



**NCCL**  
NCDEX Group Company

NATIONAL COMMODITY CLEARING LIMITED  
MUMBAI

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MEMORANDUM OF ASSOCIATION  
AND  
ARTICLES OF ASSOCIATION

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सत्यमेव जयते

Form 1

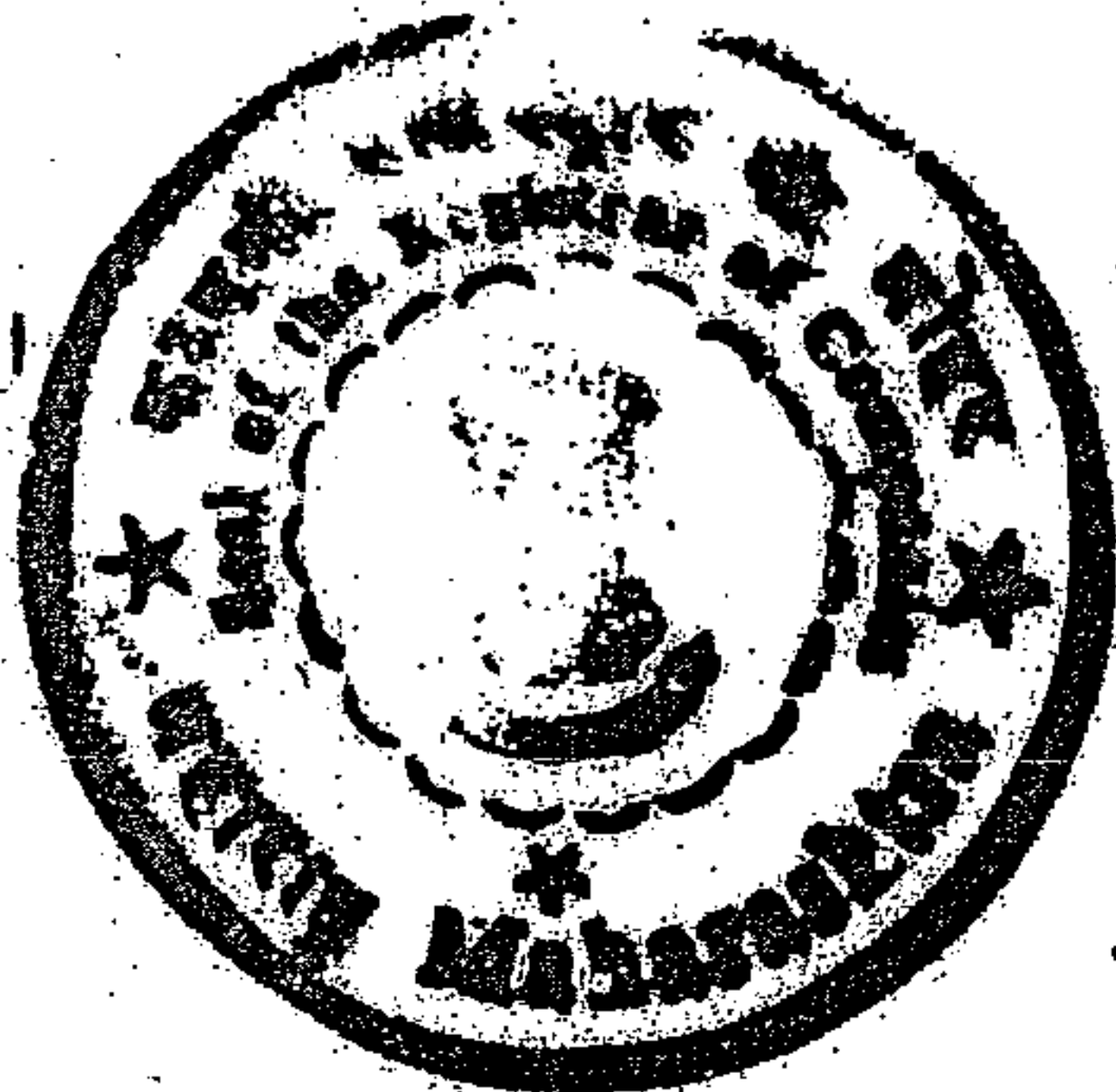
# Certificate of Incorporation


Corporate Identity Number : U74992MH2006PLC163550

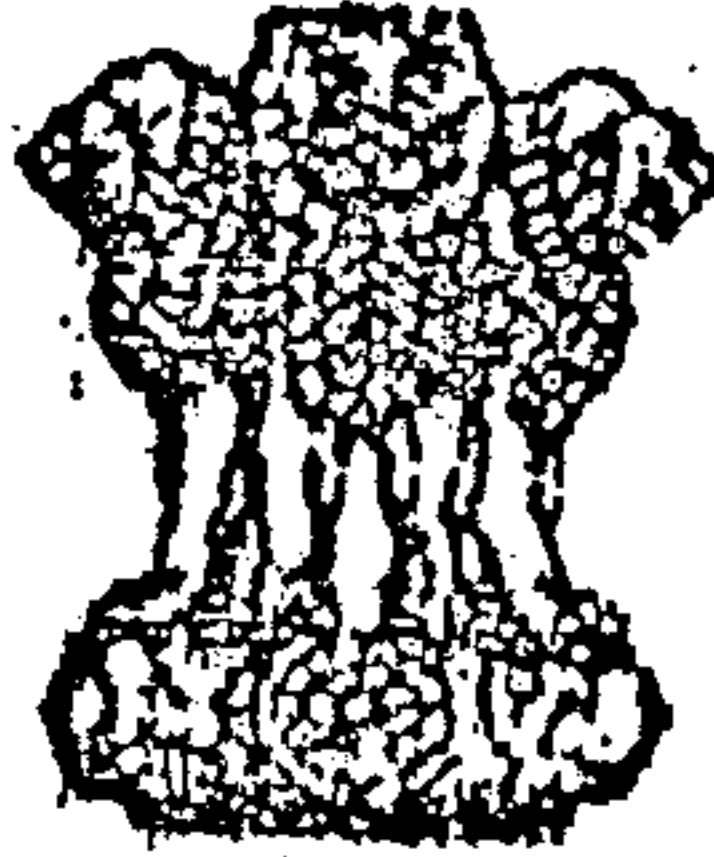
2006 - 2007

I hereby certify that National Commodity Clearing Limited is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the company is limited.

Given under my hand at Mumbai this FOURTH day of AUGUST TWO THOUSAND SIX.



  
Registrar of Companies  
Maharashtra, Mumbai



सत्यमेव जयते

## Certificate for Commencement of Business


Pursuant of Section 149(3) of the Companies Act, 1956

Corporate Identity Number : U74992MH2006PLC163550

I hereby certify that the National Commodity Clearing Limited which was incorporated under the Companies Act, 1956 (No. 1 of 1956) on the FOURTH day of AUGUST TWO THOUSAND SIX, and which has this day filed or duly verified declaration in the prescribed form that the conditions of the Section 149(2)(a) to (c) of the said act, have been complied with and is entitled to commence business.

Given under my hand at Mumbai this TWENTY THIRD day of AUGUST TWO THOUSAND SIX.



