POLICY ON RELATED PARTY TRANSACTIONS

VERSION 6.0

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Revision History

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1.0	**Initial Version**	**Ms. Riddhi Parekh & Mr. Satyajeet Bolar**	**Reviewed by Mr. Satyajeet Bolar Approved by MCXCCL Board**	**19/07/2018**
2.0	**Revision through amendments in Companies Act, 2013 and SEBI Regulations, 2015**	**Ms. Riddhi Parekh & Mr. Satyajeet Bolar**	**Reviewed by Mr. Satyajeet Bolar Approved by MCXCCL Board**	**11/07/2019**
3.0	**Revisions incorporating:** a) Modified the definition of KMP, percentage of determining the materiality were the payment of brand usage or royalty is involved, Materiality requirement, provision relating to manner of obtaining approval of Audit Committee, definition of Turnover to cover all the future modification in the said definition **b)** Included provision relating to disclosing RPTs on half yearly basis on the website of	**Mr. Mandar Kulkarni**	**Reviewed by Mr. Narendra Ahlawat Approved by MCXCCL Board**	**22/10/2021**

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	Company and modified the Policy review period			
4.0	**Revisions incorporating:** a) Modified definition of 'Materiality as per SEBI'	**Mr. Mandar Kulkarni**	**Reviewed by Mr. Narendra Ahlawat** **Approved by MCXCCL Board**	**08/11/2023**
5.0	**Revised to include the following:** • Executive summary of the Policy is removed; • Amended definitions of 'Arm's Length Transactions, 'Associate Company', 'Audit Committee or Committee', 'Key Managerial Personnel', 'Material RPT', 'Net worth', Related Party and RPT; • Definition of 'Independent Director' and 'Material Modification'; • Provisions pursuant to SEBI (LODR) (Third Amendment) Regulations, 2024; • Provisions w.r.t. SEBI Circular dated December 31, 2024 and • Provisions w.r.t. SEBI Circular dated February 14, 2025.	**Mr. Mandar Kulkarni**	**Reviewed by Mr. Narendra Ahlawat** **Approved by MCXCCL Board**	**12/03/2025**
6.0	**Revised to include the following:** • Threshold of Material RPT revised pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025. • Heading 'Scope Limitation' is changed to 'Conflict of Provisions' and statement under the said point is revised.	**Mr. Mandar Kulkarni**	**Reviewed by Mr. Narendra Ahlawat** **Approved by MCXCCL Board**	**18/03/2026**

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1. PREAMBLE:

The Board of Directors (the "Board") of Multi Commodity Exchange Clearing Corporation Limited (the "Company") has adopted this Policy on Related Party Transactions ("Policy") upon the recommendation of the Audit Committee. This Policy provides for the materiality threshold and the manner of dealing with Related Party Transactions ("RPTs"), in compliance with the requirements of Section 188 of the Companies Act, 2013 and Rules made thereunder and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015") and circulars issued thereunder.

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of RPTs including material RPTs.

2. OBJECTIVES:

This Policy is intended to ensure timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of RPTs in the best interest of the Company and its Shareholders and to comply with the statutory provisions.

3. DEFINITIONS:

1. **"Arm's Length Pricing":** Arm's Length Pricing (ALP) is based on the supposition that parties to a transaction are independent (unrelated) and on equal footing from one or more of the following aspects namely quality, realisation, commercial terms etc. Such a transaction is at Arm's Length, which can satisfy the test of unrelated independence and equal footing.

A. For evolving a mechanism for determining ALP, the RPTs may broadly be classified under three broad categories as enumerated below:

(i) Standardized
   a) Can be benchmarked *vis-a-vis* comparable bills of related items or
   b) Comparable market quotes as may be accessed by anyone from market place.

   Single quote can be considered as acceptable framework if it is distinguished on credible parameters like Brand, Service Standards, Technical Specification or business exigencies.

(ii) Specialized
   a) Comparable market quotes are available for such specialized services or
   b) Whose such services are totally specialized not offering any comparable quotes:

   Detailed in house costing for such services, based on historical data or costs available, if any, in public domain for similar services.

(iii) Customized
   a) Best estimate based on historical costs/internal costing/ single quotation on qualification basis or as per the approval given in the past on such transactions, meeting the audit requirements without any qualification.

