POLICY ON RELATED PARTY TRANSACTIONS

(As amended on May 05, 2016)
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EXECUTIVE SUMMARY

This policy is adopted by the Board with the objective of ensuring compliance with the provisions pertaining to Related Party Transactions (RPT) in the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

Accordingly, RPTs may be entered into by the Company only in accordance with this Policy (includes Framework) as amended from time to time.

Related Party Transactions (RPTs) referred to throughout the policy shall mean contracts/arrangements/transactions with a Related Party.

The policy covers following sections in detail, thereby laying down the principles and regulations for executing RPTs:

Objective: lays down the intent and requirement for drafting this policy.

Definitions: specifies the key definitions stated in the Companies Act, 2013 and Revised Clause 49 of the Listing Agreement with SEBI.

Key Principles: states Materiality thresholds and determination of Arm’s Length Pricing besides detailing, Ordinary Course of Business.

Process for Identification and Monitoring of Related Parties: states the procedure to be followed by the Company for identification and monitoring of Related Parties. The Secretarial team is mandated to prepare a consolidated list of related parties which shall be updated and submitted to Audit Committee periodically and shared with all Business/ Functional Heads for appropriate compliances at their end.

Process for Identification, Review and Approval of Related Party Transactions: explains the procedure for execution of RPTs. The approvals as laid down in Companies Act, 2013 and Clause 49 have been embedded within this procedure. Additionally the approval process for material RPTs/ RPTs not in ordinary course and/ or not at arm’s length is also specified. For transactions of a recurring nature, concept of omnibus approvals per Clause 49 is elaborated. The process to be adopted for RPTs not approved under this policy is also spelt out.

Disclosure: highlights the disclosures to be made with respect to RPTs on the Company's website, to Stock Exchanges etc.

System Enabled Tracking of Related Parties and Transactions: states how the existing system shall be enabled to support the process of tracking RPTs.
1. PREAMBLE

The Board of Directors (the “Board”) of Multi Commodity Exchange of India Limited (the “Company”) has adopted this Policy upon the recommendation of the Audit Committee and the said Policy includes the materiality threshold and the manner of dealing with Related Party Transactions (“Policy”) in compliance with the requirements of Section 188 of the Companies Act, 2013, Clause 49 of the Listing Agreement with the Stock Exchanges in India and the Forward Contracts (Regulation) Act, 1952 and the Rules made thereunder, Guidelines/directions/restrictions prescribed by the Forward Markets Commission (FMC) from time to time including the directions of FMC vide its letter dated December 26, 2013. Amendments, from time to time, to the Policy, if any, shall be considered by the Board based on the recommendations of the Audit Committee.

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 Related Party Transactions including material transactions.

2. OBJECTIVE

This Policy is intended to ensure due and 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 Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

3. DEFINITIONS

1. **Arm’s Length Pricing:** The 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, realization, 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 related party transaction(s) 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.

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. Harmonizing the process of documentation for transfer pricing under Income Tax Act and related party transaction 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.

4. “Audit Committee or Committee” means the Committee of the Board constituted from time to time under the provisions of Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

5. “Board” means the Board of Directors as defined under the Companies Act, 2013.

6. Interested Director: Means any Director, whether by himself or through any of his relatives, firms, body corporate or other association of individuals, in which he or his relative is a partner, director or member, interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company.

7. “Key Managerial Personnel” means Key Managerial Personnel as defined under the Companies Act, 2013 and such officers as may be identified and approved by the Board as Key Managerial Personnel including:
   1. Chief Executive Officer, Managing Director, or Manager,
   2. Whole time Director,
   3. Chief Financial Officer,
   4. Company Secretary
   5. Any such officer as may be prescribed,

8. “Material Related Party Transaction” such transactions as may be prescribed either in the Companies Act, 2013 or the Listing Agreement, 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 the financial year exceeds 10% of the annual consolidated
turnover of the Company as per the last audited financial statements of the Company.

