



NATIONAL COMMODITY CLEARING LIMITED

Registered Office: First Floor, Ackruti Corporate Park, L. B. S. Road,
Kanjurmarg West, Mumbai 400 078
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Email: rahul.poojari@nccl.co.in
Website: www.nccl.co.in
CIN: U74992MH2006PLC163550

NOTICE OF FOURTEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fourteenth Annual General Meeting (“AGM”) of Members of National Commodity Clearing Limited (“NCCL” / “the Company”) will be held on Thursday, August 6, 2020 at 10.00 a.m. through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), to transact the following business. The venue of the AGM shall be deemed to be the Registered Office of the Company at NCCL Board room, 1st Floor, Ackruti Corporate Park, L. B. S. Road, Kanjur Marg West, Mumbai – 400078.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2020, together with the reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT the audited financial statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon laid before this 14th Annual General Meeting, be and are hereby considered and adopted.”

2. To appoint a Director in place of Mr. Atul Roongta (DIN: 07878061), who retires by rotation and, being eligible, offers himself for re-appointment, subject to approval of SEBI and to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Atul Roongta (DIN: 07878061), who retires by rotation at this 14th Annual General Meeting and being eligible offers himself for re-appointment, be re-appointed as a Director of the Company under 'Shareholder Director' category liable to retire by rotation, subject to approval of SEBI.”

SPECIAL BUSINESS:

3. To alter the Articles of Association of the Company and to pass with or without modification(s) the following resolution as a **Special Resolution**:

"RESOLVED THAT, pursuant to the provisions of Section 5 read with Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and rules made thereunder, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, as amended, the relevant circulars issued by Securities and Exchange Board of India thereby and subject to the approval of Securities and Exchange Board of India, the consent of the Company, be accorded for the proposed alterations to the Articles of Association of the Company, details of which are provided in the Explanatory Statement enclosed with the notice to the members for this 14th Annual General Meeting, and adoption of the altered Articles of Association of the Company."

"RESOLVED FURTHER THAT Mr. Rajiv Relhan (DIN: 07214524), Managing Director & CEO, Ms. Hemalatha S, Chief Legal & Compliance Officer, Ms. Komal Shahani, Chief Financial Officer and Mr. Rahul Poojari, Company Secretary of the Company be and are hereby severally authorised to finalise the proposed alterations to the Articles of Association of the Company (including incorporating any changes as may arise out of public comments or regulatory requirement or as may be deemed fit by the Board of Directors), to file the necessary application with the regulatory authorities, to settle all questions, difficulties or doubts that may arise, to submit such other documents and information as may be required by any regulatory authority, to accept on behalf of the Company such conditions and modifications as may be prescribed or imposed by any regulatory authority, to engage in any other communication with any regulatory authority and to publish necessary gazette notifications, if so required, for and in connection with the proposed alterations to the Articles of Association of the Company, as may be required under the applicable laws, to file necessary forms with the Registrar of Companies, to comply with all other requirements under the applicable laws in this regard and do all such acts, deeds, matters and things relating to the proposed alterations to the Articles of Association of the Company and adoption of altered Articles of Association of the Company."

**By Order of the Board of Directors
For National Commodity Clearing Limited**

sd/-
Rahul Poojari
Company Secretary
ICSI Membership No. ACS 23117

Date: June 5, 2020
Place: Mumbai

Registered Office:

1st Floor, Ackruti Corporate Park
L. B. S. Road, Kanjurmarg West,
Mumbai 400 078
CIN: U74992MH2006PLC163550

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ('AGM') through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of the AGM.
3. The process and manner for participating in AGM through VC is given below:

Member will be provided with a facility to attend the meeting through VC / OAVM through Cisco Webex system. A link will be provided to the members via an email to their registered email addresses to enable them to join the meeting. The members have to click on the link and join the meeting. It is recommended not to share the email containing the link for VC with any other person.

Members can participate in the AGM through smart phone / laptop, however, for better experience and smooth participation it is advisable to join the meeting through laptop connected through broadband.

For any query / assistance for participation in the AGM through VC / OAVM, the member is requested to contact the Company Secretary at 9833852164.

4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form is not annexed to this Notice.
5. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("Act"), in relation to the items of Special Business in the Notice is annexed hereto and forms part of this Notice. As required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Secretarial Standards on General Meetings, a brief profile of Mr. Atul Roongta is provided in item no. 2 of the explanatory statement, annexed to this Notice.

6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote in the meeting. The said Resolution/Authorization shall be sent to the Company Secretary by email through its registered email address to rahul.poojari@nccl.co.in.
7. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
8. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before August 4, 2020 through email on rahul.poojari@nccl.co.in. The same will be replied by the Company suitably.
9. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.nccl.co.in.
10. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
11. In case, a poll is required to be taken during the meeting on any resolution, the Members are requested to convey their vote by sending an email through their registered email address to the Company at rahul.poojari@nccl.co.in.
12. Members holding shares in demat mode are requested to register their email ID's with their respective DP in case the same is still not registered. In respect of holding in electronic form, Members are requested to notify any change of email ID or bank mandates or address to their Depository Participants.
13. The Register of Members and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email through their registered email address to the Company Secretary at rahul.poojari@nccl.co.in.
14. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

EXPLANATORY STATEMENT
(Pursuant to Section 102 (1) of the Companies Act, 2013)

Item No. 2

Mr. Atul Roongta (DIN: 07878061) retires by rotation at the ensuing 14th Annual General Meeting ('AGM') and is eligible for re-appointment.

Mr. Atul Roongta, aged 49 years, of Indian Nationality, was appointed as an Additional Director by the Board of Directors on January 16, 2018. The Members of the Company at their meeting held on February 12, 2018 appointed Mr. Roongta as a Director of the Company. Securities and Exchange Board of India ('SEBI') also approved his appointment as a 'Shareholder Director' vide its letter dated May 10, 2018. He was liable to retire by rotation at the 12th AGM held on September 24, 2018 and was re-appointed as the Shareholder Director of the Company by the Members at the 12th AGM. Subsequently, SEBI also approved his re-appointment as the Shareholder Director of the Company vide its letter dated October 17, 2018.

Further, he was liable to retire by rotation at the 13th AGM held on August 6, 2019 and was re-appointed as the Shareholder Director of the Company by the Members at the 13th AGM. Subsequently, SEBI also approved his re-appointment as the Shareholder Director of the Company vide its letter dated September 26, 2019. His office is liable for retire by rotation at this ensuing 14th AGM of the Company.

Mr. Roongta is the Chief Financial Officer of National Commodity & Derivatives Exchange Limited ('NCDEX'), the holding Company and is responsible for Finance, HR, Legal, Secretarial and Administration functions. He is a meritorious Chartered Accountant with over 25 years of work experience. Mr. Roongta is an accomplished and versatile management professional with extensive Startup, Business expansion and P&L management roles. He is a finance professional with strong qualifications as a key advisor and decision maker, driven by solid analytical skills. He has demonstrated ability to set up new businesses, drive growth strategies and streamline business operations to increase efficiency, reduce costs and improve P&L scenario. He possesses solid leadership, communication and interpersonal skills to establish rapport with all levels of staff, management, shareholders and the Board. In the past, Mr. Roongta has worked with BOI AXA Investment Managers as the Chief Operating Officer between 2011 and 2017, Bharti AXA Life Insurance as Senior Vice President Finance between 2005 and 2011, with KPMG Consulting and Deloitte Touche Tohmatsu in their Management Consulting Practice between

1998 and 2005 and with Enam Financial Consultants in Equity Research and Investment Banking between 1994 and 1998.

