

MCX/SEC/2398

July 27, 2024

The Dy. General Manager
Corporate Relations & Service Dept.,
BSE Limited,
PJ Towers,
Dalal Street,
Mumbai 400001.

Scrip Code: 534091, Scrip Name: MCX

Sub.: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

We wish to inform you that the Board of Directors at their meeting held today, *inter-alia*, has approved further investment in its Associate Company namely India International Bullion Holding IFSC Ltd. (IIBH) by subscribing to the Rights Issue of 20 crore equity shares of Rs. 1/- each at par amounting to Rs. 20 crore, such that the investment of the Exchange in IIBH, shall be subject to the maximum of 20% of the paid-up capital of IIBH and the investment shall be subject to receipt of approval from SEBI.

The details required pursuant to SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 is enclosed as **Annexure A**.

This intimation will also be made available on the website of the Company at <https://www.mcxindia.com>

Kindly take the above information on record.

Thanking you,

Yours faithfully,

For Multi Commodity Exchange of India Limited

Manisha Thakur
Company Secretary

Annexure A

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Sr. No	Details of events that need to be provided	Description
1.	Name of the Target entity and details of the Target entity (Size & turnover, etc);	India International Bullion Holding IFSC Ltd. is an unlisted public company with turnover of Rs. 22,95,66,610 as on March 31, 2024
2.	Industry to which the entity being acquired belongs	The India International Bullion Holding IFSC Ltd. (IIBH) is the Holding Company that further has two wholly owned subsidiaries- both Market Infrastructure Institutions (MII) under Regulation of International Financial Services Centres Authority (IFSCA) based in GIFT City, Gujarat, namely India International Bullion Exchange IFSC Ltd.(IIBX) and India International Depository IFSC Ltd.(IID). IIBX functions as an Exchange cum Clearing Corporation, whereas IID functions as a depository
3.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/promoter group/ group companies have any interest in the entity being acquired? (if yes, nature of interest and details thereof and whether the same is done at “arm’s length”)	The current investment falls under the purview of the transaction with related parties and the transaction is at arm’s length. No, the company does not have any promoter or promoter group.
4.	Objects and Impact of the acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	MCX is a leading commodity derivatives Exchange with largest market share of the bullion derivatives segment- both futures and options and has presence of bullion value-chain participants by way of risk management and delivery-based participation. MCX prices are used as a national reference by the value-chain to quote while transacting.

		<p>Physical transactions are hedged via MCX futures and options contracts by value-chain participants, since MCX prices provide a hedge against international price movements, currency rate fluctuations as well as changes in duty tariff. MCX futures contracts of various denominations are of compulsory delivery logic and at the end of each contract there is delivery period provision. Overall 140 MT of Gold and over 4000 MT of Silver have been delivered via MCX contracts since inception. This is a seamless linkage between spot-futures markets which has become a norm in the bullion ecosystem.</p> <p>There are only two existing examples of successful spot exchanges for gold globally-the Shanghai Gold Exchange (SGE) in China and Borsa Istanbul in Turkey.</p> <p>However, India is a country with second largest demand of Gold globally and hence it is felt it should play a strategic role in price discovery at its doorstep rather than at other global financial hubs.</p> <p>Therefore, the presence of IIBX-a bullion spot exchange and MCX brings synergies and greater market efficiencies for the betterment of the bullion and jewellery value-chain in India.</p>
5.	Brief details of any governmental or regulatory approvals	The Securities Exchange Board of India (SEBI) approval dated 25 th July 2024.
6.	Indicative time period for completion of the acquisition;	The allotment will be completed tentatively by August 13, 2024.
7.	Nature of consideration - whether cash consideration or share swap and details of the same	Cash consideration
8.	Cost of acquisition and/or price at which shares are acquired	20 crore equity shares of Re. 1/- each at par amounting to Rs. 20 crore.
9.	Percentage of shareholding / control acquired and / or number of shares acquired;	Percentage of shareholding post acquisition - Not more than 20%.
10.	Brief background about the entity acquired in terms of products/line	India International Bullion Holding IFSC Limited is an unlisted public company

<p>of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)</p>	<p>incorporated on 04 June, 2021. It is classified as a public limited company and is located in Gandhinagar, Gujarat and received registration as Finance Company from International Financial Services Centres Authority (IFSCA) on August 09, 2021.</p> <p>India's bullion market is one of the largest in the world, the second largest in terms of consumption and holds an important position globally. As a prominent market, India has always aspired to be a price setter for the bullion. A bullion spot exchange is expected to eliminate market inefficiencies by aiding traceability, transparency, organised trade practices and give India its rightful place in the world bullion market as a price-setter for bullion.</p> <p>Pursuant to Memorandum of Understanding, a consortium was created for setting up the holding company India International Bullion Holding IFSC Limited (IIBH) for operationalizing India International Bullion Exchange, Bullion Clearing Corporation and Depository in IFSC, GIFT City. IIBH has set up the Bullion Exchange and Depository through its subsidiaries, India International Bullion Exchange IFSC Limited (IIBX), and India International Depository IFSC Limited (IID) encompassing the Bullion Exchange, Bullion Clearing Corporation and Depository functions at GIFT IFSC.</p> <p>Last three financial year wise Turnover of IIBH is given below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Sr. No</th> <th style="width: 40%;">Financial Year</th> <th style="width: 50%;">Consolidated Turnover of IIBH (Rs.)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">2021-22</td> <td style="text-align: right;">14,47,400</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">2022-23</td> <td style="text-align: right;">4,11,74,850</td> </tr> <tr> <td style="text-align: center;">3</td> <td style="text-align: center;">2023-24</td> <td style="text-align: right;">22,95,66,610</td> </tr> </tbody> </table>	Sr. No	Financial Year	Consolidated Turnover of IIBH (Rs.)	1	2021-22	14,47,400	2	2022-23	4,11,74,850	3	2023-24	22,95,66,610
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