  
A. S. H. Registrar of Companies  
Maharashtra, Mumbai

**NATIONAL COMMODITY CLEARING LIMITED**

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COMPANIES ACT, 2013  
(A COMPANY LIMITED BY SHARES)  
**MEMORANDUM OF ASSOCIATION OF  
NATIONAL COMMODITY CLEARING LIMITED**

- I. The name of the Company is NATIONAL COMMODITY CLEARING LIMITED
- II. The Registered Office of the Company is situated in the State of Maharashtra i.e. within the jurisdiction of the Registrar of Companies, Maharashtra at Mumbai.
- III. **A. THE OBJECTS TO BE PERSUED BY THE COMPANY ON INCORPORATION**
  1. \*To facilitate, set up and carry on the business of clearing and settlement of trades in commodity and commodity derivatives, currencies, forex instruments and instruments underlying any other asset classes and shares, stock, debentures, bonds, units, deposit certificates, notes, warrants and securities of all kinds including securities defined under Securities Contracts (Regulation) Act, 1956, traded, in electronic and/or in physical form, and to ensure completion and guarantee of settlement and to facilitate, promote, assist, regulate and manage dealings in securities, commodities, currencies and all other types, nature and kinds of instruments in India, subject to receipt of necessary regulatory approvals.
  2. \*To initiate, facilitate, promote, assist, undertake and manage all activities in relation to stock exchanges, money markets, financial markets, commodity markets, securities markets, currencies, warehousing, risk management, custodial and depository services including but not limited to taking measures for ensuring greater liquidity, facilitating intra and inter market dealings, and generally to facilitate clearing and settlement of transactions in securities in India.

**B. MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III A:**

  3. To frame and enforce Rules, Bye-laws and Regulations as may be required for regulating the mode and manner, the conditions subject to which the business of the Company shall be transacted and the rules of conduct of the clearing members of the Company, including all aspects relating to clearing membership, trading, settlement, including guarantee of settlements, settlement fund, constitution of committees, delegation of authority and general diverse matters pertaining to the Company and also including code of conduct and business ethics for the clearing members and from time to time to amend or alter such Rules, Bye-laws and Regulations or any of them and to make any new or additional Rules, Bye-laws or Regulations or amend, modify, delete any of the then existing Rules, Bye-laws or Regulations either in full or in part for the purposes aforesaid.\*\*
  4. To settle disputes and to decide all questions of trading, clearing and settlement methods, practices, usages, custom or courtesy in the conduct of trade and business of the Company.
  5. To fix, charge, modify, rationalize, charge, recover, receive security deposits, admission fees, transaction and clearing fees, fund subscriptions, deposits, margins, penalties, fines, ad hoc levies and subscription from clearing members of the Company in terms of the Articles of Association and Rules and Regulations of the Company.\*\*
  6. To regulate and fix the scale of commission and brokerage and other charges to be charged by the clearing members.
  7. To facilitate resolution of disputes by arbitration or to nominate arbitrators or umpires on such terms and in such cases as may seem expedient; to set up regional or local arbitration panels and to provide for arbitration of all disputes and claims in respect of all transactions relating to or arising out of or in connection with or pertaining to the business of the Company and including arbitration of disputes between clearing members of the Company and between clearing members of the Company

and persons who are not clearing members of the Company but constituents of clearing members of the Company; and to remunerate such Arbitrators on the Regional Arbitration Panels or Local Panels and to make, amend, modify and alter Rules, Bye- laws and Regulations in relation to such arbitration proceedings, the fees of arbitrators, the costs of such arbitration, and related matters and to regulate the procedures thereof and enforcement of awards and generally to settle disputes and to decide all questions of usage, custom or courtesy in the conduct of trade and business in commodities.\*\*

8. To act as a custodian or depository of securities and instruments of all kinds including derivatives thereof, by itself or in association with or through any other company or person or department of the Government or authority for purposes of storage, in any form gratuitously or otherwise, letting on hire and otherwise disposing off safes, strong rooms, vaults, tanks, wells, and other receptacles for money, securities and documents or securities of all kinds.\*\*
9. To establish and maintain or to arrange or appoint agents, to establish and maintain clearing house(s) for the objects and purposes of the Company or maintain a stockholding and clearing corporation, depository, clearing house or division and to control and regulate the working and administration thereof.
10. To ensure or guarantee the settlements on the exchange payment of advances, margins, credits, settlements on exchanges, and other commercial obligations or commitments of such description as well as the fulfillment of contracts and other trading and commercial transactions of such description and to indemnify any person against the same as may be determined by the Board from time to time.\*\*
11. To enter into any arrangements with the Government, whether central, state, municipal, local or otherwise, or any Authority which may seem desirable, conducive to achieve all or any of the objects of the Company and to obtain from such Government or Authority any powers, rights, licenses, grants or decrees, privileges or concessions, whatsoever which the Company may think fit, or which may seem to the Company capable of being turned to account and to comply with, work, develop, carry out, exercise and turn to account any such arrangements, concessions, grants, decrees, rights or privileges.\*\*
12. To act as Trustees of any deeds constituting or securing any debentures, debenture stock or other securities, instruments or obligations and to undertake and execute any other trusts and also undertake the office of or exercise the powers of executor, administrator, receiver, custodian and trust corporation.\*\*
13. To receive and hold in trust as trustees, nominees, agents of any person, company, trust, fund, institution, corporation, government, state or of municipal or other authority or public body, client, member, shareholder, depositor or any other intermediary, any and all kinds of property including shares, stocks, debentures, securities, policies, book debts, claims, choses in action, bonds, promissory notes, participation certificates, lands, buildings, hereditaments, business concerns and undertakings, mortgages, charges and annuities, patents, licenses, leases and interests of every kind or against any person, company, body corporate and to collect and receive all dividends, interests, monies payable to or receivable by the beneficiary in respect of such property so held by the Company and hold, sell, buy, transfer, exchange, mortgage, pledge, assign, deal with or manage the same in the course of the business of the Company.
14. To constitute any trusts with a view to issue preferred, deferred or any other special stocks, securities, certificates or other documents based on or representing any shares, stocks, securities, certificates or other document or other assets appropriated for the purpose of any such trust and to settle and regulate and if required to undertake and execute any such trust to issue, hold or dispose of any such preferred, deferred or other special stocks, securities, debt, instruments, certificates or documents.\*\*
15. To appoint trustee or trustees (whether individuals or corporations) to hold securities, instruments on behalf of and to protect the interest of the Company.\*\*