Mr. Roongta attended 6 Board Meetings during the financial year 2019-20. He holds one equity share of the Company jointly with National Commodity & Derivatives Exchange Limited. He was paid no remuneration during financial year 2019-20. No sitting fees is paid to Mr. Roongta. He is not related to any other directors, manager and other Key Managerial Personnel of the Company.

Mr. Roongta is a director in the following other companies:

1. Power Exchange India Limited
2. NCDEX Institute of Commodity Markets & Research
3. NCDEX e Markets Limited

Mr. Roongta is also a member of the following Committees of the Company:

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Corporate Social Responsibility Committee

He also holds Chairmanship / Membership positions in the following other Companies:

1. Power Exchange India Limited:
 - a. Audit Committee – Member
 - b. Nomination & Remuneration Committee – Member
 - c. Corporate Social Responsibility Committee – Member
 - d. Finance Committee – Member
 - e. Membership Approval Committee - Member
2. NCDEX e Markets Limited:
 - a. Corporate Social Responsibility Committee – Member

Considering Mr. Roongta's knowledge and experience, it will be in the interest of the Company to re-appoint him as a Director of the Company at the ensuing AGM, subject to approval of SEBI and completion of procedural formalities relating to his appointment. The Board recommends the resolution at item no. 2 of the accompanying Notice for approval of the Members.

Except Mr. Roongta, none of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the passing of the resolution at item No. 2 relating to his appointment.

Item No. 3

The existing Articles of Association ("AOA") of the Company include provisions of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 ("SECC Regulations, 2012"). SEBI has notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("SECC Regulations, 2018") which have replaced / superseded the SECC Regulations, 2012 and circulars issued thereunder. Further, the Companies Act, 2013 has undergone change on account of majority of provisions of the Companies (Amendment) Act, 2017 becoming effective thereby amending the Companies Act, 2013.

Therefore, the Articles of Association is hereby proposed to be amended for inter alia conforming with the requirements of notified provisions of the Companies (Amendment) Act, 2017 and the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, as amended, the relevant circulars issued by Securities and Exchange Board of India ("SEBI") thereby, subject to the approval of SEBI.

The proposed amendments to the Articles of Association of the Company are as follows:

- (1) The Article 2 be amended as given here under words in bold be included:

The regulations for the management of the Company and for the observance by the Members thereof and their representatives, shall subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to its regulations by special resolution, or as prescribed by the Companies Act, 2013, be such as are contained in these Articles. No provision of the Articles of Association shall operate in contravention of any provisions of Securities Contracts (Regulation) Act, 1956, Securities Contracts Regulation Rules, 1957, Securities and Exchange Board of India Act, 1992 or any Rules or Regulations and Circulars etc., issued by SEBI from time to time. **The provisions of these Articles shall be subject to the applicable provisions of the Companies Act, 2013, and the rules made thereunder and any requirements of applicable law.**

- (2) The Article 3 (2) (I) be amended as given here under words in strike through mode be deleted:

"Control" shall have the same meaning as assigned to it under clause (e) of sub regulation (1) of regulation 2 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 or any mode.

(3) The Article 3 (2) (m) be amended as given here under words in bold be included and words in strike through mode be deleted:

~~"Debenture" includes Debenture Stock, bonds or any other instrument of a Company evidencing a debt, whether constituting a charge on the assets of the Company or not shall have the same meaning as assigned to it under Section 2 (30) of the Companies Act, 2013.~~

(4) The Article 3 (2) (v) be amended as given here under words in bold be included and words in strike through mode be deleted:

~~"Fit and proper" shall mean the Fit and proper criteria as laid down in the SCRA 1956, SEBI Act 1992, Depositories Act 1996 and any rules, regulations, circulars, guidelines or directions issued there under by SEBI in this regard under the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.~~

(5) The Article 3 (2) (y) be amended as given here under words in strike through mode be deleted:

~~"Independent Director" means a person as defined in Section 149(6) of the Act and shall include Public Interest Director as defined elsewhere. Public Interest Director means an independent director, representing the interests of investors in securities market and who is not having any association, directly or indirectly, which in the opinion of the SEBI, is in conflict with his role as such in the Clearing Corporation.~~

(6) The Article 3 (2) (bb) be amended as given here under words in strike through mode be deleted:

~~"Key Managerial Personnel" means key management personnel as defined under Regulation 2(1)(i) of SECC Regulations and includes any person defined as key managerial personnel defined under section 2 (51) of the Companies Act, 2013.~~

(7) The Article 3 (2) (oo) be amended as given here under words in bold be included and words in strike through mode be deleted:

~~"Foreign portfolio investor" shall have the same meaning as provided under Regulation 2 (1) (j h) of under the SEBI (Foreign Portfolio Investors) Regulations, 20194.~~

(8) The Article 3 (2) (rr) be amended as given here under words in strike through mode be deleted:

“Regulatory department” means a department of the Company ~~as per provisions contained in Procedural Norms~~ which is entrusted with regulatory powers and duties and includes such department as may be specified by SEBI.

(9) The Article 3 (2) (ww) be amended as given here under words in bold be included and words in strike through mode be deleted:

“SECC Regulations” means Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018~~2~~ and include any statutory modification or re-enactment thereof, Circulars and guidelines issued, for the time being in force.

(10) The Article 3 (2) (ccc) be amended as given here under words in bold be included and words in strike through mode be deleted:

“Shareholder director” shall have the same meaning as assigned to it under **Section 2 (1) (t f) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 SECC Regulations.**

(11) The Article 10 be amended as given here under words in bold be included:

Subject to the provisions of the Act and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit **and with the sanction of the Company in the General Meeting to give any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.**

(12) The Article 14 (d) be amended as given here under words in bold be included:

The Company shall not grant any sweat equity or grant options under such ESOP plan(s) to its directors and/or to its key managerial personnel **identified under the provisions of SECC Regulations.**

(13) The Article 23 be amended as given here under words in bold be included:

The Board may, from time to time, make calls upon the Members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

Provided further that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in a General Meeting.

Each Member shall, subject to receiving at least fourteen days notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

(14) The Article 47 be amended as given here under words in bold be included and words in strike through mode be deleted:

- (i) Notwithstanding anything contained in these Articles, no person shall, directly or indirectly, acquire or hold any equity shares **in or voting rights** of the Clearing Corporation unless he is a fit and proper person, as per **the** criteria prescribed by SEBI.
- (ii) Any person who, directly or indirectly, either individually or together with persons acting in concert, acquires ~~ing~~ equity shares **in or voting rights** of the Clearing Corporation, **that entitles the person(s) so acquiring to exercise any voting rights in the range of two percent to five percent, such that his shareholding in the Clearing Corporation exceeds two per cent of the paid up equity share capital of Clearing Corporation,** shall seek approval of SEBI within fifteen days of **such the** acquisition.

