regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

The Company shall first disclose on its website, all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following:

(i) thirty minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;

Provided that in case the meeting of the board of directors closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the Company shall disclose the decision pertaining to the event or information, within three hours from the closure of the board meeting:

Provided further that in case the meeting of the board of directors is being held for more than one day, the financial results shall be disclosed within thirty minutes or three hours, as applicable, from closure of such meeting for the day on which it has been considered

(ii) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;

(iii) twenty-four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company:

Provided that if all the relevant information, in respect of claims which are made against the Company under any litigation or dispute, other than tax litigation or dispute, in terms of sub-paragraph 8 of paragraph B of Part A of Schedule III, is maintained in the structured digital database of the Company in terms of provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the disclosure with respect to such claims shall be disclosed within seventy-two hours of receipt of the notice by the Company:

Provided further that disclosure with respect to events for which timelines have been specified in Part A of Schedule III of this regulation shall be made within such timelines:

Provided further that in case the disclosure is made after the timelines specified under this regulation, the Company shall, along with such disclosure provide the explanation for the delay.

All such events or information which have been disclosed on the website shall be hosted for a minimum period of five years and thereafter as per the archival policy of the Company.

Explanation: Normal trading hours shall mean time period for which the recognized stock exchanges are open for trading for all investors.

In terms of Regulation 30(5) of Listing Regulations, MD & CEO, Chief Financial Officer and Company Secretary shall jointly and/ or severally determine the materiality of any event or information and make necessary disclosures on the website of the Company.

Policy Review:

The Policy shall be reviewed by the Regulatory Oversight Committee as and when required or at least once in 2 years and changes made therein, if any, shall be approved by the Board.