<table>
<thead>
<tr>
<th>Nature of Transactions</th>
<th>Materiality as per Companies Act, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale, purchase, supply of any goods materials directly or through appointment of agents</td>
<td>Exceeding 10% of Turnover of the Company or Rs. 100 crores, whichever is lower, as mentioned in clause (a) and clause (e) respectively of Section 188(1)</td>
</tr>
<tr>
<td>Purchasing, Selling or disposal of property of any kind directly or through the appointment of Agents</td>
<td>Exceeding 10% of Networth or Rs. 100 crores, whichever is lower, as mentioned in clause (b) and clause (e) respectively of Section 188(1)</td>
</tr>
<tr>
<td>Leasing of Property of any kind</td>
<td>Exceeding 10% of Turnover or Rs. 100 crores, whichever is lower, as mentioned in clause (c) of Section 188(1)</td>
</tr>
<tr>
<td>Availing or rendering of services directly or through the appointment of agents</td>
<td>Exceeding 10% of Turnover or Rs. 50 crores, whichever is lower, as mentioned in clause (d) and clause (e) respectively of Section 188(1)</td>
</tr>
</tbody>
</table>

The limits specified above shall apply for transaction/transactions individually or taken together with previous transactions during a financial year.

<table>
<thead>
<tr>
<th>Nature of Transactions</th>
<th>Materiality as per Companies Act, 2013</th>
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<tbody>
<tr>
<td>Appointment to any office or place of profit in the company, its subsidiary company or associate company</td>
<td>Monthly remuneration exceeding Rs 2,50,000 as mentioned in clause (f) of Section 188(1)</td>
</tr>
<tr>
<td>Remuneration for underwriting the subscription of any securities or derivatives thereof of the Company</td>
<td>Exceeding 1% of the Net worth as mentioned in clause (g) of Section 188(1)</td>
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</table>

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

If the Material Related Party Transactions is falling under the Listing agreement, being stricter, it
shall require prior approval of the Audit Committee and the Board and approval of the shareholders through ordinary resolution and the Related Parties shall abstain from voting on such resolution.

If the Material Related Party Transactions is falling under the Companies Act, 2013, being stricter and which is not in the Ordinary Course of Business or not at Arms’ Length shall require the prior approval of the Audit Committee and of the Board of Directors at a meeting of the Board and prior approval of the shareholders through ordinary resolution and the Related Parties shall abstain from voting on such resolution on such resolutions whether the entity is a related party to the particular transaction or not.

9. **Networth**: Means the aggregate value of the Paid up Share Capital and all Reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include Reserves created out of revaluation of assets, write back of depreciation and amalgamation.

10. **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, 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.

11. **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

12. **“Related Party” means a person or an entity**: –
   (i) which is a related party under section 2 (76) of the Companies Act, 2013; or
   (ii) which is a related party under applicable Accounting Standards.

   Related party under Section 2(76) of the Companies Act, 2013 and rules made thereunder 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 or 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, 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 Associate Company of such company,
   b. Subsidiary of a Holding Company to which it is also a Subsidiary
(ix) A director other than Independent Director or a Key Managerial Personnel of the holding company or his relative;
(x) Promoters/other shareholders holding more than such percentage as may be specified by the Audit Committee from time to time;
(xi) Such other person as may be prescribed by the Central Government.

13. “Related Party Transaction” means any transaction between the Company and any Related Party for transfer of resources, services or obligations, regardless of whether a price is charged 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.
(The above is an indicative list and not an exhaustive one).

14. “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 or 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).

15. “Transaction” with a related party shall be construed to include a single transaction or a group of transactions and excludes trade on the Exchange.

16. Turnover: The aggregate amount from the sale, distribution, supply of goods or rendering of services, or both by a company during a financial year.

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

4. POLICY

A. AUDIT COMMITTEE AND BOARD APPROVAL:

i. All related party Transactions though in the ordinary course of business and at arm’s length will require prior approval of the Audit Committee and of the Board of Directors.

ii. The related party transactions not at arm’s length or overall in the ordinary course of business or both would require prior approval of the Audit Committee and the Board of Directors at a meeting of the Board and on the certification provided by the Management to the satisfaction of the Audit Committee and the Board.

iii. All Material related party transactions either as per Companies Act, 2013 or under Listing Agreement would require approval of shareholders as prescribed in sub clause (B) below.

iv. Any subsequent modifications thereto, shall require the prior approval of the Audit Committee and of the Board of Directors as required above.

The Audit Committee and the Board shall review and approve all Related Party Transactions based on this Policy. All proposed Related Party Transactions must be reported to the Audit Committee and the Board for their prior approval in accordance with this Policy.

In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Committee and Board may grant standing pre – approval / omnibus approval, details whereof are given in a separate section of this Policy.

In exceptional cases, where a prior approval is not taken due to an inadvertent omission or due to unforeseen circumstances, the Committee and the Board may ratify the transactions in accordance with this Policy.

In case of the following financial transactions:

A. Investments: To be made at the prevailing market price whenever the same is available, else pricing shall be calculated as per any approved method of valuation.