(iii) Any person eligible to acquire or hold more than five per cent of the paid up equity share capital under **Article 48 (ii) and (iii) sub-Article (ii) above (shareholding in Clearing Corporation)**, may acquire or hold more than five percent of the paid up equity share capital of **the** Clearing Corporation, only if, he has obtained **the** prior approval of SEBI.

(iv) If approval under sub-Article (ii) above is not granted by SEBI to any person, such person shall forthwith divest his **entire excess** shareholding **in the Clearing Corporation, if any.**

(v) Any person holding **more than** two per cent **or more** of the paid up equity share capital **in the** Clearing Corporation shall file a declaration with the Clearing Corporation within fifteen days from the end of every financial year that he complies with the fit and proper criteria prescribed by SEBI.

(vi) **Subject to applicable law**, in the event of any person ceasing to be a 'fit and proper person' or being declared so, by SEBI, such person shall forthwith divest his shareholding in the Clearing Corporation. Further, pending divestment of shares, the voting rights of such person in the Clearing Corporation shall stand extinguished and any corporate benefit in lieu of such holding shall be kept in abeyance /withheld by Clearing Corporation. The Clearing Corporation shall take necessary steps, as it may deem fit, so as to ensure that the shareholding of such person is divested forthwith.

For the purposes of these Articles, a person shall be deemed to be a fit and proper person, as per **the criteria prescribed under the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, (as applicable and amended from time to time and includes any re-enactment thereof) directives of SEBI, as amended from time to time and which, at present, are as follows**

(a) **such person has a general reputation and record of fairness and integrity, including but not limited to**

(i) **financial integrity;**
(ii) **good reputation and character; and**
(iii) **honesty;**

(b) **such person has not incurred any of the following disqualifications**

(i) **the person, or any of its whole time directors or managing partners, has been convicted by a Court for any offence involving moral turpitude or any economic offence, or any offence against the securities laws;**

- (ii) ~~an order for winding up has been passed against the person;~~
- (iii) ~~the person, or any of its whole time directors or managing partners, has been declared insolvent and has not been discharged;~~
- (iv) ~~an order, restraining, prohibiting or debarring the person, or any of its whole time directors or managing partners from dealing in commodity derivatives or securities or from accessing the commodity derivative or securities market, has been passed by SEBI or any other regulatory authority, and a period of three years from the date of the expiry of the period specified in the order has not elapsed;~~
- (v) ~~any other order against the person, or any of its whole time directors or managing partners, which has a bearing on the securities market, has been passed by SEBI or any other regulatory authority and a period of three years from the date of the order has not elapsed;~~
- (vi) ~~the person has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force; and~~
- (vii) ~~the person is financially not sound.~~

The question arising as to whether a person is a fit and proper person, the decision of SEBI in this behalf shall be final.

(15) The Article 48 including its heading be amended as given here under words in bold be included and words in strike through mode be deleted:

SHAREHOLDING IN A RECOGNISED CLEARING CORPORATION

(i) Atleast fifty one per cent of the paid up equity share capital of ~~a recognized the~~ Clearing Corporation shall be held by one or more recognized stock exchange(s):

Provided that no recognized stock exchange shall, directly or indirectly, either individually or together with persons acting in concert, acquire or hold more than fifteen per cent of the paid up equity share capital in more than one recognized clearing corporation.

(ii) No person resident in India, except a recognized stock exchange as permitted in sub-article (i) above, shall at any time, directly or indirectly, either individually or together with persons acting in concert, acquire or hold more than five per cent of the paid up equity share capital in ~~a recognized the~~ Clearing Corporation:

Provided that,—

- (i) a depository;
- (ii) a banking company;

- (iii) an insurance company; and
- (iv) a public financial institution,

may acquire or hold, either directly or indirectly, either individually or together with persons acting in concert, up to fifteen per cent of the paid up equity share capital of ~~a-recognized the Clearing Corporation.~~

- (iii) No person resident outside India shall, directly or indirectly, either individually or together with persons acting in concert, acquire or hold more than five per cent of the paid up equity share capital ~~in a-recognized of the Clearing Corporation.~~

Provided that,—

- (i) a foreign stock exchange;
- (ii) a foreign depository
- (iii) a foreign banking company;
- (iv) a foreign insurance company;
- (v) a foreign commodity derivatives exchange and
- (vi) a bilateral or multilateral financial institution approved by the Central Government,

may acquire or hold, either directly or indirectly, either individually or together with persons acting in concert, up to fifteen per cent of the paid up equity share capital of the Clearing Corporation.

- (iv) Subject to the limits as otherwise prescribed by the Central Government from time to time, the combined holding of all persons resident outside India in the paid up equity share capital of ~~a-recognized the Clearing Corporation~~ shall not exceed, at any time, forty-nine per cent of its total paid up equity share capital.
- (v) The Clearing Corporation shall monitor and at all times ensure compliance with the requirements and guidelines in this regard, issued by SEBI.
- (vi) (i) The shareholding or voting rights of any person in the ~~recognized~~ Clearing Corporation shall not exceed the limits specified in these Articles.
(ii) Further, the shareholding as specified in these Articles shall include any instrument owned or controlled, directly or indirectly, that provides for entitlement to equity or rights over equity at any future date.
- (vii) Without prejudice to the provisions of the SCRA, rules and SECC regulations, the Clearing Corporation shall disclose to SEBI, in the format specified by the SEBI,

shareholding pattern on a quarterly basis within fifteen days from the end of each quarter, including therein the following:—

- (a) the names of the ten largest shareholders along with the number and percentage of shares held by them;
- (b) the names of the shareholders falling under regulations ~~17 and 18~~ of SECC Regulations who had acquired shares in that quarter.

The Clearing Corporation shall monitor and ensure compliance with the foregoing requirements at all times.

- (viii) In addition to the requirements under other laws in force, the ~~recognised~~ Clearing Corporation shall maintain and preserve all the books, registers, other documents and records relating to the issue or transfer of its securities for a period of not less than ~~ten~~ **eight** years.

(16) The Article 73 be amended as given here under words in bold be included:

The new shares (resulting from an increase of capital as aforesaid) may, subject to the provisions of The Act and these Articles, be issued or disposed of by the Company in the General Meeting or by the Directors under their powers in accordance with these Articles and the following provisions:-

- 1.(a) Such new shares shall be offered to the persons who at the date of the offer are holders of the equity shares of the Company in proportion as nearly as circumstances admit to the capital paid-up on those shares at the date;
- (b) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer, within which the offer, if not accepted, will be deemed to have been declined;
- (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in clause (b) shall contain a statement of this right;
- (d) After the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the shares offered, the Board of Directors may dispose off them in such manner as they think most beneficial to the Company;

2. Nothing in clause (c) of sub-article (1) shall be deemed:-

- (a) to extend the time within which the offer should be accepted; or

- (b) to authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

3. Notwithstanding anything contained in sub-article (1), further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-article (1) hereof) in any manner whatsoever.