16. To negotiate, enter into and perform or obtain performance of contract with foreign or other companies, firms and individuals with regard to technology transfer, know-how, technical process, technical assistance, technical or other collaboration, in connection with the setting up and operation of securities, currencies, commodity or any other asset class clearing company and any other necessary system or establishment in connection with the business of the Company.\*\*
17. To undertake designing, constructing and developing, management know-how, studies, development and evaluation of projects, expertise, data, information and / or dealing with technical know-how connected with the activities referred to in the main objects of the Company.
18. To act as brokers, negotiate with the banks, financial institutions and others for arranging loans and underwriting of shares and debentures and to undertake and carry out promotion and formation of companies, firms, associations, trusts and run and manage them for others and on own account and to assist in the selection, recruitment, and hiring of personnel.
19. To employ or engage staff to carry out the objects and to acquire from any person, firm or body corporate whether in India or elsewhere technical information, know-how, grants or licences.
20. To purchase or otherwise acquire and take over either the whole or any part of, or any interest in the business, goodwill, trademarks, patents, properties, contracts, agreements, rights, privileges, effects, assets and liabilities of any person or persons, firm, other company, body corporate or corporation carrying on or having ceased to carry on, any business which this Company is authorised to carry on or possessing property suitable for purpose of the Company and upon such terms and subject to such stipulations and conditions and at/or for payment of such price or consideration, if any, in money, shares, money's worth, or otherwise as may be deemed advisable.\*\*
21. To open, operate, transfer and/or close bank accounts of all nature including over draft accounts with any bank.\*\*
22. For all or any of the purposes of the Company to draw, make, accept, endorse, discount, execute, issue, negotiate and sell bills of exchange, promissory notes, cheques, bills of lading, warrants, debentures and other negotiable instruments with or without security and also to draw and endorse promissory notes and negotiate the same and also take and receive advances by discounting or otherwise with or without security, upon such terms and conditions as the company deems fit and also to advance any sum or sums of monies upon materials or other goods or any other things upon such terms and securities as the Company may deem expedient.
23. To pay out the funds of the Company all costs, charges and expense which the Company may lawfully pay with respect to the promotion, formation, establishment and registration of the Company and / or the issue of its capital (including any underwriting or other commission, broker's fee and charges in connection therewith) including costs, charges of negotiations and contracts and arrangements made prior to and in anticipation of the formation and incorporation of the Company or which the Company shall incur including therein the cost incurred for printing and stationary, professional, lawyers' or any other experts' fees and expenses.\*\*
24. To make payments or disbursements out of the funds or other movable property of the Company for any of the purposes specified in these presents and the Articles of Association and Rules, Bye-Laws and Regulations of the Company and to make, draw, accept, endorse, discount, execute warrants, debentures or other negotiable or transferable documents.
25. To subscribe for becoming a member of and co-operate with any other association whether incorporated or not, whose objects are to promote the interests represented by the Company or to promote general commercial and trade interests and to procure from and communicate to such association such information as may further the objects of the Company or promote measures for the protection of the trade of any interest therein.
26. To take part in the management of or set up an advisory or research division and act as consultants and advisers for the setting up and organizing of dealing in commodities or clearing and settlement in

India or abroad, and to act as consultants for commodities and their marketing and advising on the incidents and features of business of the Company and to enter into association with any exchange(s) in India or abroad whether by subscription or on co-operation principle for furthering the objects of the Company.

27. To enter into any partnership or arrangement in the nature of a partnership, joint-venture, co-operation or union of interest, with any person or persons, company or corporation engaged or interested or about to become engaged or interested in the carrying on or conduct of any business or enterprises which this Company is authorised to carry on or conduct or from which the Company would or might derive any benefit whether direct or indirect.
28. To amalgamate with any company or companies or associations having objects altogether or in part similar to those of this Company or to amalgamate, enter into any partnership or partially amalgamate with or acquire interest in the business of any other company, person or firm carrying on or engaged in, or about to carry on or engage in any business or transaction included in the objects of the Company, or enter into any arrangements for sharing profits, or for co-operation or for mutual assistance, with any such person, firm, or company or to acquire, carry on business ancillary to the business of the Company or connected therewith or which may seem to the Company capable of being conveniently carried on in connection with the above, to give or accept by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities, instruments that may be agreed upon, and to hold and retain, or sell, transfer, mortgage and/or deal in any other manner with any shares, debentures, debenture stock or securities so received.\*\*
29. To form, constitute, promote, subsidize or organize and assist or aid in forming, constituting, promoting, subsidizing, organizing and assisting or aiding companies or partnerships of all kinds having similar objects for the purpose of acquiring any undertaking or any property whether movable and/or immovable, whether with or without liability of such undertaking or company, or any other company for advancing directly or indirectly the objects hereof and to take or otherwise acquire, hold and dispose of shares, debentures and other securities, instruments in or of any such company and to subsidize or otherwise assist or manage or own any such company in furtherance of the objects of the Company and to guarantee the payment of any debentures or other securities, issued by such company.\*\*
30. To act as principals, agents, trustees, contractors or otherwise either alone or in conjunction with others and either by or through agents, contractors, trustees or otherwise to the attainment of the objects of the Company.
31. To own, establish or have and maintain offices, branches and agencies in or out of India for its business and for securing its customers.
32. To exercise all or any of its corporate powers, rights and privileges and to conduct its business in all or any of its branches in the Union of India and in any or all states and territories thereof and in any or all foreign countries and for this purpose and agencies therein as may be convenient.
33. To subscribe, contribute, make donations or grants or guarantee money for any general or useful object or to fund or institution and to aid by pecuniary means or otherwise, any association, body or movement.\*\*
34. To establish and support or assist in the establishment and support of any funds (whether Settlement Fund or Investor Protection Fund or any other funds), trusts and conveniences calculated to advance and further the objects and purposes of the Company and the Commodities markets in general or required by law.
35. To seek for and secure openings and opportunities for the employment of capital with the view to prospect, inquire, examine, explore and test the capital and security commodity markets and dispatch and employ expeditions, commissions and other agents for the business of the Company.

36. To borrow, raise loans in any form (including foreign currencies), receive deposits, create indebtedness, to receive grants or advances (whether interest free or not ), equity loans or raise any monies required for the objects and purposes of the Company upon such terms and in such manner and with or without security as may from time to time be determined and in particular by the issue of debentures, debenture stock, bonds or other securities, provided always and it is hereby expressly declared as an original and fundamental condition of any such borrowing or raising of monies, that in all cases and under all circumstances any person claiming payment whether of principal or interest or otherwise howsoever in respect of the monies so borrowed or raised shall be entitled to claim such payment only out of the funds, properties and other assets of the Company which alone shall be deemed to be liable to answer and make good all claims and demands whatsoever under and in respect of the monies so borrowed or raised and not the personal funds, properties and other assets of all or any one or more of the Members of the board of Directors or members of the Company, their or his heirs, executors, administrators, successors and assigns who shall not and shall not be deemed to, in any way, incur any personal liability or render themselves or himself personally subject or liable to any claims or demands or be charged under and in respect of the monies so borrowed or raised, and in the event of the funds, properties and other assets of the Company being insufficient to satisfy the claims of all persons claiming payment as aforesaid, the right of any such person shall be limited to and he shall not be entitled to claim anything more than his part or share of such funds, properties and other assets of the Company in accordance with the terms and conditions on which the monies have been so borrowed or raised.
37. To invest, lend or advance the monies of the Company not immediately required in or upon such security and with or without interest and in such other investments as may from time to time be determined by the Company.
38. To undertake and subscribe for, conditionally or unconditionally, stocks, shares and securities of any other company.
39. To receive money on deposit or otherwise, upon such terms and conditions and to give guarantee and indemnities in respect of debts and contracts of others.
40. To secure or discharge any debt or obligation of or binding upon the Corporation, in such manner as may be thought fit and in particular by mortgages, charges and guarantees upon the undertaking and all or any of the assets and property(ies) (present and future) and the uncalled capital of the Company or by the creation and issue on such terms as may be thought expedient, of debentures, debenture-stock, or other securities of any description or by the issue of shares credited as fully or partly paid-up.\*\*
41. To remunerate (by cash or other assets or by the allotment of fully or partly paid shares or by call on shares, debentures, debenture stock or securities / instruments of this or any other company or in any other manner) any person or company for goods supplied or to be supplied, or for services rendered or to be rendered, in acting as trustees for debentures, debenture stockholders, or placing or assisting to place or guarantee the placing of any of the shares in the Company's capital or debenture, debenture stock or other securities /instruments of the company or in or about the formation or promotion of the company or the conduct of its business or for guaranteeing the payment of such debentures or debenture stock and interest.
42. To insure any or all of the properties, undertakings, contracts, risks or obligations of the company in any manner whatsoever.
43. To give guarantee, and carry on and transact every kind of guarantee and counter guarantee business and in particular the payment of any principal monies, interest or other monies secured by or payable under debentures, bonds, debenture-stock, mortgage, charges, contracts, obligations, securities and instruments and the payment of dividends on and the repayment of the capital stocks, shares, securities and instruments of all kinds and descriptions.
44. To issue derivatives or acquire and sell any such shares, stocks, debentures, debenture stock, bonds,