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B. The mechanism for determining ALP for financial transactions relating to investments/disinvestments would be market price or a price determined by an approved method of valuation.

2. **"Arm's Length Transactions"** refers to a transaction that is usual or normal to the business and not exceptional, between two related parties that is conducted as if these were unrelated, so that there is no conflict of interest. For determination of Arm's length basis, guidance may be taken from provisions of Transfer Pricing under Income Tax Act, 1961; viz. cost plus method, resale price method, transactional net margin method or overall profit split method, comparable and control price method or any other method as provided under Rule 10B of the Income Tax Rules. Harmonizing the process of documentation for transfer pricing under the Income Tax Act and RPT would serve the twin requirement in one common approach

3. **"Associate Company"** in relation to another Company, means a company in which that other company has significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company or as defined under the applicable Accounting Standards.

   The expression "significant influence" means control of at least twenty per cent of total voting power, or control of or participation in business decisions under an agreement;

   The expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

4. **"Audit Committee or Committee"** means the Committee of the Board constituted from time to time under the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations, 2015.

5. **"Board"** means the Board of Directors as defined under the Companies Act, 2013.

6. "**Independent Director**" means a person as defined in Section 149(6) of the Companies Act, 2013, Regulation 16(1)(b) of Listing Regulations, 2015 and shall include Public Interest Director as defined in Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

7. **"Key Managerial Personnel / Key Management Personnel"** means the Key Managerial / Management Personnel as identified by the Board and Nomination and Remuneration Committee under the Companies Act, 2013 and Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, as amended from time to time.

8. **"Material Modification"** in relation to a RPT approved by the Audit committee and Board and by the shareholders, where necessaryIt shall mean, change in price, quantity or key terms that will impact profitability or cash flow by more than 20% of earlier approved transactions.

9. **"Material Related Party Transaction"** means such transactions as may be prescribed either in the Companies Act, 2013 or the Listing Regulations, 2015, whichever is stricter, from time to time.

   Materiality as per SEBI:

   If the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds the below thresholds, the transaction shall be considered a material transaction:

Consolidated Turnover of the Company Threshold	Threshold
(I) Up to ₹20,000 Crore	10% of the annual consolidated turnover of the Company.
(II) More than ₹20,000 Crore to upto ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the Company above ₹20,000 Crore.
(III) More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the Company above ₹40,000 Crore or ₹5000 Crores, whichever is lower.

Explanation: For the purpose of computing the thresholds stated above, the annual consolidated turnover of the Company shall be determined based on the last audited financial statements of the Company.

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Materiality as per Companies Act, 2013:

Nature of Transactions	**Prescribed Limits**
Sale, purchase, supply of any goods, materials, directly or through appointment of agent.	10% or more of the Turnover of the Company as mentioned in clause (a) and clause (e) respectively of Section 188(1) of the Companies Act, 2013.
Selling or otherwise disposing of or buying property of any kind directly or through appointment of Agent.	10% or more of Net worth of the Company, as mentioned in clause (b) and clause (e) respectively of Section 188(1) of the Companies Act, 2013.
Leasing of Property of any kind	10% or more of Turnover of the Company as mentioned in clause (c) of Section 188(1) of the Companies Act, 2013.
Availing or rendering of any services directly or through the appointment of agents	10% or more of Turnover of the Company as mentioned in clause (d) and clause (e) respectively of Section 188(1) of the Companies Act, 2013.
The limits specified above shall apply for transaction/transactions to be entered into either individually or taken together with previous transactions during a financial year.	
Appointment to any office or place of profit in the company, its subsidiary company or associate company	Monthly remuneration exceeding Rs. 2,50,000 as mentioned in clause (f) of Section 188(1) of the Companies Act, 2013.
Remuneration for underwriting the subscription of any securities or derivatives thereof of the Company	Exceeding 1% of the Net worth as mentioned in clause (g) of Section 188(1) of the Companies Act, 2013.

The turnover or net worth referred above shall be computed on the basis of the audited financial statement of the preceding financial year.

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10. **"Net worth"** means net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013.

11. **"Office or place of profit' means any office or place" –**

    a. Where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites any rent free accommodation or otherwise;

    b. Where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by the way of remuneration, salary, fee, commission, perquisites, any rent free accommodation or otherwise.