- a) If a special resolution to that effect is passed by the Company in general meeting, or
- b) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

4. Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company:

- (i) To convert such debentures or loans into shares in the Company; or
- (ii) To subscribe for shares in the Company.

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (a) Either has been approved by the Central Government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and
- (b) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the Company in General Meeting before the issue of the loans.

(17) The Article 82 be amended as given here under words in bold be included:

Any bonds, debentures, debenture stocks or other securities may be issued at a discount, premium or otherwise **and may be issued on condition that they shall be convertible into shares of any denomination** and with any special privileges as to redemption, surrender, drawing, allotment of shares, attending **(but not voting)** at General Meetings of the Company, appointment of Directors and otherwise. **Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.**

(18) The Article 126 be amended as given here under words in bold be included and words in strike through mode be deleted:

The Board shall include –

- (i) Public Interest directors;
- (ii) Shareholder directors; and
- (iii) Managing Director.

Notwithstanding anything to the contrary contained in these Articles, SECC Regulations, directives issued by SEBI, Circulars issued from time to time with regard to composition of the Board, general requirements related to manner of appointment of directors, key management personnel, 'code of conduct for Directors and key management personnel' and other incidental and consequential matters relating to governance of the Company shall be complied with.

The manner of election, appointment, tenure, resignation, vacation etc. of Directors shall be governed by the Companies Act, 2013, **the** SECC Regulations, **the** directives issued by SEBI and **the** Circulars issued from time to time.

- (1) The number of public interest directors **on the Board of Directors of a recognised the Clearing Corporation shall not be less than two-third, and shareholder directors shall not exceed one third, of its Board the number of shareholder directors.**
- (2) The managing director shall be **an ex officio director on the Board of Director and shall not be included in either the category of public interest directors or included in the category of shareholder directors.** Any employee of the Clearing Corporation may be appointed on the Board of Directors in addition to the managing director, and such director shall be deemed to be a shareholder director. **At least one public interest director shall be present in the meetings of the Board of Directors to constitute the quorum. The number of public interest directors in a meeting shall not be less than the number of shareholder directors to constitute the quorum for the meeting of the Board of Directors.**

- (3) The persons to be appointed as Directors should satisfy the criteria of "fit and proper person" as prescribed by SEBI.
- (4) No **trading member or** clearing member, or their associates and agents, **irrespective of the stock exchange / clearing corporation of which they are members**, shall be on the Board of Directors of the Clearing Corporation.
- (5) No foreign portfolio investor shall have any representation in the Board of Directors of the Clearing Corporation.

(19) The Article 127 (a) 1 be amended as given here under words in bold be included and words in strike through mode be deleted:

The public interest directors on the Board of Directors of the Clearing Corporation shall be nominated by the SEBI. ~~Public interest directors shall be nominated for a fixed term of three years, or for such extended period, as may be approved by SEBI. Public interest directors shall be nominated for a term of three years, extendable by another term of three years, subject to performance review in the manner as may be specified by SEBI. After the expiry of term(s) at recognised stock exchange or recognised clearing corporation, a public interest director may be nominated for a further term of three years in another recognised stock exchange or recognised clearing corporation or depository, only after a cooling-off period of one year.~~ If any issue arises as to whether an assignment or position of a public interest director is in conflict with his role, the SEBI's decision shall be final. ~~A public interest director may be renominated after a cooling-off period of one year or such period as the SEBI may deem fit in the interest of the securities market.~~ Public interest directors shall be paid only sitting fees as specified in the Companies Act, 2013.

(20) The Article 127 (a) 3 be amended as given here under words in bold be included and words in strike through mode be deleted:

The Clearing Corporation shall ensure that public interest directors are selected from diverse field of work. While deciding to propose a particular person as a public interest director, the Clearing Corporation shall also take into account the following factors:

- a) Qualification in the area of law, finance, accounting, economics, management, administration or any other area relevant to the financial markets.
- b) Atleast one person may be inducted having experience and background in finance / accounts who may preferably be inducted in the audit committee.
- c) Persons currently holding positions of trust and responsibility in reputed organisations or person who have retired from such positions.

d) Persons who are likely to have interested positions in commercial contracts and financial affairs of the Company, may be excluded. Also, persons who are regular traders/speculators in the market or are director in the board of the promoter entity of the **Exchange Clearing Corporation** shall be excluded.

(21) The Article 127 (a) 4 be amended as given here under words in bold be included:

Public interest directors shall not be simultaneously on the board of **the subsidiary of the Clearing Corporation or on the board of** any other Exchange/Clearing Corporation / **Depository** or their subsidiary.

(22) The Article 127 (a) 6 be amended as given here under words in bold be included and words in strike through mode be deleted:

In case of extension of the term of the public interest director or appointment of a new public interest director, the Clearing Corporation shall apply to SEBI two months before the expiry of the term. In addition to the other requirements prescribed, the application for extension of term of the public interest director shall be accompanied with, his attendance details on meetings of various mandatory committees and on the Board of Directors of the Clearing Corporation, ~~reasons for waiver of the cooling off period performance review and the reasons for extension of the term.~~

(23) The following new Article 127 (a) 9 be inserted after existing Article 127 (a) 8:

A person may be nominated as a public interest director for a maximum of three terms across recognised stock exchanges / recognised clearing corporation / depositories, subject to a maximum age limit of seventy five years.

(24) The following new Article 127 (a) 10 be inserted after new Article 127 (a) 9:

A public interest director shall not act simultaneously as a member on more than five committees of Clearing Corporation. The limitation on maximum number of committees that a public interest director can be member of shall be applicable only to statutory committees prescribed by SEBI under SECC Regulations.

(25) The following new Article 127 (a) 11 be inserted after new Article 127 (a) 10:

A public interest director shall keep the Board of Directors apprised of any conflict of interest, which may arise as a result of the public interest director providing services, either

directly or indirectly, to any trading member or clearing member or their associates and agents.

(26) The Article 128 be amended as given here under words in bold be included and words in strike through mode be deleted:

To comply with Guidelines of SEBI

- a. Every director of the Company shall abide by the Code of Conduct **as specified under Part A of Schedule II of SECC Regulations.**
- b. **Every director of the Company shall abide by the Code of Ethics as specified under Part B of Schedule II of SECC Regulations.**
- c. **Every director of the Company shall be a 'Fit & Person' person as specified under Regulation 20 of SECC Regulations.**

The Code of Conduct is as under;

i. Meetings and minutes

Every director of the Clearing Corporation shall—

- a) ~~not participate in discussions on any subject matter in which any conflict of interest exists or arises, whether pecuniary or otherwise, and in such cases the same shall be disclosed and recorded in the minutes of the meeting;~~
- b) ~~not encourage the circulation of agenda papers during the meeting, unless circumstances so require;~~
- c) ~~offer their comments on the draft minutes and ensure that the same are incorporated in the final minutes;~~
- d) ~~insist on the minutes of the previous meeting being placed for approval in subsequent meeting;~~
- e) ~~endeavour to have the date of next meeting fixed at each board meeting in consultation with other members of the board;~~

~~endeavour to ensure that in case all the items of the agenda of a meeting were not covered for want of time, the next meeting is held within fifteen days for considering the remaining items~~

ii. Code of Conduct for the public interest directors.