obligations or securities by original subscription, tender, purchase, incorporate or auction or otherwise and to subscribe for the same either conditionally or otherwise, and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof in furtherance of the objects of the Company.

45. To erect, construct, extend and maintain suitable building(s) or premises for the use by the Company, its employees or its members and for any other purposes of the Company and to alter, add, modify, change to or remove or replace or substitute or augment space in such building(s). \*\*
46. To buy, purchase, sell, lease, take on lease, exchange or otherwise acquire lands, buildings, flats and hereditaments of any tenure or description in India and / or elsewhere whether for residential, business, or other purposes and any rights, easements, advantages, and privileges relating thereto and to construct, alter, improve, decorate, develop, furnish and maintain offices, flats, houses, warehouses, godowns, shops, buildings and other structures, works and conveniences of all kinds on any of the lands or immovable properties purchased or acquired by the Company for its own use.
47. To sell, mortgage, exchange, lease, let under lease or sub-let, grant licences, easement and other rights over, improve, manage, develop and turn to account and in any other manner deal with or dispose of the undertaking, investments, property, assets, rights and effects of the Company or any part thereof for such considerations as may be thought fit, including any stocks, shares or securities of any other company, whether partly or fully paidup.
48. To receive gifts of moveable and/or immoveable properties and offering or voluntary donation or bequest and legacy from any person or entity for all or any of the objects of the Company without any specific conditions, provided such receipts or the conditions attached are not inconsistent with the objects of the Company. All such gifts, donations, grants, offerings, legacies and bequests, including land, buildings and other immoveable properties, shall be treated as forming part of the property of the Company and shall be applied accordingly.\*\*
49. To apply for, purchase or otherwise acquire any patents, brevets, inventions, licences, concessions, rights, privileges and the like conferring of any exclusive or limited right to use any secret or other information as to invention which may seem capable of being used for any of the purposes of the Company or may appear likely to be advantageous or useful to the Company and to use, exercise, develop or grant licences, privileges in respect of or otherwise turn to account the property rights or information so acquired and to assist, encourage and spend money in making experiments of all inventions, patents and rights which the Company may require or propose to acquire in connection with its business.
50. To establish, provide, maintain and conduct, or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments and to undertake and carry on with all scientific and technical researches, experiments and tests of all kinds and to promote studies and research both scientific and technical investigations and inventions by providing subsidizing, endowing or assisting laboratories, workshops, libraries and arranging lectures, meeting and conferences and by providing for the remuneration of professors, visiting faculties, and/or teachers and by providing for the award of scholarships, prizes and grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any of the business which the company is authorised to carry on.\*\*
51. To improve and elevate the technical and business knowledge of persons engaged in or about to be engaged in trade, banking, commerce, finance or company administration or dealing in commodities stocks, shares and securities of any other kind or in connection with the objects of the Company therewith and with a view thereto to provide for delivery of lectures and the holding of classes, and to test by examination or otherwise the competence of such persons and to award certificates and diplomas and to institute and establish prizes ,scholarships, grants and other benefactions and to setup or form any such technical or educational institutions and to run and administer it.\*\*



52. To acquire, collect, preserve, disseminate or sell statistical or other information in connection with the business of the Company, to maintain a library and to print, publish, undertake manage and carry on any newspaper, journal, magazine, pamphlet, official year book, daily or other periodical quotation lists or other works in connection with or in furtherance of the object of the Company.\*\*
53. To procure the recognition of the Company in or under the laws of any place in or outside India and to take such steps as may be necessary to give the Company same rights and privileges in any part of the world as are possessed by local companies or partnerships of a similar nature.
54. To provide counsel or advice, assist or help in obtaining counsel or advice on business strategies, including management, technology, production, marketing and finance or to take part in the management of or set up an advisory or research division and act as consultants and advisors for the setting up and organizing of any activity related to clearing and settlement of commodities & its derivatives in India or abroad.
55. To appoint attorneys and agents whether on commission or otherwise and constitute agencies and sub-agencies of the Company in India and elsewhere.
56. To train or pay for the training in India or abroad of any of the Company's employees or any candidate in the interest of or for the furtherance of the objects of the Company.
57. To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such person by building or contributing to the building of houses or dwellings or by grants of money, pensions, allowances, bonus or other payments or by creating from time to time, subscribing or contributing to provident and other associations, institutions funds or trustees and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the company shall think fit.
58. To indemnify officers, Directors, promoters and servants of the Company against proceedings, costs, damages claims and demands in respect of anything done or ordered to be done, for and in the interest of the company or for any loss or damage or misfortune whatever happens in execution of duties of their offices or in relation thereto.
59. To employ experts to investigate and examine into the condition, management prospects, value, character and circumstances of any business, concern and undertaking.
60. To distribute any of the property of the Company in specie among the members in the event of winding up subject to the provisions of the Act.
61. To defend, file suit against any person for maintaining and protecting its interests and properties and/or claim in any court of law or in any proceedings through arbitration or otherwise and incur necessary charges and pay fees and expenses. ##
62. To regulate and fix the scale of commission and brokerage and other charges by clearing members. ##
63. To undertake, carryout, promote, and sponsor development including any programme for promoting social and economic welfare or upliftment of the public in any rural area and to incur any expenditure on any programme of rural development and to assist execution and promotion thereof either directly or indirectly through an independent agency or in any other manner without prejudice to the generality of promoting of rural development and that word rural area shall include such area as may be regarded as rural areas under section 35CC of the Income tax Act , 1961 or any other law for time being in force or as may be regarded by Directors as rural areas.##
64. To adopt such means of making known the services, business interests of the Company as it may deem expedient and in particular by advertising in the press, radio, television, web and cinema, by circulars, by purchase, construction and exhibitions of work or art or general interests, by publication of books and periodicals and by granting prizes, rewards, scholarships and donations, subject to

Section 181 of the Companies Act, 2013. ##

C. OTHER OBJECTS

### Deleted

IV. The liability of the Members is limited.

V. (a)#### @ The Authorized Share Capital of the Company is Rs. 1,400,000,000/- (Rupees One Hundred and Forty crore only) divided into 140,000,000 (Fourteen crore only) Equity Shares of Rs. 10/- (Rupees Ten only) each.