12. **"Ordinary Course of Business":**

    The criteria of being "ordinary" or "normal" or "in the ordinary course of business", is met when both of the two selective criteria are satisfied namely;

    a. the transaction must be predominantly ascribed to business objectives or operational activities or alternatively, related to financial activities; and

    b. the same transaction must also fall under the purview of the ordinary exercise of operational activities or related financial activities.

       Explanation: The transactions which are usual transactions material to the business, involving the customized/customary practices of the business with no exceptional items. The same may be determined, *inter alia,* considering the following measurable criteria:
       (i) Accounting for sizeable portion of revenue/turnover
       (ii) Periodicity – usual – not one off
       (iii) Providing bulk of receipts

13. **Related Party means a person or an entity: –**

    (i) which is a related party under section 2 (76) of the Companies Act, 2013 and under applicable Accounting Standards i.e. Ind AS 24; or

    (ii) which is a related party under Regulation 2(zb) of the Listing Regulations, 2015.

    Provided that any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity shall be deemed to be a related party.

    Provided that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);

    Related party under Section 2(76) of the Companies Act, 2013 and Rules and Ind AS 24 Related Party Disclosures are as follows:

    (i) A Director or his relative,
    (ii) A Key Managerial Personnel or his Relative,
    (iii) A firm in which a director, manager, or his relative is a partner,
    (iv) A private company in which the director, manager, or his relative is a member or director,
    (v) A public company in which the director or manager is a director and holds along with his relatives, more than 2% of its paid up share capital,

(vi) Any Body Corporate whose Board of Directors, Managing Director, Manager is accustomed to act in accordance with the advice, directions or instructions of a Director or Manager,

(vii) Any person on whose advice, directions or instructions the Director or Manager is accustomed to act,

Provided that nothing in sub clause (vi) and (vii) above shall apply to the advice, directions or instructions given in the professional capacity.

(viii) Any Company which is:

a. Holding, Subsidiary or an Associate Company of such company,
b. Subsidiary of a Holding Company to which it is also a Subsidiary,
c. An investing company or the venturer of the Company,

For the purpose of this clause, "the investing company or the venturer of a company" means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

(ix) A director other than Independent Director or Key Managerial Personnel of the holding company or his relative,

(x) A person or entity that is related to the entity that is preparing its financial statements

(a) A person or close member of that person's family is related to a reporting entity if that person:
  (i) Has control or joint control of the reporting entity,
  (ii) Has significant influence over the reporting entity ,or
  (iii) Is a member of the key management personnel of the reporting entity or of its parent.

(b) An entity is related to a reporting entity if any of the following conditions applies:
  (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others),
  (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member),
  (iii) Both entities are joint ventures of the same third party,
  (iv) One entity is joint venture of a third entity and the other entity is a an associate of the third entity,
  (v) The entity is a post -employment benefit plan for the benefit of employees of either of the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employees are also related to the reporting entity,
  (vi) The entity is controlled or jointly controlled by a person identified in (a),
  (vii) The person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of the parent of the entity),
  (viii) The entity or any member of a group of which it is part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

In addition to the definition under the Companies Act, 2013, related party under Regulation 2(zb) of the Listing Regulations, 2015 includes the following:

(a) any person or entity forming a part of the promoter or promoter group of the listed entity; or

(b) any person or any entity, holding equity shares of ten per cent or more;

in the Company either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year.

14. Related Party Transaction means any transaction involving a transfer of resources, services or obligations between:

(i) the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or

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(ii) the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries;

regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract.

and includes:

a. Sale, purchase or supply of any goods or materials;
b. Selling or otherwise disposing of, or buying property of any kind;
c. Leasing of property of any kind;
d. Availing or rendering of any services;
e. Appointment of any agent for the purchase or sale of goods, materials, services or property;
f. Such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company;
g. Underwriting the subscription of any securities or derivatives thereof, of the Company;
h. Financing (including loans and equity contributions in cash or kind);
i. Providing or obtaining guarantees and collaterals; and
j. Deputation of employees.

but does not include:

a. the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

b. the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
   i. payment of dividend;
   ii. subdivision or consolidation of securities;
   iii. issuance of securities by way of a rights issue or a bonus issue; and
   iv. buy-back of securities.

c. acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:

d. acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time:

   Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.

e. retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors:

   Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s).