- a) ~~In addition to the conditions stated in Para (i) above, public interest directors of the Clearing Corporation shall, endeavour to attend all the board meetings and they shall be liable to vacate office if they remain absent for three consecutive meetings of the~~

~~board or do not attend seventy five per cent of the total meetings of the board in a calendar year.~~

~~b) Public interest directors shall meet separately, at least once in six months to Clearing Corporation views on critical issues.~~

iii. Strategic planning.

~~Every director of the Clearing Corporation shall—~~

- ~~a) participate in the formulation and execution of strategies in the best interest of the Clearing Corporation and contribute towards pro-active decision making at the board level;~~
- ~~b) give benefit of their experience and expertise to the Clearing Corporation and provide assistance in strategic planning and execution of decisions.~~
- ~~c) endeavour to ensure that the Clearing Corporation takes steps commensurate to honour the time limit stipulated by SEBI for corrective action;~~
- ~~d) not support any decision in the meeting of the board which may adversely affect the interest of investors and shall report forthwith any such decision to the SEBI.~~

vi. Regulatory compliances.

~~Every director of the Clearing Corporation shall—~~

- ~~a) endeavour to ensure that the Clearing Corporation abides by all the provisions of the Securities and Exchange Board of India Act, 1992, Securities Contracts (Regulation) Act, 1956, rules and regulations framed thereunder and the circulars, directions issued by SEBI from time to time;~~
- ~~b) endeavour compliance at all levels so that the regulatory system does not suffer any breaches;~~
- ~~c) endeavour to ensure that the Clearing Corporation takes steps commensurate to honour the time limit stipulated by SEBI for corrective action;~~
- ~~d) not support any decision in the meeting of the board which may adversely affect the interest of investors and shall report forthwith any such decision to the SEBI.~~

v. General responsibility.

~~Every director of the Clearing Corporation shall—~~

- ~~a) place priority for redressing investor grievances and encouraging fair trade practice so that the Clearing Corporation becomes an engine for the growth of the securities market;~~

- b) endeavour to analyse and administer the Clearing Corporation issues with professional competence, fairness, impartiality, efficiency and effectiveness;
- c) submit the necessary disclosures/statement of holdings/dealings in securities as required by the Clearing Corporation from time to time as per their Rules or Articles of Association;
- d) unless otherwise required by law, maintain confidentiality and shall not divulge/disclose any information obtained in the discharge of their duty and no such information shall be used for personal gains;
- e) maintain the highest standards of personal integrity, truthfulness, honesty and fortitude in discharge of their duties in order to inspire public confidence and shall not engage in acts discreditable to their responsibilities;
- f) perform their duties in an independent and objective manner and avoid activities that may impair, or may appear to impair, their independence or objectivity or official duties;
- g) perform their duties with a positive attitude and constructively support open communication, creativity, dedication, and compassion;
- h) not engage in any act involving moral turpitude, dishonesty, fraud, deceit, or misrepresentation or any other act prejudicial to the administration of the Clearing Corporation.

128. b. Every director and key management personnel of Clearing Corporation shall abide by the Code of Ethics as set out hereunder:

Code of Ethics

i. Objectives and underlying principles.

The Code of Ethics for directors and key management personnel of the Clearing Corporation seeks to establish a minimum level of business/ professional ethics to be followed by these directors and key management personnel, towards establishing a fair and transparent marketplace. The Code of Ethics is based on the following fundamental principles:

- Fairness and transparency in dealing with matters relating to the Clearing Corporation and the investors.
- Compliance with all laws/ rules/ regulations laid down by regulatory agencies/ the Clearing Corporation.
- Exercising due diligence in the performance of duties.
- Avoidance of conflict of interest between self interest of directors/ key management personnel and interests of the Clearing Corporation and investors.

ii. Ethics committee.

For overseeing implementation of this Code, an ethics committee shall be constituted by the Clearing Corporation under the respective Board of Directors.

iii. General standards.

- a) Directors and key management personnel shall endeavour to promote greater awareness and understanding of ethical responsibilities.
- b) Directors and key management personnel, in the conduct of their business shall observe high standards of commercial honour and just and equitable principles of trade.
- c) The conduct of directors and key management personnel in business life should be exemplary which will set a standard for other members of the Clearing Corporation.
- d) Directors and key management personnel shall not use their position to give/get favours to/from the executive or administrative staff of Clearing Corporation, technology or service providers and vendors of the Clearing Corporation.
- e) Directors and key management personnel shall not commit any act which will put the reputation of the Clearing Corporation, in jeopardy.
- f) Directors, committee members and key management personnel of the Clearing Corporation, should comply with all rules and regulations applicable to the securities market.

iv. Disclosure of dealings in securities by key management personnel of the Clearing Corporation.

- a) Key management personnel of the Clearing Corporation shall disclose on a periodic basis as determined by the Clearing Corporation (which could be monthly), all their dealings in securities, directly or indirectly, to the Board of Directors/ ethics committee/ Compliance Officer.
- b) The dealings in securities shall also be subject to trading restrictions for securities about which key management personnel in the Clearing Corporation may have non public price sensitive information. Requirement laid down under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 may be referred in this regard.

e) All transactions must be of an investment nature and not speculative in nature. Towards this end, all securities purchased must be held for a minimum period of sixty days before they are sold. However, in specific/exceptional circumstances, sale can be effected anytime by obtaining pre-clearance from the Compliance Officer to waive this condition after recording in writing his satisfaction in this regard.

Explanation.— "securities" for the purposes of this Code shall not include mutual fund units

v. Disclosure of dealings in securities by directors of the Clearing Corporation

- a) All transactions in securities by the directors and their family shall be disclosed to the Board Directors of the Clearing Corporation.
- b) All directors shall also disclose the trading conducted by firms/corporate entities in which they hold twenty per cent. or more beneficial interest or hold a controlling interest, to the Ethics Committee.
- c) Directors who are Govt. of India nominees or nominees of Govt. of India statutory bodies or financial institutions and are governed by their own codes shall be exempt from this requirement.

vi. Avoidance of conflict of interest.

- a) No director of the Board or member of any committee of the Exchange shall participate in any decision making/adjudication in respect of any person /matter in which he is in any way, directly or indirectly, concerned or interested.
- b) Whether there is any conflict of interest or not in a matter, should be decided by the Board of Directors.

vii. Disclosures of beneficial interest.

All directors and key management personnel shall disclose to Board of Directors, upon assuming office and during their tenure in office, whenever the following arises:

- a) any fiduciary relationship of self and family members and directorship/partnership of self and family members in any trading member or clearing member;

- b) shareholding, in cases where the shareholding of the director, directly or through his family exceeds 5 per cent. in any listed company or in other entities related to the securities markets;
- e) any other business interests.

viii. Role of the Chairperson and directors in the day to day functioning of the Clearing Corporation.

- a) The Chairperson and directors shall not interfere in the day to day functioning of the Clearing Corporation and shall limit their role to decision making on policy issues and to issues as the Board of Directors may decide.
- b) The Chairperson and directors shall abstain from influencing the employees of the Clearing Corporation in conducting their day to day activities.
- c) The Chairperson and directors shall not be directly involved in the function of appointment and promotion of employees unless specifically so decided by the Board of Directors.

ix. Access to information.

