

NSE Clearing Limited
Policy for Determination of Materiality of Events / Information

Name of Policy	Policy for Determination and Disclosure of Materiality of Events / Information
Description of Policy	Determination of Materiality of events / information for Disclosures to be made by the Company
Policy applies to	NSE Clearing Limited
Policy status	Revision of existing policy

Approval authority	Board
Policy Owner	Mr. Ravin Tank, Company Secretary

Last Approval date	July 18, 2025
Frequency of review and approval	Annually

Revision History:

Version	Revision Date	Nature and Reasons of Change	Approved by
1	November 06, 2019	Policy was approved by the Board.	Board of Directors
2	January 30, 2022	Policy was reviewed in order to streamline and aligned with the requirements of the SEBI Listing Regulations read with circulars issued thereunder and NSE group Policy	Board of Directors
3	January 30, 2023	Policy was reviewed in order to streamline and aligned with the requirements of the SEBI Listing Regulations read with circulars issued thereunder and NSE group Policy	Board of Directors
4	July 21, 2023	Policy was reviewed in order to streamline and aligned with the requirements of the SEBI Listing Regulations read with circulars issued thereunder and NSE group Policy	Board of Directors
5	August 02, 2024	Reference of certain Disclosure to be made in website within 12 hours has been added as per SEBI circular Further, modification has been made by inserting below clause: Key	Board of Directors

		principles in determining materiality, a paragraph is inserted about any events listed in Part A of Schedule III of Listing Regulations, if decisions, is made at a Board Meeting, the same shall be disclosed within 30 minutes from the closure of such meeting.	
6	July 18, 2025	Policy was reviewed and amended in order to align with NSE group level policy and to carry out the Minor cosmetic changes.	Board of Directors

NSE CLEARING LIMITED

‘Policy for Determination and Disclosure of Materiality of Events and Information’

1. Scope and Purpose

NSE Clearing Limited (the “NCL/Company”) is a recognized Clearing Corporation. Regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (“SCR (SECC) Regulations 2018”) provides that the disclosure requirements and corporate governance norms as specified for listed companies shall mutatis mutandis apply to a recognised clearing corporation.

Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (hereinafter referred to as “Listing Regulations”), mandates disclosure of any events or information which, in the opinion of the Board of Directors (“Board”) of NCL, is material, as one of the conditions of disclosure of Corporate Governance norms.

In terms of Regulation 30 (4) (ii) of the Listing Regulations, the Board of the Company, is required to formulate and adopt a ‘Policy for Determination of Materiality of Events and Information’ and disseminate the same on the website of the Company. Further, Securities and Exchange Board of India (SEBI) vide Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 read with Circular No. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024, prescribes disclosure requirements under regulations 30 and 30A of the Listing Regulations, which are as under:

- (i) the details that need to be provided while disclosing events given in Part A of Schedule III;
- (ii) the timeline for disclosing events given in Part A of Schedule III;
- (iii) guidance on when an event / information can be said to have occurred for disclosures under Regulation 30 of the Listing Regulations; and
- (iv) guidance on the criteria for determination of materiality of events / information.

This policy for determination of materiality shall not dilute any requirement specified under the provisions of the Listing Regulations. This policy for determination of materiality shall assist the relevant employees of the Company in identifying any potential material event or information and reporting the same to the authorized Key Managerial Personnel, for determining the materiality of the said event or information and for making the necessary disclosures under the Listing Regulations.

2. Applicability

This Policy for Determination of Materiality of Events and Information shall be applicable and binding on the Company.

It is clarified that the term 'company' as referred in this policy shall mean NSE Clearing Limited ("NCL").

3. Key principles in determining materiality

The Listing Regulations have not only provided for the manner in which details of events / information relating to the affairs of the Company is required to be disclosed to the Stock Exchanges, but also the nature thereof and the time within which it must be disclosed, detailed as under-

- i. Events / Information which are material in terms of the provisions of the Listing Regulations shall be mandatorily disclosed, as soon as reasonably possible and in any case not later than the following:
 - a. 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. However, 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 listed entity shall disclose the decision pertaining to the event or information, within three hours from the closure of the board meeting.
Explanation: Normal trading hours shall mean time period for which the recognized stock exchanges are open for trading for all investors.
 - b. twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity.
 - c. twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity.
- ii. Events listed in Para A of Part A of Schedule III of the Listing Regulations shall be mandatorily disclosed by the Company, without any application of the guidelines for materiality, within the timelines specified above, subject to applicable regulatory requirements as may be prescribed from time to time in this regard. Events listed in Para B of Part A of Schedule III of Listing Regulations shall be disclosed based on application of the guidelines for materiality, as specified in sub-regulation (4) of regulation 30 of the Listing Regulations.

In case the material event or material information emanates from a decision taken in a meeting of the Board of Directors, the same shall be disclosed within thirty minutes or three hours, as applicable, from the closure of such meeting, as per

Listing Regulations. The intimation of outcome of meeting of the Board of Directors shall also contain the time of commencement and conclusion of the meeting.

4. Criteria for Determination of Materiality of Events / Information:

Materiality has to be determined on a case-to-case basis depending on specific facts and circumstances relating to the information / event. The criteria for determination of materiality of events / information is specified in regulation 30(4) of the Listing Regulations, which is as under:

- a) Where the omission of an event or information is likely to result in discontinuity or alteration of the event or information already available publicly; or
- b) Where 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) Where 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;”

In respect to the above, the average of absolute value of profit or loss is required to be considered by disregarding the ‘sign’ (positive or negative) that denotes such value as the said value / figure is required only for determining the threshold for ‘materiality’ of the event and not for any commercial consideration.

Where the criteria specified in sub-clauses (a), (b) and (c) above are not applicable, an event / information may be treated as being material, if in the opinion of the Board of the Company, the event / information is deemed fit to be considered material, for onward disclosure on the website. The Board of Directors do hereby authorize the Managing Director & CEO, Chief Financial Officer of the Company to make such determination.

5. Authority to determine materiality of any event / information

The Managing Director & CEO in consultation with the Chief Financial Officer of the Company has been authorized by the Board to determine whether or not an event / information could be considered as material for the purpose of disclosing it on the website.

Further, for administrative convenience, the Managing Director & CEO or the Chief Financial Officer or the Company Secretary of the Company, have been authorized by the Board to disclose details of material events / information, on the website and to respond to any queries that may be raised in respect thereof.

6. Review of the Policy

This Policy shall be reviewed at least annually or pursuant to any amendments to the Listing Regulations from time to time or for any reason as deemed appropriate by the Managing Director & CEO and the Chief Financial Officer.

The Managing Director & CEO of the Company has been authorized to carry out necessary changes to this Policy, as and when the same are necessitated, pursuant to any regulatory change. The aforesaid changes carried out by the Managing Director & CEO of the Company shall be ratified by the Board of Directors of the Company in their subsequent Board Meeting.

In any circumstance where the terms of this Policy differ from any existing or enacted law, rule, regulation governing the Company, the law, rule or regulation will take precedence over the provisions of this Policy.