(b) The minimum paid up capital of the Company shall be Rs. 5,00,000/- (Rupees Five Lakhs only)

*Pursuant to Special Resolution passed at the meeting of members held on February 12, 2018, following amendments have been carried out to Memorandum of Association*

- 1) *The words appearing in III(A) – “Main objects to be pursued by the Company on its incorporation are “were replaced by the following words “The objects to be pursued by the Company on Incorporation.*
- 2) *\*The scope of the Main objects to be pursued by the Company on its incorporation appearing under Clause III A have been amended to include certain new asset class.*
- 3) *The words appearing III(B)- The objects incidental or ancillary to the attainment of the main objects” were replaced by the following words “ Matters which are necessary for furtherance of objects specified Clause III(A).*
- 4) *## Insertion of new clauses after Clause 60 i.e Clause 61 to Clause 64 in III(B)*
- 5) *\*\*Modification of Clause 3, 5, 7, 8, 10, 11, 12, 14, 15, 16, 20, 21, 23, 28, 29, 33, 40, 41, 45,48,50,51,52*
- 6) *### Deletion of other objects specified in Clause III (C ) under the heading “OTHER OBJECTS”*
- 7) *#### - Clause V modified Increase in Authorised Capital from Rs. 10 Crores to Rs. 120 Crores*

*@Pursuant to the Special Resolution passed at the 13<sup>th</sup> Annual General Meeting of Members held on August 6, 2019, the Clause V (a) has been modified to increase the Authorised Share Capital from Rs. 120 Crores to Rs. 140 Crores*

We, the several persons whose names, addresses, descriptions and occupations as hereunto subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take number of shares in the capital of the Company as set opposite our respective names:

| Names, addresses and descriptions of the Subscribers   | Number of Equity Shares taken by each subscriber                                   | Signature(s)  | Witness  |
|--|--|---|--|
| National Stock Exchange of India Limited<br>Exchange Plaza, Plot C-1, Block G,<br>Bandra-Kurla Complex, Bandra (East),<br>Mumbai- 400051<br>Occupation: Stock Exchange<br>[Represented by its Company Secretary and<br>Authorised Official Mr. J. Ravichandran, S/o.<br>Mr. S. Jaganathan] | 49,994<br>[FORTY<br>NINE<br>THOUSAND<br>NINE<br>HUNDRED<br>NINETY<br>FOUR<br>ONLY] | For National<br>Stock<br>Exchange of<br>India Limited<br>Sd/-<br>J.<br>Ravichandran<br>Company<br>Secretary | Witness 1-7 Subscribers<br>Sd/-<br>R. Jaykumar<br>S/o. Mr. T. Ramaswamy<br>A-401, Sungrace, Raheja Vihar, Powai, Mumbai-400 072<br>Occupation: Service |
| Ravi Narain<br>S/o Mr. Dharm Narain,<br>602, NEAT House, College Lane,<br>Dadar (West), Mumbai- 400 028<br>Occupation: Service   | 1<br>[ONE]   | Sd/-  |  |
| Chitra Ramkrishna<br>D/o Mr. Gopalamudram Sankaran<br>Subramanyan<br>601, NEAT House, College Lane<br>Dadar (West), Mumbai- 400 028<br>Occupation: Service   | 1<br>[ONE]   | Sd/-  |  |
| J. Ravichandran<br>S/o Mr. S. Jagannathan<br>703, NEAT House, College Lane,<br>Dadar (West), Mumbai- 400 028<br>Occupation: Service  | 1<br>[ONE]   | Sd/-  |  |
| R. Sundararaman<br>S/o Mr. S. Ramamurthy<br>B-8, Asavari, Mrutyunjaya Apartments Co-<br>Op. Housing Society Ltd.<br>214, Savarkar Marg,<br>Mahim, Mumbai- 400 016<br>Occupation: Service   | 1<br>[ONE]   | Sd/-  |  |
| R. Nanada Kumar<br>S/o Mr. D. Radhakrishnan<br>C-608, Sungrace, Raheja Vihar,<br>Powai, Mumbai- 400 072<br>Occupation: Service   | 1<br>[ONE]   | Sd/-  |  |
| Yatkrik Rushikesh Vin<br>S/o Mr. Rushikesh R. Vin<br>403, NEAT House, College Lane<br>Dadar (West), Mumbai- 400 028<br>Occupation: Service   | 1<br>[ONE]   | Sd/-  |  |
| Total  | 50,000<br>[FIFTY<br>THOUSAND<br>ONLY]  |   |  |

Date: July 25, 2006

Place: Mumbai

**THE COMPANIES ACT, 2013**  
**(A COMPANY LIMITED BY SHARES)**

**ARTICLES OF ASSOCIATION**  
**OF**  
**NATIONAL COMMODITY CLEARING LIMITED**

**Table F not to apply**

1. The regulations contained in Table “F” in the First Schedule to the Companies Act, 2013 shall not apply to the Company except in so far as the same are repeated or expressly made applicable, in these Articles or by the Act.

**Company to be governed by these Articles**

2. \*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.

**INTERPRETATIONS**

**Marginal notes/sub-headings**

3. (1). The marginal notes/sub-headings hereto are inserted for convenience and shall not affect the construction hereof.

- (2) In these Articles and the Memorandum of Association, the following words and expressions shall have the following meaning unless excluded by the subject or the context,

- (a) “The Act” or “the said Act” shall mean The Companies Act, 2013 and includes all rules made thereunder, clarifications, circulars, notifications and every statutory modification or replacement thereof, for the time being in force, and the relevant provisions of the Companies Act, 1956, to the extent such provisions have not been superseded by the Companies Act, 2013 or de-notified, as the case may be.

- (b) “Banking company” shall have the same meaning as assigned to it in clause (c) of section 5 of the Banking Regulation Act, 1949 (10 of 1949).

- (c) “Bye-laws”, “Rules” means the Byelaws, Rules of the Company made under SCRA as in force from time to time.

Explanation: “Rules” shall include Memorandum and Articles of Association of the Company.

- (d) “Board” or “Board of Directors” or “the Directors” means the collective body of the directors of the company.

- (e) “Body corporate” has the meaning assigned thereto by Section 2(11) of the Act, and shall include a company incorporated in India. The words ‘Body Corporate’ and ‘Company’ are used interchangeably.

- (f) “Capital” means the share capital for the time being raised or authorised to be raised for the purpose of the Company.

- (g) “Chairman” and “The Chairman” means the Chairman of the Board of Directors for the time being of the Company.