- a) Directors shall call for information only as part of specific committees or as may be authorised by the Board of Directors.
- b) There shall be prescribed channels through which information shall move and further there shall be audit trail of the same. Any retrieval of confidential documents/ information shall be properly recorded.
- c) All such information, especially which is non-public and price sensitive, shall be kept confidential and not be used for any personal consideration/ gain.
- d) Any information relating to the business/operations of the Clearing Corporation, which may come to the knowledge of directors/ key management personnel during performance of their duties shall be held in strict confidence, shall not be divulged to any third party and shall not be used in any manner except for the performance of their duties.

x. Misuse of position.

Directors/ committee members shall not use their position to obtain business or any pecuniary benefit in the organization for themselves or family members.

~~xi. Ethics committee to lay down procedures.~~

- ~~a) The ethics committee shall lay down procedures for the implementation of the code and prescribe reporting formats for the disclosures required under the code.~~
- ~~b) The Compliance Officer shall execute the requirements laid down by the ethics committee.~~

~~While the objective of this Code is to enhance the level of market integrity and investor confidence, it is emphasized that a written code of ethics may not completely guarantee adherence to high ethical standards. This can be accomplished only if directors and key management personnel of the Clearing Corporation commit themselves to the task of enhancing the fairness and integrity of the system in letter and spirit.~~

(27) The Article 130 (c) be amended as given here under words in bold be included and words in strike through mode be deleted:

~~The appointment of the managing director shall be for a tenure not less than three years and term not exceeding five years. After the completion of the term of a managing director, the Clearing Corporation shall, in accordance with the prescribed appointment process, appoint the managing director. A person may be appointed as the managing director by the Clearing Corporation for a maximum of two terms not exceeding five years each, subject to a maximum age limit of sixty five years.~~

(28) The Article 130 (d) be amended as given here under words in bold be included and words in strike through mode be deleted:

The managing director the Clearing Corporation shall not—

- (i) be a shareholder or an associate of a shareholder of the Clearing Corporation or shareholder of an associate of the Clearing Corporation;
- (ii) be a trading member or a clearing member, or his associate and agent, or shareholder of a trading member or clearing member or shareholder of an associate and agent of a trading member or a clearing member; or
- (iii) hold any position concurrently in the subsidiary of Exchange or **Clearing Corporation** or in any other entity associated with the Exchange or **Clearing Corporation**.

Provided that the managing director of the Clearing Corporation may be appointed on the Board of Directors, but not as Managing Director, of subsidiary of the Company or a recognised Clearing Corporation as the case may be.

(29) The Article 130 (g) be amended as given here under words in bold be included and words in strike through mode be deleted:

The **Nomination & Remuneration Committee of the** Clearing Corporation ~~shall constitute a Committee shall be responsible~~ for the selection of the CEO /Managing Director /Executive Director, as the case may be. The managing director shall be selected through an open advertisement **placed** in all editions of atleast one national daily from amongst persons qualified in the fields of capital market/ finance/ management and possessing sufficient experience. ~~In case of re-appointment, or extension the Clearing Corporation shall apply to SEBI~~ The Clearing Corporation shall forward the list of candidates for appointment to SEBI before two months before the last working day of such from the last working day of the existing Managing Director.

(30) The Article 130 (h) be amended as given here under words in bold be included and words in strike through mode be deleted:

In case a vacancy of managing director arises due to unforeseen reasons, the Clearing Corporation shall forward **the list of candidates the new names** to SEBI within 60 days from the date of submission of resignation or such vacation of office.

(31) The Article 130 (i) be amended as given here under words in bold be included and words in strike through mode be deleted:

At the time of seeking approval of SEBI for the appointment of the managing director, the Clearing Corporation shall seek approval for the compensation of the managing director from SEBI. The compensation of the Managing Director of a Clearing Corporation shall be in accordance with the following compensation norms stipulated by SEBI:

- (i) The variable pay component will not exceed one-third of total pay.
- (ii) 50% of the variable pay will be paid on a deferred basis after three years.
- (iii) ESOPs and other equity linked instruments in the Clearing Corporation will not form part of the compensation for the ~~key management personnel managing director~~.
- (iv) The compensation policy will have malus and clawback arrangements.

Apart from the above, the following shall also be taken into consideration:

- a. financial condition / health of the Clearing Corporation,
- b. average levels of compensation payable to employees in similar ranks,

- c. should not contain any provisions regarding incentives to take excessive risks over the short term,
- d. revenues, net profit of the Clearing Corporation,
- e. comparable to the industry standards,
- f. role and responsibilities of the managing director,
- g. periodic review

(32) The Article 134 (1) be amended as given here under words in bold be included:

The remuneration payable to Directors, including the Managing Director/ Whole time Director shall, subject to the applicable provisions of The Act, **SECC Regulations** and of these Articles and of any contract between him and the Company, be fixed by the Company in General Meeting from time to time, and may be by way of fixed salary and/or perquisites or commission on profits of the Company or participation in such profits, or by any or all these modes not expressly prohibited by The Act.

(33) The Article 149 (1) be amended as given here under words in bold be included:

No person, not being a retiring Director, shall be eligible for election to the Office of Director at any General Meeting, unless he or some other Member intending to propose him has, at least fourteen days before the meeting, left at the office a notice in writing under his hand signifying his candidature for the Office of Director or the intention of such Member, to propose him, as a candidate for that Office, as the case may be along with a deposit of such sum as may be prescribed which shall be refunded to such person, or as the case may be, to such Member, if the person succeeds in getting elected as a Director or gets more than such per cent of total valid votes as may be prescribed, cast either on show of hands or on poll on such resolution.

Provided that requirements of deposit of amount shall not apply in case of appointment of an independent director or a director recommended by the Nomination and Remuneration Committee.

(34) The Article 155 be amended as given here under words in bold be included and words in strike through mode be deleted:

The voting on a resolution in the meeting of the Board of Directors shall be valid only when the number of public interest directors who have cast their vote on such resolution is equal or more than the number of shareholder directors who have cast their vote on such resolution. The casting vote in the meetings of the Board of

~~Directors shall be with Questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes, the Chairman of the meeting (whether the Chairman appointed by virtue of these Articles or the Director presiding at such meeting) shall have a second or casting vote.~~

(35) The Article 156 be amended as given here under words in bold be included and words in strike through mode be deleted:

The quorum for meeting of the Board of Directors of the Company shall be one-third of its total strength (any fraction contained in that one-third being rounded off to the next one) or two Directors whichever is higher and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purpose of quorum; provided that where at any meeting, the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. ~~Further, atleast one Public Interest Director shall be present in meetings of the Board to constitute quorum. Further, the number of public interest directors shall not be less than the number of shareholder directors to constitute the quorum for the meeting of the board of directors.~~

Any Director participating through Electronic Mode in respect of restricted items with the express permission of Chairman shall however, neither be entitled to vote nor be counted for the purpose of Quorum in respect of such restricted items.