(The above is an indicative list and not an exhaustive one).

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15. **Relative** means a relative as defined under the Companies Act, 2013 and includes anyone who is related in any of the following manner –
    a. Members of a Hindu undivided family;
    b. Husband and wife;
    c. Father (including step-father);
    d. Mother (including step-mother);
    e. Son (including step-son);
    f. Son's wife;
    g. Daughter;
    h. Daughter's husband;
    i. Brother (including step-brother); or
    j. Sister (including step-sister).

    As per Ind AS 24, Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity including:
    a. that persons children, spouse or domestic partner, brother, sister, father and mother,
    b. children of that persons spouse or domestic partner,
    c. dependents of that person or that persons spouse or domestic partner.

16. **Transaction** with a related party shall be construed to include a single transaction or a group of transactions and excludes trade cleared and settled on the clearing corporation.

17. **Turnover:** means turnover as defined in sub section (91) of section 2 of the Companies Act. 2013

18. The terms **Director, Chief Financial Officer, Company Secretary,** shall have the same meaning as assigned under the Companies Act, 2013.

All Expression unless defined herein shall have the same meaning as have been assigned to them under Listing Regulations, 2015, amended from time to time and Companies Act 2013 or any statutory modification or re-enactment thereto.

4. POLICY

4.1 APPROVAL OF RELATED PARTY TRANSACTIONS

A. AUDIT COMMITTEE AND/OR BOARD APPROVAL:

i. All RPTs shall be reviewed and approved by the Audit Committee and/or Board as per the provisions of this Policy.

ii. All RPTs though in the ordinary course of business and at arm's length will require prior approval of the Audit Committee.

iii. The Audit Committee and / or the Board will decide whether the transaction entered with the related party is in the ordinary course of business or not, or at arm's length price or not, on the basis of certification provided by Management to the satisfaction of the Audit Committee and/or the Board.

iv. The RPTs other than covered under point (ii) above shall require prior approval of the Audit Committee and the Board at a Meeting of the Board.

v. While obtaining the approval of the Audit Committee, only those members of the Audit Committee, who are Public Interest Directors, shall approve RPTs.

vi. A member of the Committee/Board who (if) has a potential interest in any RPT shall not remain present at the meeting or abstain from discussion and voting on such RPT and he shall not be counted in determining the presence of a quorum when such a transaction is considered.

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vii. Remuneration and sitting fees paid by the Company to its Director, Key Managerial Personnel or Senior Management, except who is part of promoter or promoter group, shall not require approval of the Audit Committee provided that the same is not material in terms of the provisions of this Policy.

viii. Any subsequent modifications thereto, shall require the prior approval of the Audit Committee and/or the Board.

ix. In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Audit Committee may grant standing pre –approval / omnibus approval. The details and considerations for giving an omnibus approval are given in a separate section of this Policy. Such omnibus approval shall have a validity of one year and shall require fresh approval after the expiry of one year.

x. The Audit Committee and/ or Board shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approvals given.

xi. In exceptional cases, where a prior approval is not taken due to an inadvertent omission or due to unforeseen circumstances, the Audit Committee and/or Board may ratify the transactions as mentioned in the below clause.

xii. The members of the Audit Committee, who are Public Independent directors, may ratify RPTs within three months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, subject to the following conditions:

a. the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;

b. the transaction is not material in terms of the provisions of this Policy;

c. rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee and/or the Board at the time of seeking ratification;

d. the details of ratification shall be disclosed along with the disclosures of RPTs in terms of the provisions of Regulation 23(9) of Listing Regulations, 2015;

e. any other condition as specified by the Audit Committee and/or the Board.

xiii. Any failure to seek ratification of the Audit Committee and/or the Board shall render the transaction voidable at the option of the Audit Committee and/or the Board and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

xiv. In addition to the requirements under the Companies Act, 2013, Listing Regulations, 2015 and in terms of SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/18 dated February 14, 2025, the Company shall provide the Audit Committee and/or the Board with information as specified, if any, in the Industry Standards on "Minimum information to be provided for review of the Audit Committee and Shareholders for approval of a related party transactions", while placing any proposal for review, approval and ratification of RPT.

