



POLICY ON DETERMINING MATERIAL SUBSIDIARIES

TITLE:

This Policy shall be called 'Policy for determining Material Subsidiaries'.

COMMENCEMENT:

This Policy shall come into effect from 1st October 2014.

OBJECTIVE:

- a. This Policy is framed in accordance with the requirement of revised clause 49 of the listing agreement (including any amendments thereof) to be effective from 1st October 2014 and is intended to ensure correct identification of material subsidiary companies, so as to ensure proper compliance with provisions relating thereto.
- b. The Company is required to disclose the policy on its website and a web link thereto shall be provided in the Annual Report.

DEFINITIONS:

- I. In this policy, the following words shall have the meanings defined as follows
 - a. "Board" means the Board of Directors of MCX-SX Clearing Corporation Limited.
 - b. "Company" means MCX-SX Clearing Corporation Limited.
 - c. "Policy" means this Policy, as amended from time to time.
- II. Any word used in this policy and not defined herein but defined in the Companies Act, 2013 or rules made thereunder, SEBI Act or Rules and Regulations or circulars made thereunder, Listing Agreement or any other relevant legislation/law applicable to the Company shall have the same meaning ascribed to it in those enactments or other instruments.

POLICY:

- a. A subsidiary shall be considered as material if the investment of the Company in the subsidiary exceeds twenty percent of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated twenty percent of the consolidated income of the Company during the previous financial year.
- b. A "material non-listed Indian subsidiary" shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

AMENDMENTS:

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy, consistent with the applicable laws & regulatory requirements.