Provided that where there is quorum in a meeting through physical presence of directors, any other director may participate through video conferencing or other audio visual means in such meeting on restricted items.

Quorum shall be present throughout the Meeting. Quorum shall be present not only at the time of commencement of the Meeting but also while transacting business.

For the purpose of this Article:-

(1) "total strength" means the total strength of the Directors of the Company as determined in pursuance of the Act, after deducting there from the number of the Directors, if any, whose place may be vacant at the time ;

(2) "interested Director" means any Director whose presence cannot by reason of Article 140 or any other provision in the Act count for the purpose of forming a quorum at a meeting of the Board, at the time of the discussion or vote on any matter.

(36) The Article 159 be amended as given here under words in bold be included and words in strike through mode be deleted:

The Company shall constitute Committees as to ensure effective oversight of the functioning of the Clearing Corporation as mandated under the Companies Act, 2013, SEBI SECC Regulations and Circulars issued from time to time. Additionally, the Committees that are mandated for listed companies shall apply mutatis mutandis to Clearing Corporation. The Clearing Corporation shall lay down the policy for the frequency of meetings, quorum, etc., for the statutory committees. ~~The meeting shall be conducted with atleast one public interest director being present except in the case of oversight committees wherein minimum 50% of the public interest directors need to be present. The composition, terms of reference, frequency and quorum requirements of the Committees may be decided by the Board which shall be in line with the requirements of SECC Regulations and circulars issued by SEBI from time to time, the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable.~~ In the case of public interest directors committee, all public interest directors shall be present.

Independent external persons appointed to committees: **The Board may in case of the statutory committees mandated by SECC Regulations, appoint independent external persons as its member and also decide the remuneration or fees that may be payable to independent external persons so appointed on respective committees for their meetings.** The independent external persons shall be from amongst the persons of integrity, having a sound reputation and not having any conflicts of interests. They shall be specialists in the field of work assigned to the committee. **They shall not be associated in any manner with the Clearing Corporation and its members.** The Clearing Corporation shall frame the guidelines for appointment, tenure, code of conduct, etc., of independent external persons. Extension of the tenure may be granted at the expiry of the tenure, **subject to performance review in the manner prescribed by SEBI for public interest directors.** ~~pursuant to a review of the contribution, record of attendance at meetings, etc.~~ **The maximum tenure limit of independent external persons in a committee of the Clearing Corporation shall be at par with that of public interest directors as prescribed under SECC Regulations.**

~~The Clearing Corporation shall constitute the following Committees and such other Committees as may be statutorily required:-~~

Sr. No	Name of the Committee	Functions handled	Composition
Operational Committee			
1	Membership Selection Committee	Selection/ admission of members to the various segments of the clearing corporation	<p>(i) The public interest directors shall form a majority of the membership selection committee.</p> <p>(ii) A maximum of two key management personnel of the clearing corporation shall be on the committee one of which shall necessarily be the Managing Director of the clearing corporation.</p> <p>(iii) The committee may also include independent external persons.</p>
2	Disciplinary Action Committee	<ul style="list-style-type: none"> The Committee shall formulate the policy for regulatory actions including warning, monetary fine, suspension, deactivation of terminal, expulsion, to be taken for various violations by the members of the clearing corporation. Based on the laid down policy, the Committee shall consider the cases of violations observed during inspection, etc and impose appropriate regulatory measure on the members of the clearing corporation. While imposing the regulatory measure, the Committee shall adopt a laid down process, based on the 'Principles of natural justice' 	<p>i) The disciplinary action committee shall comprise of public interest directors and officials of the clearing corporation.</p> <p>(ii) The public interest directors shall form a majority of the committee.</p> <p>(iii) A maximum of two key management personnel of the clearing corporation shall be on the committee one of which shall necessarily be the Managing Director of the clearing corporation.</p>
3.	Grievance Redressal Committee (GRC)	To deal with the complaints referred to it by the Clearing corporation, hear the parties and resolve their complaints / disputes	<p>a) The clearing corporation may be guide by SEBI circular Ref. No. CIR/MRD/DSA/03/2012 dated January 20, 2012.</p> <p>b) The members of GRC shall not be associated with a clearing member in any manner.</p> <p>c) The disclosures and code of conduct prescribed under para 3.4 and 4 of SEBI circular Ref. No CIR/MRD/DSA/24/2010 dated August 11, 2010, shall be applicable, as far as may be, to members of GRC also.</p>

4	Defaulters' Committee/ SGF utilisation Committee	<ul style="list-style-type: none"> • To realize all the assets / deposits of the defaulter/ expelled member and appropriate the same amongst various dues and claims against the defaulter/ expelled member in accordance with the Rules, Byelaws and Regulations of the Clearing corporation. • Admission or rejection of claims of clients/trading members/clearing members over the assets of the defaulter/expelled member. • Recommendation in respect of the claims to the Trustees of the IPF on whether the claim is to be paid out of IPF or otherwise. • The defaulter's committee or any other committee set up by the Board of Directors of the clearing corporation with similar composition shall manage the settlement guarantee fund/ trade guarantee fund of the clearing corporation. 	<ul style="list-style-type: none"> (i) The public interest directors shall form a majority of the defaulter's committee. (ii) A maximum of two key management personnel of the clearing corporation shall be on the committee. (iii) The committee may also include independent external persons such as retired judge, etc.
5	Compensation Committee	<ul style="list-style-type: none"> • The compensation committee shall lay down the policy for compensation of key management personnel in terms of the compensation norms prescribed by the SEBI. • The compensation committee shall determine the tenure of the key 	<ul style="list-style-type: none"> i) The Committee shall comprise of a majority of public interest directors and shall be chaired by a public interest director. (ii) Shareholder directors or any person appointed by the Board of Directors of the clearing corporation for such purpose may form the balance of the Committee.

		management personnel to be posted to a regulatory department	
6	Selection committee	Committee for the selection of the Managing Director	The Selection Committee shall comprise of four persons i.e, two public interest directors and two independent external persons. In case of non-availability of adequate number of PIDs or independent external persons as required could be increased accordingly to form the committee. Further, the Clearing Corporation shall ensure that one PID shall be part of the selection committee and the meetings at all times.
Oversight Committees			
7	Standing committee on technology	<ul style="list-style-type: none"> • To monitor whether the technology used by the clearing corporation remains upto date and meets the growing demands of the markets. To monitor the adequacy of systems capacity and efficiency. • To look into the changes being suggested by the clearing corporation to the existing software/hardware. • To investigate into problems of computerised Risk Management/ Clearing and Settlement System system, such as hanging/ slowdown/ breakdown. • To ensure that transparency is maintained in disseminating information regarding slowdown/ breakdown in Risk Management/ Clearing and Settlement System. • The Committee shall submit a report to the Board of Directors of the clearing corporation. 	The Committee shall comprise of two outside experts proficient in technology and atleast one public interest director