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B. SHAREHOLDERS' APPROVAL:

All the material RPTs and subsequent material modifications as defined in the Policy shall require prior approval of the shareholders through resolution besides being approved by the Audit Committee and by the Board of Directors and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

All the material RPTs falling under this Policy and which are not in the Ordinary Course of Business or not at Arms' Length shall require prior approval of the shareholders, besides being approved by the Audit Committee and by the Board.

Provided that no member of the company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

Provided also that nothing contained in the aforesaid proviso shall apply to a company in which ninety percent or more members, in number, are relatives of promoters or are related parties.

Approval of Shareholders would not be required in case of transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.

In exceptional cases, where a prior approval of shareholders is not taken due to an inadvertent omission or due to unforeseen circumstances, the Shareholders may ratify the transactions within three months from the date of the transaction or in the immediate next General Meeting, whichever is earlier. Any failure to seek ratification of the Shareholders shall render the transaction voidable at the option of the Shareholders and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

In terms of SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/18 dated February 14, 2025, the notice sent to the Shareholders seeking approval and/or ratification for RPT shall in addition to the requirements under Companies Act, 2013; include the information as a part of the explanatory statement as specified in the Industry Standards on "Minimum information to be provided for review of the Audit Committee and Shareholders for approval of a related party transactions".

C. EXEMPTIONS FROM OBTAINING APPROVALS OF AUDIT COMMITTEE, BOARD AND SHAREHOLDERS:

The requirement to obtain approval of the Audit Committee (including omnibus approval) and/or the Board and the approval of the shareholders would not be required in the below cases:

i. Transactions entered between a Holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval;

ii. Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on the one hand and the Central Government or any State Government or any combination thereof on the other hand;

iii. Any transaction that involves the providing of compensation to a Director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.

iv. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party

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4.2 IDENTIFICATION OF RPT:

i. Every Director and Key Managerial Personnel will be responsible for providing a declaration in the format as per **Annexure 1** containing the following information to the Company Secretary on an annual basis and at the time of his/her appointment:

a) Names of his / her Relatives;
b) Partnership firms in which he / she or his / her Relative is a partner;
c) Private Companies in which he / she is a member or Director;
d) Public Companies in which he / she is a Director and holds along with his/her Relatives more than 2% of paid up share capital;
e) Any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with his / her advice, directions or instructions; and
f) Persons on whose advice, directions or instructions, he / she is accustomed to act (other than advice, directions or instructions obtained from a person in professional capacity).

ii. Every Director and the Key Managerial Personnel shall update the Company Secretary of any changes in the above relationships, directorships, holdings, interests and/or controls immediately on him / her becoming aware of such changes.

iii. The Company Secretary shall maintain an updated database of information pertaining to Related Parties reflecting details of –

1. All Directors and Key Managerial Personnel of the Company;
2. All individuals, partnership firms, companies and other persons as declared and updated by Directors and Key Managerial Personnel;
3. Company's holding company, subsidiary companies and associate companies;
4. Subsidiaries of holding company;
5. Director (other than Independent Director) and Key Managerial Personnel of the holding company or their Relatives;
6. All MCX Group entities
7. Any person or entity belonging to the promoter or promoter group of the Company and holding 20% or more of shareholding in the Company and
8. Any other entity which is a Related Party as defined under Section 2(76) of the Companies Act, 2013 read with Regulation 23 of the Listing Regulations, 2015 or the relevant Accounting Standard or such other Rules/ Guidelines /Directions issued by SEBI, from time to time.

iv. Every Director, Key Managerial Personnel, Functional heads/Chief Financial Officer will be responsible for providing prior notice to the Company Secretary of any potential RPTs. They will also be responsible for providing additional information about the transaction that the Committee and/or the Board may request, for being placed before the Committee and/or the Board.

v. The suggested details and list of records and supporting documents which are required to be provided along with the notice of the proposed transaction are provided in **Annexure 2** to this Policy.

vi. The Company Secretary, in consultation with the Chief Financial Officer, may refer any potential RPTs to any external legal/transfer pricing expert and the outcome or opinion of such exercise shall be brought to the notice of the Audit Committee and/or the Board. Based on this Notice, the necessary approvals will be taken under this Policy.

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4.3 REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

A. CONSIDERATION BY THE AUDIT COMMITTEE / BOARD IN APPROVING THE PROPOSED TRANSACTIONS:

While considering any transaction, the Audit Committee and/or the Board shall take into account, all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party and any other relevant matters.