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*\* Amended vide special resolution passed by the members at their 14<sup>th</sup> Annual General Meeting held on August 6, 2020 and approved by SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.*

- (h) "Clearing member" means an entity or a body corporate that has been admitted to membership of the Clearing Corporation pursuant to these Bye-Laws, the Rules and the Regulations and does not denote the membership of the Company.
- (i) "Company" or "The Company" or "This Company" or "the Clearing Corporation" means NATIONAL COMMODITY CLEARING LIMITED
- (j) "Company Secretary" or "Secretary" means the company secretary as defined in clause (c) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980 who is appointed by the Company to perform the functions of a Company Secretary under the Act.
- (k) "Contract" means the 'contract' as defined in clause (a) of Section 2 of the Securities Contracts (Regulation) Act, 1956.
- (l) \*\*"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.
- (m) \*\*"Debenture" shall have the same meaning as assigned to it under Section 2 (30) of the Companies Act, 2013.
- (n) "Depository" shall mean a depository as defined under clause (e) of sub-section (1) of Section (2) of the Depositories Act, 1996.
- (o) "Derivative" means the derivative as defined in Section 2 (ac) of the Securities Contracts (Regulation) Act, 1956.
- (p) 'Director' means the Director for the time being of the Company and member of the Board of Directors of the Company.
- (q) "Dividend" includes any interim dividend.
- (r) "Document" includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of the Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form.
- (s) "Exchange" means the 'stock exchange' as defined in clause (j) of Section 2 of the Securities Contracts (Regulation) Act, 1956.
- (t) "Extraordinary General Meeting" means a general meeting of the Members of the Company other than Annual General Meeting, duly called and constituted and any adjourned holding thereof.
- (u) "Executive Committee" means the Executive Committee(s) constituted and appointed by the Board pursuant to and in the manner prescribed in these Articles to manage day-to-day affairs of the Company. A member of the Executive Committee shall be called an "Executive Committee member".
- (v) \*\*"Fit and proper" shall mean the Fit and proper criteria as laid down under the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations 2018.
- (w) "General Meeting" means a meeting of the Members of the Company.
- (x) "Goods" mean the meaning assigned to it in section 2 (bb) of SCRA.
- (y) \*\*"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.
- (z) "insurance company" shall have the same meaning as assigned to it in sub-section (8) of section 2 of the Insurance Act, 1938 (4 of 1938).

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\* Amended vide special resolution passed by the members at their 14<sup>th</sup> Annual General Meeting held on August 6, 2020 and approved by SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.

- (aa) “In writing” or “Written” includes handwriting, typewriting, printing, lithography, fax, downloading through computers, broadcast through the Trading System, e-mail and/or other modes of representing or reproducing words in visible form.
- (bb) \***“Key Managerial Personnel”** means key managerial personnel defined under section 2 (51) of the Companies Act, 2013. <sup>##</sup> @ A **“Key Management Personnel”** as per SECC Regulations shall include (i) any person appointed as the managing director or executive director; or (ii) a person serving as the head of a department or vertical and directly reporting to the managing director or to the directors on the governing board of the recognised clearing corporation; or (iii) a person serving as the head of a core function as specified under Part – C of Schedule II of these regulations; or (iv) a person who stands higher in hierarchy to the head of any department(s) handling core function(s) in the recognised clearing corporation; or (v) reporting officials of key management personnel; or (vi) any person defined as a ‘key managerial personnel under the Companies Act, 2013; or (vii) any other person who is a key decision making authority at the level of the recognised clearing corporation or its direct or indirect material subsidiaries, as identified by the managing director or its Nomination and Remuneration Committee. Provided that in case of a subsidiary of a recognised clearing corporation that is regulated by a financial sector regulator; the norms specified by such a regulator may be considered for determining as to whether the person at the subsidiary is designated as a key management personnel.
- (cc) **“Managing Director”** means Managing Director as defined under Section 2(54) of the Act, or in his absence any executive director, by whatever name called.
- (dd) **“Member (Shareholder)”** means a person:  
 a. whose name is entered in the Register of Members of the Company as holding any Share(s) either solely or jointly;  
 b. Subscriber to the Memorandum of the Company;  
 c. Beneficial Owner(s) in the records of depository;
- A member of the company (shareholder) by virtue of his shareholding in the company shall not get any trading or clearing rights in the Exchange suo-motto. ‘Member’ in these presents refers to shareholders of the Company and not to a trading and/or a clearing Member admitted pursuant to Bye Laws, Rules & Regulation.
- A shareholder shall hold shares in the Company in accordance with and in compliance of the guidelines in this regard issued by SEBI from time to time.
- (ee) **“Memorandum of Association”** or **“Memorandum”** means the Memorandum of Association of the Company or as may be altered and adopted by the Members of the Company from time to time in pursuance of any previous company law or of the Act.
- (ff) **“Month”** means an English calendar month.
- (gg) **“Office”** means the registered office for the time being of the Company.
- (hh) **“Ordinary Resolution”** shall have the meaning assigned to it by Section 114(1) of the Act.
- (ii) **“Paid-up Capital”** includes amounts credited as paid-up capital of the company.
- (jj) **“Person”** includes any corporation or company, individual, a partnership firm, a limited liability partnership, a body corporate, a corporation, a cooperative society, association of persons, bank, financial institution, public sector organisation, statutory corporation, a government department or Non-Government entity or such other person as the Board of Directors may decide from time to time.

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\* Amended vide special resolution passed by the members at their 14<sup>th</sup> Annual General Meeting held on August 6, 2020 and approved by SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.

<sup>##</sup> Inserted pursuant to the SEBI letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.

@ Substituted vide special resolution passed by the members at their Extra-Ordinary General Meeting held on September 26, 2023 and approved by SEBI vide its letter no. SEBI/HO/MRD/RAC-1/P/OW/2024/3355/1 dated January 23, 2024.



- (kk) “Persons acting in concert” in the context of acquisition or holding of shares or voting rights or control shall mutatis mutandis have the same meaning as assigned to it in clause (q) 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 modification thereof;
- (ll) “Presence” or ‘Present’ at a Meeting means presence or present personally.
- (mm) “person resident in India” shall have the same meaning as assigned to it in clause (v) of section 2 of the Foreign Exchange Management Act, 1999 (42 of 1999).
- (nn) “person resident outside India” shall have the same meaning as assigned to it in clause (w) of section 2 of the Foreign Exchange Management Act, 1999 (42 of 1999).
- (oo) \* “foreign portfolio investor” shall have the same meaning as provided under Regulation 2 (1) (j) of the SEBI (Foreign Portfolio Investors) Regulations, 2019.
- (pp) “Registrar” or “The Registrar” means the Registrar of Companies having jurisdiction over the Company.
- (qq) “Regulations” or “The Regulations” means the Regulations of the Clearing Corporation for the time being in force and include business rules, code of conduct, circulars, notices and such other regulations prescribed by the Board of Directors or relevant authority from time to time for the operations of the Corporation.
- (rr) \* “Regulatory department” means a department of the Company which is entrusted with regulatory powers and duties and includes such department as may be specified by SEBI.
- (ss) “Recognized Clearing Corporation” shall mean a Clearing Corporation as defined elsewhere, which is for the time being recognised by the Central Government and/or SEBI under the provisions of SCRA.
- (tt) “Record” includes the records maintained in the form of books or stored in computer or in such other form as may be determined by regulation made by SEBI in relation to the Depositories Act, 1996.
- (uu) “Register” means the Register of the Members to be kept pursuant to Section 88 of the Act.
- (vv) “SCRA” means Securities Contracts (Regulation) Act, 1956 and include any statutory modification or re-enactment thereof for the time being in force.
- (ww) \* “SECC Regulations” means Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and include any statutory modification or re-enactment thereof, Circulars and guidelines issued, for the time being in force.
- (xx) “Securities and Exchange Board of India / SEBI” means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.
- (yy) “Seal” means the common seal of the Company adopted by the Board of Directors for the time being.
- (zz) “Secretarial Standards” shall mean standards issued by the Institute of Company Secretaries of India and approved by the Central Government from time to time.
- (aaa) “Securities” means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956.
- (bbb) “Special Resolution” shall have the meaning assigned thereto by Section 114 of the Act.
- (ccc) \* @ “Non-independent director” means a director elected or nominated by the shareholders who are neither trading members nor clearing members, as the case may be, or their associates and agents.