		<p>The SEBI will deliberate on the report and suitable action/ remedial measure will be taken.</p> <ul style="list-style-type: none"> • Any stoppage beyond five minutes will be explained and reported to the SEBI. <p>The Clearing corporation shall issue a press release specifying the reasons for the breakdown.</p>	
8.	Sub Committee for Monitoring Compliance of suggestions given in SEBI inspection report	<ul style="list-style-type: none"> • To review the actions taken to implement the suggestions of SEBI's Inspection Reports. • To place the same before the Board of Directors of the clearing corporation. • To follow up and ensure compliance /implementation of the inspection observations. 	<p>(i) The Committee shall comprise of a majority of public interest directors.</p> <p>(ii) One shareholder director and</p> <p>(iii) One key management personnel</p>
9.	Investor services committee	<p>Supervising the functioning of Investors' Services Cell of the Clearing corporation which includes review of complaint resolution process, review of complaints remaining unresolved over long period of time, estimate the adequacy of resources dedicated to investor services, etc</p>	<p>(i) The investors services committee shall comprise of a majority of public interest directors.</p> <p>(ii) The committee may also include independent external persons such as retired judge, etc</p>
10	Public Interest Directors' Committee	<p>During their meetings, the Public Interest Directors shall review the following:</p> <ul style="list-style-type: none"> • Status of compliance with SEBI letters/ circulars. • Review the functioning of regulatory departments including the 	All the public interest directors shall necessarily attend every meeting of the committee.

		<p>adequacy of resources dedicated to regulatory functions.</p> <ul style="list-style-type: none"> • The public interest directors shall prepare a report on the working of the other committees on which they are present in. The report shall be circulated to the other public interest directors. • A consolidated report shall then be submitted to the Board of Directors of the clearing corporation. • The public interest directors shall identify important issues which may involve conflict of interest for the clearing corporation or may have significant impact on the market and report the same to SEBI 	
11	Ethics Committee	To oversee the implementation of the code of ethics.	The ethics committee shall comprise of public interest directors, shareholder directors, key management personnel and compliance officer
12	Independent oversight committee of the governing board for member regulation	<p>The committee shall oversee matters related to member regulation such as admission of members, inspection, disciplinary action, etc.</p> <ul style="list-style-type: none"> • The head(s) of department(s) handling the above matters shall report directly to the committee and also to the managing director. • Any action of a recognised clearing corporation against the aforesaid head(s) shall be subject to an 	<p>(i) The Committee shall be comprised of a majority of public interest directors and shall be chaired by a public interest director.</p> <p>(ii) The balance shall be formed of independent outside experts</p>

		<p>appeal to the committee, within such period as may be determined by the board of directors of the Clearing Corporation.</p> <ul style="list-style-type: none"> • The committee shall oversee SEBI inspection observations on membership related issues. • To estimate the adequacy of resources dedicated to member regulation. • Monitor the disclosures made by the Clearing Corporation in accordance with regulation 35 of SECC Regulations. 	
13	Risk Management Committee	<ul style="list-style-type: none"> • Formulate a detailed risk management policy which shall be approved by the Board of Directors. • The head of the risk management department shall report to the risk management committee and to the managing director of the recognised clearing corporation. • The risk management committee shall monitor implementation of the risk management policy and keep the SEBI and the Board of Directors informed about its implementation and deviation, if any. 	The risk management committee shall comprise of the public interest directors of the clearing corporation and independent external experts and shall report to the Board of Directors.
14	Advisory Committee	<p>To advise the Board of Directors of Clearing Corporation on non regulatory and operational matters including product</p>	<ul style="list-style-type: none"> • The Committee shall comprise of clearing members of the clearing corporation. • The chairperson of the Board of Directors shall be the head of the advisory committee and the

		design, technology, charges and levies	managing director shall be a permanent invitee to every meeting of the advisory committee
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(37) The Article 190 (2) be amended as given here under words in bold be included and words in strike through mode be deleted:

A copy of the financial statements, including consolidated financial statements, if any, auditor's report and every other document required by law to be annexed or attached to the financial statements, which are to be laid before a company in its general meeting, shall be sent to every member of the company, to every trustee for the debenture-holder of any debentures issued by the company, and to all persons other than such member or trustee, being the person so entitled, not less than twenty-one days before the date of the meeting.

Provided that if the copies of the documents are sent less than twenty-one days before the date of the meeting, they shall, notwithstanding that fact, be deemed to have been duly sent if it is so agreed by members holding majority in number entitled to vote and who represent not less than ninety-five per cent of such part of the paid-up share capital of the Company as gives a right to vote at the meeting.

~~Provided that the provisions of this sub-section shall be deemed to be complied with, if the copies of the documents are made available for inspection at its registered office during working hours for a period of twenty-one days before the date of the meeting and a statement containing the salient features of such documents in the prescribed form or copies of the documents, as the company may deem fit, is sent to every member of the company and to every trustee for the holders of any debentures issued by the company not less than twenty-one days before the date of the meeting unless the shareholders ask for full financial statements.~~

Pursuant to the provisions of the Companies Act, 2013, amendment of the Articles of Association requires approval of the Members of the Company by way of a special resolution. The Board of Directors at their meetings held on February 5, 2020 and June 5, 2020 have approved the above amendments to the Articles of Association of the Company, subject to approval of the Members of the Company and SEBI.

Accordingly, the approval of the Members is sought for amending the Articles of Association of the Company.

The Board of Directors of the Company recommends the Special Resolution in respect of amendment to the Articles of Association of the Company as set out in the accompanied Notice for approval of the Members.

A draft copy of amended Articles of Association of the Company and the comparison of the existing Articles of Association with the proposed amendments to the Articles of Association along with justification for carrying out the proposed amendments is available on the Company's website at the web link <https://nccl.co.in/disclosures/annual-reports> for perusal by Members. Further, the aforesaid documents would also be available for inspection in electronic mode. Members can inspect the same by sending an email through their registered email address to the Company Secretary at rahul.poojari@nccl.co.in.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution at item no. 3.

**By Order of the Board of Directors
For National Commodity Clearing Limited**

sd/-
Rahul Poojari
Company Secretary
ICSI Membership No. ACS 23117

Date: June 5, 2020

Place: Mumbai

Registered Office:

1st Floor, Ackruti Corporate Park
Near G. E. Garden, L. B. S. Road
Kanjurmarg West, Mumbai 400 078
CIN: U74992MH2006PLC163550

**NATIONAL COMMODITY CLEARING LIMITED**

Registered Office: First Floor, Akruti Corporate Park, L. B. S. Road,
Kanjur Marg West, Mumbai 400 078
Tel. (+91-22) 62804900, Fax (+91-22) 66406713
Email: rahul.poojari@nccl.co.in
Website: www.nccl.co.in
CIN: U74992MH2006PLC163550

FOURTEENTH ANNUAL GENERAL MEETING**ATTENDANCE SLIP**

No. of Shares held

Name and Address of the Member:

.....

Folio No. / Client ID: DP ID:

I/We hereby record my/our presence at the Fourteenth Annual General Meeting of National Commodity Clearing Limited to be held on Thursday, August 6, 2020 at 10.00 a.m. through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')

Full name of the Member attending the Meeting

Member's signature.....

Note: The Member is requested to email this Attendance Slip, duly completed and signed, through their registered email address to the Company at rahul.poojari@nccl.co.in.