Prior to the approval, the Audit Committee and /or the Board shall, *inter-alia*, consider the following factors to the extent relevant to the transaction:

a. Whether the terms of the RPT are in the ordinary course of the company's business and are on an arm's length basis and would apply on the same basis if the transaction did not involve a Related Party

b. Whether there are any compelling business reasons for the company to enter into the RPT and the nature of alternative transactions, if any;

c. Whether the RPT includes any potential reputational risks that may arise as a result of or in connection with the proposed transaction;

d. Whether the company was notified about the RPT before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and

e. Whether the RPT would affect the independence or present a conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director, Key Managerial Personnel or other Related Party, the direct or indirect nature of the Director's interest, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Committee deems relevant.

While considering the arm's length nature of the transaction, the Audit Committee and/or the Board shall take into account the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party. The Audit Committee and/or the Board shall take into consideration that subsequent events (i.e., events after the initial transactions have commenced) like evolving business strategies/ short term commercial decisions to improve/sustain market share, changing market dynamics, local competitive scenario, economic/regulatory conditions affecting the global/domestic industry, may impact profitability but may not have a bearing on the otherwise arm's length nature of the transaction.

B. APPROVAL BY CIRCULAR RESOLUTION OF THE AUDIT COMMITTEE:

In the event the Company Management determines that it is impractical or undesirable to wait until a meeting of the Audit Committee to enter into a RPT, such transaction (in case of transactions which are in the ordinary course of business or at Arms' length price) may be approved by the Audit Committee/Board by way of a resolution passed by circulation in accordance with this Policy and statutory provisions for the time being in force. Any such approval must be noted/ratified by the Audit Committee and/or the Board at its next scheduled Meeting.

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C. STANDING PRE-APPROVAL / OMNIBUS APPROVAL BY THE AUDIT COMMITTEE:

i. In the case of frequent/regular/repetitive transactions which are in the normal course of business of the Company, the Audit Committee may grant standing pre-approval / omnibus approval;

ii. The Audit Committee shall lay down the criteria for granting omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature;

iii. The Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company;

iv. Any change in the character/nature of the transaction with the related party shall not be deemed as a repetitive transaction for omnibus approval and would mandate the requisite approvals.

v. The omnibus approval shall specify:

   a. the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,

   b. the indicative base price / current contracted price and the formula for variation in the price if any; and

   c. such other conditions as the audit committee may deem fit:

vi. All such transactions for which omnibus approval is granted by the Audit Committee shall be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction unless the price, value or material terms of the contract or arrangement have been varied / amended. Any proposed variations / amendments to these factors shall require prior approval of the Audit Committee and the Board.

vii. Where the need of the RPT cannot be foreseen and all prescribed details are not available, the Audit Committee may grant omnibus approval subject to the value per transaction not exceeding Rs.1,00,00,000/- (Rupees One Crore only).

viii. The CFO shall certify from time to time that the transactions with the related parties which are covered in the omnibus approval are repetitive in nature and that there is no change in the nature/character of the transaction.

ix. The Audit Committee, shall consider the following criteria for making omnibus approval:

   a) Repetitive transactions (in past or in future): Transactions of similar nature with related parties which are frequent / regular / repetitive arising out of any contract, agreement or arrangement, including reimbursement of expenses/statutory payments made to or on behalf of related parties.
   b) Justification for the need of omnibus approval and that the same is in the interest of the Company
   c) Transactions in the ordinary/normal course of business and at arm's length as defined in the said policy and in the interest of the Company.
   d) The maximum value of the transaction, in aggregate and the maximum value per transaction.

x. Omnibus approval shall not be granted for transactions in respect of selling or disposing of the undertaking of the Company.

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5. DISCLOSURE AND REPORTING OF RELATED PARTY TRANSACTIONS:

i. RPTs entered into by the Company and approved by the Audit Committee and/or Board and/or the Shareholders under this Policy shall be referred to in the Board's Report to the Shareholders along with justification for entering into such transaction.

ii. The Company Secretary and the Chief Financial Officer shall be responsible for such disclosure.

iii. The Company Secretary shall also make necessary entries in the Register of Contracts required to be maintained under the Companies Act, 2013.

iv. The Company shall upload on its website the disclosures of related party transactions in the format as specified by SEBI from time to time.