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\* Amended vide special resolution passed by the members at their 14<sup>th</sup> Annual General Meeting held on August 6, 2020 and approved by SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.

@ Substituted vide special resolution passed by the members at their Extra-Ordinary General Meeting held on September 26, 2023 and approved by SEBI vide its letter no. SEBI/HO/MRD/RAC-1/P/OW/2024/3355/1 dated January 23, 2024.

- (ddd) "Tribunal" means the National Company Law Tribunal constituted under sub-section (1) of Section 408 of the Act.
- (eee) "Whole-Time Director" includes a Director in the whole-time employment of the Company.
- (fff) "Year" means "Financial Year of the Company"
3. The words and expressions used and not defined in these Articles but defined in the Rules or Regulations or the Bye-Laws of the Company or in the Companies Act, 2013 or the SCRA or SEBI Act 1992, Depositories Act 1996 and any rules, regulations, circulars, guidelines or directions issued there under or any other law as may be applicable to the Company from time to time, shall have the meanings respectively assigned to them in those Acts or Rules or Regulations and in case of any discrepancy, the interpretation as may be taken by the Board of the Company shall be final and binding on all associated with the Company.
  4. Words importing the singular shall include the plural and vice versa.
  5. Words importing the masculine gender shall include the feminine gender and vice versa and neutral gender in the case of companies, corporations, firms, etc.

#### **NET WORTH**

4. The Company shall have such minimum networth at all times as may be prescribed by SEBI from time to time.  
Provided, the Company shall not distribute dividend as long as the Company does not meet minimum Net worth requirement mandated under SECC Regulation.

Further networth of a clearing corporation means the aggregate value of its liquid assets calculated in the manner as specified by the SEBI from time to time.

#### **SHARE CAPITAL**

##### **5. Authorised Share Capital**

1. (a) The Authorised Share Capital of the Company, from time to time, would be as per clause V (a) of the Memorandum of Association of the Company.

##### **Power to Increase or reduce capital**

(b) The Company has power from time to time by Ordinary resolution, increase its capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, cumulative, convertible, guarantee, deferred, qualified or other special rights, privileges, conditions or restrictions, as may be determined by or in accordance with these presents and to vary, modify or abrogate any such right, privileges or conditions or restrictions in such manner as may of for the time being be permitted by these presents or the legislative provisions for the time being in force in that behalf.

The company may, by Special Resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law, its share capital; any capital redemption reserve account; or any share premium account.

- (2) The minimum paid up capital of the Company shall be Rs 5,00,000/-(Rupees Five Lakhs only)

##### **Register of Members and Debenture-holders, etc.**

6. The Company shall cause to be kept a Register of Members indicating separately for each class of equity and preference shares held by each member residing in or outside India; a Register of Debenture- holders and a Register of any other Security holders in accordance with Section 88 of the Act.  
Every such register maintained shall include an index of the names included therein.

##### **Foreign Register of Members or Debenture-holders**

7. The Company may in accordance with Section 88(4) of the Act, keep in any country outside India, a part of the register(s) maintained in accordance with Section 88, called foreign register containing the names and particulars of the members, debenture-holders, other security holders or beneficial owners resident in that country.

**Inspection of Register of Members and Debenture-holders, etc.**

8. The registers and their indices maintained pursuant to Section 88 and copies of returns prepared pursuant to section 92 of the Act shall, except when they are closed under the provisions of the Act, be open for inspection during business hours, at such reasonable time on every working day as the board may decide, by any member, debenture-holder, other security holder or beneficial owner without payment of any fees and by other person on payment of such fees as may be prescribed.  
Any such member, debenture-holder, other security holder or beneficial owner or any other person may take extracts from any register, or index or return without payment of any fee; or require a copy of any such register or entries therein or return on payment of such fees as may be prescribed.  
Such copy or entries or return shall be supplied within seven days of deposit of such fee.

**Restriction on allotment**

9. The Directors shall observe the restriction as to allotment contained in Sections 39 and 40 of the Act and shall cause to be made the Returns as to allotment provided for in Section 39(4) of the Act.

**Shares at the disposal of the Directors**

10. \*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.

**Directors may allot shares as fully paid-up or partly paid-up**

11. Subject to the provisions of The Act and these Articles, the Directors may allot and issue shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery supplied or for services rendered to the Company and any shares which may be so allotted may be issued as fully paid-up or partly paid-up and if so issued shall be deemed to be fully paid-up shares or partly paid-up shares.

**Acceptance of Shares**

12. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles; and any person who thus or otherwise accepts any shares and whose name is in the Register shall for the purpose of these Articles be a Member.

**Company not bound to recognise any interest in shares other than that of the registered holders**

13. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears in the Register of Members as the holder of any shares as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

**Company's funds may not be applied in purchase of or lent on shares of the Company**

14. a) Except to the extent and in the manner prescribed by the provisions relating to reduction of capital (Section 67 or its re-enactment) and provisions relating to buy-back of shares and securities (Section 68 or its re-enactment) of the Act no part of the funds of the Company shall be employed in the purchase of or lent on the security of the shares of the Company. Without prejudice to the foregoing, the Company shall have the power and authority to purchase its own shares or other specified securities in accordance with the provisions of Section 68 to 70 of the Act.

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\* Amended vide special resolution passed by the members at their 14<sup>th</sup> Annual General Meeting held on August 6, 2020 and approved by SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.

**Power to issue Employee Stock Options (ESOP)**

b) The Company through its Board of Directors/Committee of the Board shall have the power to formulate an Employee Stock Option Plan for the benefit of its employees and for the benefit for the employees of its holding/subsidiary(ies) company(ies) if any. Such an ESOP Plan will be in consonance with the prevailing guidelines, rules, regulations as may be applicable to the Company from time-to-time.

**Power to issue Sweat Equity**

c). The Company through its Board of Directors/committee of the Board shall have the power subject to the provisions of Section 54 of the Act or its re-enactment issue sweat equity of equity shares after complying with the requirements of the Act and/or any other regulations issued by any regulatory authority as applicable to the Company.

\*d) 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.

**Liability of Members**

15. Every Member or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares, which may for the time being remain unpaid thereon, in such amounts at such time or times and in such manner as the Board shall, from time to time, require or fix payment thereof.

**Trusts not recognised**

16. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

**MODIFICATION OF CLASS RIGHTS**

**Power to modify rights of different classes of shareholders and the rights of dissentient shareholders**

17. (1) If at any time the share capital of the Company is divided into different classes of shares (by reason of issue of preference shares or otherwise), the rights and privileges attached to the shares of any class may, subject to provisions of the Act, and whether or not the Company is being wound up, be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class;

- a. if provision with respect to such variation is contained in the memorandum or articles of the Company; or
- b. in the absence of any such provision in the memorandum or articles, if such variation is not prohibited by the terms of issue of the shares of that class:

and all the provisions herein after contained as to general meetings shall mutatis-mutandis, apply to every such meeting.

If variation by one class of shareholders also affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of Section 48 and such other provisions of the Act shall apply to such variation.