B. ICD’s: at the prevailing G-Sec rates.
   Exceptions: owing to business exigencies/commercial expediency i.e. protection of an existing investment or to ensure continuity of operations.
B. SHAREHOLDERS’ APPROVAL:

All the Material Related Party Transactions falling under the Listing agreement, being stricter, shall require approval of the shareholders through ordinary resolution, besides being approved by the Audit Committee and by the Board of Directors and the Related Parties shall abstain from voting on such resolution.

All the Material Related Party Transactions falling under the Companies Act, 2013, being stricter and which are not in the Ordinary Course of Business or not at Arms’ Length shall require prior approval of the shareholders through ordinary resolution, besides being approved by the Audit Committee and by the Board of Directors at a meeting of the Board, and the Related Parties shall abstain from voting on such resolution.

4.1 IDENTIFICATION OF RELATED PARTY TRANSACTIONS

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:

1. Names of his / her Relatives;
2. Partnership firms in which he / she or his / her Relative is a partner;
3. Private Companies in which he / she is a member or Director;
4. Public Companies in which he / she is a Director and holds along with his/her Relatives more than 2% of paid up share capital;
5. 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
6. 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).
7. Every Director and the Key Managerial Personnel will also be responsible to 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.

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

1. All Directors and Key Managerial Personnel;
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 or Key Managerial Personnel of the holding company or their Relatives;
6. All MCX Group entities;
7. Promoters/ other shareholders holding more than such percentage as may be specified by the Audit Committee from time to time; and
8. Any other entity which is a Related Party as defined under Section 2(76) of the Companies Act, 2013 read with Clause 49 of the Listing Agreement or the relevant Accounting Standard or such other Rules/Guidelines/directions issued under Forward Contracts (Regulation) Act, 1952 by FMC, from time to time.

The database shall be updated whenever necessary and shall be reviewed at least once a year jointly by the Company Secretary and Chief Financial Officer. The functional / business heads / Chief
Financial Officer /Company Secretary/ shall have access to the updated database.

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

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.

The Company Secretary in consultation with the Chief Financial Officer may refer any potential related party transaction 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 Company Secretary will take it up for necessary approvals under this Policy.

4.2 REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

All Related Party Transactions shall be subject to the prior approval of the Audit Committee and the Board whether at a meeting (in case of transactions which are not in the Ordinary Course of Business or not at Arms' Length) or by resolution by circulation and/or through electronic mode. A member of the Committee/Board who (if) has a potential interest in any Related Party Transaction will not remain present at the meeting or abstain from discussion and voting on such Related Party Transaction and shall not be counted in determining the presence of a quorum when such Transaction is considered.

4.2.1 CONSIDERATION BY THE COMMITTEE IN APPROVING THE PROPOSED TRANSACTIONS

While considering any transaction, the 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 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 Related Party Transaction 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 Related Party Transaction and the nature of alternative transactions, if any;

c. Whether the Related Party Transaction 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 Related Party Transaction 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 Related Party Transaction 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 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 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.

Notwithstanding the foregoing, the following Related Party Transactions shall not require prior approval of Audit Committee and Board or Shareholders:

i. Transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

ii. 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.

iii. 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.

4.2.2 APPROVAL BY CIRCULAR RESOLUTION OF THE COMMITTEE

In the event the Company Management determines that it is impractical or undesirable to wait until a meeting of the Committee to enter into a Related Party Transaction, such transaction may be approved by the Committee and/or the Board by way of circular resolution in accordance with this Policy and statutory provisions for the time being in force. Any such approval must be ratified by the Committee/Board meeting at its next scheduled meeting.

4.2.3 STANDING PRE-APPROVAL / OMNIBUS APPROVAL BY THE COMMITTEE AND BOARD

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

Material criteria and ingredients for justification of Omnibus approval:
The Audit Committee, for satisfying its need for omnibus approval, shall consider the following material criteria.

Transactions other than transfer of penalties to MCX (Client) IPF:
1. 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.
2. Justification for the need of omnibus approval
3. 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
4. The maximum value of the transaction, in aggregate, shall not exceed Rs. 1.50 crore.
5. The maximum value per transaction shall not exceed Rs. 0.25 crore

**IPF related penalties** *(Need for related party transaction is foreseen, however the exact amount is not available):*

1. Repetitive transactions: Transactions related to transfer of penalties to Multi Commodity Exchange Investor (Client) Protection Fund Trust which is frequent / regular / repetitive arising out of the applicable laws or the Rules, Bye-laws or Business Rules of MCX as applicable from time to time.
2. Justification for the need of omnibus approval
3. 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

(1) The Audit Committee shall consider the following for making the omnibus approval:

- (a) maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
- (b) the maximum value per transaction which can be allowed;
- (c) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
- (d) review, at such intervals as the Audit Committee may deem fit, transaction entered into by the company pursuant to each of the omnibus approval made;
- (e) transactions which cannot be subject to the omnibus approval by the Audit Committee.