Provided that the Company shall upload such disclosures on its website every six months on the date of publication of its standalone / consolidated financial results.

Provided further that the remuneration and sitting fees paid by the Company to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require such disclosure provided that the same is not material in terms of the provisions of this Policy.

6. CONFLICT OF PROVISIONS:

In the event of any conflict between the provisions of this Policy and the Listing Regulations/Companies Act, 2013, rules or circulars or notifications or guidelines or directions issued thereunder or any other statutory enactments, the provisions of Companies Act, 2013/ Listing Regulations or statutory enactments, rules, circulars, notifications, guidelines, directions thereunder shall prevail over this Policy.

7. DISSEMINATION OF THE POLICY:

This Policy or the important provisions of this policy shall be disseminated to all functional and operational employees and other concerned persons of the Company and shall be hosted on website of the Company and web link thereto shall be provided in the annual report of the Company.

8. REVIEW OF THE POLICY:

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

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ANNEXURE 1

NOTICE OF INTEREST BY DIRECTOR / KEY MANAGERIAL PERSONNEL

To,
The Company Secretary/Compliance Officer
Multi Commodity Exchange Clearing Corporation of India Limited
Exchange Square, Suren Road,
Chakala, Andheri East
Mumbai 400093.

Dear Sir,

A. I, ……., son/daughter/spouse of ……, resident of …….., holding ……. Shares (equity or preference) of Rs. 10/- each (…….. percent of the paid-up Capital) in the Company in my name, being a …… in the Company, hereby give notice that I am interested directly/through my Relatives (Schedule) in the following company or companies, body corporate, firms or other association of individuals including public companies in which I hold, individually or with my relatives, 2% or more of the paid up share capital:

Sr. No.	**Name of the Companies/Bodies Corporate/Firms/ Association of Individuals**	**Nature of Interest or concern / Change in Interest or Concern**	**Shareholding**	**Date on which Interest or Concern arose/changed**

B. The following are the bodies Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with my advice, directions or instructions;

Sr. No.	**Name of the Body Corporate**

C. I am accustomed to act on the advice, directions or instructions of the following persons (other than advice, directions or instructions obtained in professional capacity.)

Sr. No.	**Name of the Person**	**Relation**

Signature
Place: Name:
Date: Designation:

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SCHEDULE
LIST OF RELATIVES

No.	Relationship	Full Name	Address	Shareholding in MCX	PAN
1	Spouse				
2	Father (including Step-Father)				
3	Son (including Step-son)				
4	Daughter				
5	Daughter's Husband				
6	Brother (Including Step-Brother)				
7	Sister (Including Step-Sister)				
8	Mother (including Step-Mother)				
9	Son's Wife				
10	Members of HUF				

Signature
Place: Name:
Date: Designation:

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ANNEXURE 2

INFORMATION TO BE PROVIDED TO THE AUDIT COMMITTEE AND/OR BOARD AND/OR SHAREHOLDERS IN RELATION TO THE PROPOSED RELATED PARTY TRANSACTION (TO THE EXTENT RELEVANT TO THE TRANSACTION):

1. Name of the Related Party and nature of relationship;
2. Nature and duration of the contract/transaction and particulars thereof;
3. Material terms of the contract or arrangement or transaction including the value, if any;
4. In case of existing or approved contracts, transactions, details of proposed variations to the duration, current price / value and / or material terms of the contract or arrangement including a justification to the proposed variations;
5. Any advance paid / received or to be paid / received for the contract or arrangement, if any;
6. Manner of determining the pricing and other commercial terms, whether or not included as part of contract;
7. whether all the factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;
8. Copy of the draft MOU, agreement, contract, purchase order or correspondence etc. if any.
9. Applicable statutory provisions, if any;
10. Valuation reports in case of sale or purchase or leasing / renting of capital assets or securities;
11. Justification as to the arm's length nature of the proposed transaction;
12. Declaration whether the transaction is in the ordinary course of business;
13. Whether the transaction is covered by documentation under transfer pricing;
14. Persons / authority approving the transaction;
15. Information as specified in the Industry Standards on "Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction" in terms of SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/18 dated February 14, 2025; and
16.Any other information relevant or important for the Committee / Board to take a decision on the proposed transaction.

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