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

While granting the approval the Audit Committee and/or the Board shall satisfy itself of the need for the omnibus approval and that same is in the interest of the Company.

The omnibus approval shall specify the following:

- a. Name of the related party
- b. Nature of the transaction
- c. Period of the transaction
- d. Maximum amount of the transactions that can be entered into
- e. Indicative base price / current contracted price and formula for variation in price, if any
- f. Such other conditions as the Audit Committee and the Board may deem fit.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee and the Board 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 a prior approval of the Committee and the Board.

Further, where the need of the related party transaction cannot be foreseen and all prescribed details are not available, Committee and the Board may grant omnibus approval subject to the value per transaction not exceeding Rs.1,00,00,000/- (Rupees One Crore only). The details of such transaction shall be reported at the next meeting of the Audit Committee and Board for ratification or The Audit Committee and Board shall review, atleast on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given.

Further, the Committee shall on a quarterly basis review and assess such transactions including the limits to ensure that they are in compliance with this Policy. The omnibus approval shall be valid for a period of one year and fresh approval shall be obtained after the expiry of one year.
4.2.4 RELATED PARTY TRANSACTIONS NOT PREVIOUSLY APPROVED

In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, the transaction shall be placed as promptly as practicable before the Committee and the Board or the Shareholders as may be required in accordance with this Policy for review and ratification.

The Committee and the Board or the Shareholders shall consider all relevant facts and circumstances respecting such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision, or termination of such transaction, and the Company shall take such action as the Committee and the Board deems appropriate under the circumstances.

4.3 DISCLOSURE AND REPORTING OF RELATED PARTY TRANSACTIONS

Every Related Party Transaction entered into by the Company shall be referred to in the Board's report to the shareholders along with justification for entering into such transaction. The Company Secretary and the Chief Financial Officer shall be responsible for such disclosure. The Company Secretary shall also make necessary entries in the Register of Contracts required to be maintained under the Companies Act, 2013.

5. SYSTEM ENABLED TRACKING OF RELATED PARTIES AND TRANSACTIONS

The existing process and controls with respect to identification of Related Parties and execution of RPTs shall be enabled in the System to the extent feasible. The existing system shall be customized to enable tagging of related parties in the vendor/customer master. Also the list of related parties and transaction shall form part of internal audit’ scope.

6. SCOPE LIMITATION

In the event of any conflict between the provisions of this Policy and of the Listing Agreement / Companies Act, 2013 or Forward Contracts (Regulation) Act, 1952 any other statutory enactments, rules, guidelines, directions issued by FMC or otherwise, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules, guidelines, directions shall prevail over this Policy.

7. DISSEMINATION OF POLICY

Either 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 the intra-net and website of the Company and web link thereto shall be provided in the annual report of the Company.
NOTICE OF INTEREST BY DIRECTOR / KEY MANAGERIAL PERSONNEL

To,
The Company Secretary/Compliance Officer
Multi Commodity Exchange 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:

<table>
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<tr>
<th>Sr. No.</th>
<th>Name of the Companies/Bodies Corporate/Firms/Association of Individuals</th>
<th>Nature of Interest or concern / Change in Interest or Concern</th>
<th>Shareholding</th>
<th>Date on which Interest or Concern arose/changed</th>
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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:

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<tr>
<th>Sr. No.</th>
<th>Name of the Body Corporate</th>
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</tbody>
</table>

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.)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of the Person</th>
<th>Relation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Signature
Place: 
Date: 
Name: 
Designation:
## LIST OF RELATIVES

<table>
<thead>
<tr>
<th>No.</th>
<th>Relationship</th>
<th>Full Name</th>
<th>Address</th>
<th>Shareholding in MCX</th>
<th>PAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Spouse</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Father (including Step-Father)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Son (including Step-son)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Daughter</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Daughter’s Husband</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Brother (Including Step-Brother)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Sister (Including Step-Sister)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Mother (including Step-Mother)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Son’s Wife</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Members of HUF</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ANNEXURE 2
INFORMATION TO BE PROVIDED TO THE AUDIT COMMITTEE AND/OR BOARD 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; and
15. Any other information relevant or important for the Committee / Board to take a decision on the proposed transaction.