(2) This Article is not to derogate from any power the Company would have had if this Article were omitted and the right of dissentient shareholders being holders of not less in the aggregate, than 10 per cent of the issued shares of that class, being persons who did not consent to or vote in favour of the Resolution for the variation, to apply to the Tribunal to have the variations or modifications cancelled as provided in Section 48 of the Act.

**UNDERWRITING COMMISSION**

**Commission for placing shares**

18. Subject to the provisions of Section 40(6) of the Act and the rules made there under, the Company may pay commission to any person in connection with the subscription or procurement of subscription to its securities, whether absolute or conditional. The commission may be paid out of the proceeds of the issue or the profit of the company or both.

The Company shall pay or agreed to be paid commission to any person at rates as mentioned under the Act.

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\* Amended vide special resolution passed by the members at their 14<sup>th</sup> Annual General Meeting held on August 6, 2020 and approved by SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.

### **Brokerage**

19. The Company may also, on issue of such shares pay such brokerage as the Board may deem fit.

## **CERTIFICATES**

### **Certificates how to be issued**

20. The certificate of title to shares shall be issued and shall bear the signature of two Directors or persons acting on behalf of the Directors under a duly constituted Power of Attorney or some other persons appointed by the Board for the purpose. The certificate of such shares shall, subject to provisions of Section 56(4) of the Act, be delivered in accordance with the procedure laid down in Section 20 of the Act within three months after the allotment or within two months after the application for the registration of the transfer of such share as the case may be unless the conditions of issue of the shares otherwise provide; provided always that notwithstanding anything contained in these Articles, the certificate of title to shares may be executed and issued in accordance with such other provisions of the Act or rules made thereunder, as may be in force for the time being and from time to time.

### **Member's right to Certificates**

21. (1) Every Member shall be entitled without payment to one certificate for all the shares of each class or denomination registered in his name or, if the Directors so approve (upon paying such fee or fees or at the discretion of the Directors without payment of fees as the Directors may from time to time determine) to several certificates each for one or more shares of each class. Every certificate of shares shall specify the number of shares in respect of which it is issued and the amount paid thereon and shall be in such form as the Directors shall prescribe or approve. Where a Member has transferred a part of the shares comprised in his holding he shall be entitled to a certificate for the balance without charge.

(2) Notwithstanding anything contained hereinabove, the Board may, in its absolute discretion, refuse applications for sub-division or consolidation of share certificates, debenture or bond certificates, into denomination of less than marketable lot except when such sub-division or consolidation is required to be made to comply with a statutory provision or on order of a competent court of law.

(3) In respect of any share or Shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

Provided, however, no Share certificate(s) shall be issued for Shares held by the "Beneficial Owner(s)" with the depository.

### **As to issue of new certificate in place of one defaced, lost or destroyed.**

22. (1) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate, is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given.

Every certificate under this Article shall be issued on payment of not exceeding fifty rupees for each certificate. These provisions shall mutatis mutandis apply to the debentures of the company.

(2) The manner of issue or renewal of a certificate or issue of a duplicate thereof, the form of a certificate (original or renewed) or of a duplicate thereof, the particulars to be entered in the Register of Members or in the Register of renewed or duplicate certificates, the form of such Registers, the fee on payment of which, the terms and conditions on which a certificate may be renewed or a duplicate thereof may be issued, shall be such as prescribed by the Companies (Share Capital & Debentures) Rules, 2014 as amended from time to time or any other rules in substitution or modification thereof.

## CALLS

### **Calls**

23. 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.

### **Calls on shares of the same class to be on uniform basis**

24. Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article, shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

### **Board may extend time**

25. The Directors may from time to time, at their discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Members whom the Directors may deem entitled to such extension but no Member shall be entitled to any such extension save as a matter of grace and favour.

### **Amount payable at fixed time or by installments as call**

26. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed times, whether on account of the amount of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly.

### **Deposit and calls, etc. to be a debt payable immediately**

27. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sums becomes payable.

### **When interest on call or installment payable**

28. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate as the Board may determine.

The Board shall be at liberty to waive payment of any such interest wholly or in part.

### **Payment in anticipation of calls may carry interest**

29. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him and upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve percent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

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# *Inserted vide special resolution passed by the members at their 14<sup>th</sup> Annual General Meeting held on August 6, 2020 and approved by SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.*



The Directors may at any time repay the amount so advanced upon giving to such Member one month's notice in writing; provided the Member shall not be entitled to any voting rights in respect of the monies so paid by him until the same would, but for such payment, become presently payable.

**Evidence in action by Company against shareholders**

30. On the trial or hearing of any action or suit brought by the Company against any Member or his legal representatives for recovery of any moneys claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Member, in respect of whose shares the moneys are sought to be recovered, is entered in the Register of Members as a Member/as one of the Members at or any subsequent date on which the moneys sought to be recovered are alleged to have become due on the shares, and the resolution making the call is duly recorded in the Minutes Book, and the notice of such call was duly given to the member, holder or joint holder or his legal representatives issued in pursuance of these Articles. It shall not be necessary to prove the appointment of Directors who made such call, nor that the quorum of Directors was present at the Board at which any such call was made had been duly convened or constituted, nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

**FORFEITURE, SURRENDER AND LIEN**

**Members not entitled to privileges of membership until all calls are paid**

31. No Member shall be entitled to receive any dividend or exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any person, together with interest and expenses, if any.

**If call or installment not paid, notice must be given**

32. If a member fails to pay any call or installment of a call on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued and all expenses (legal or otherwise) that may have been paid or incurred by the Company by reason of such non-payment.

**Form of Notice**

33. The notice shall name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made and state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

**In default of payment shares to be forfeited**

34. If the requisitions of any such notice as aforesaid are not complied with, any of the shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interest and expenses or the money due in respect thereof, be forfeited by resolution of the Directors to that effect. Such forfeiture shall, subject to the provisions of The Act, include all dividends and/or bonus declared or any other monies payable in respect of the forfeited shares and not actually paid before the forfeiture.

**Application of forfeiture provisions**

35. The provisions of the Articles as to the forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, as if the same had been payable by virtue of a call duly made and notified.

**Entry of forfeiture in Register of Members**

36. When any share shall have been forfeited, an entry of the forfeiture with the date thereof shall be made in the Register of Members.

**Forfeited shares to be property of the Company and may be sold, etc.**

37. Any share so forfeited shall be deemed to be the property of the Company and may be sold, reallocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Directors shall think fit.

#### **Power to annul forfeiture**

38. At any time before a sale or disposal of any shares so forfeited, the Board may cancel the forfeiture on such terms as it thinks fit.

#### **Shareholders still liable to pay money together with interest owing at the time of forfeiture**

39. (1) Any Member whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, instalments, interests, expenses and other monies owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rates as may be prescribed by the Directors and the Directors may enforce the payment of the whole or a portion thereof if they think fit but shall not be under any obligation to do so.

(2) The liability of such member shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.

#### **Surrender of share(s)**

40. The Directors may subject to the provisions of The Act accept surrender of any share(s) from or for any member desirous of surrendering on such terms as they think fit.

#### **Company's lien on shares**

41. The Company shall have no lien on its fully paid shares. In the case of partly paid up shares, the Company shall have a first and paramount lien only for all monies (whether presently payable or not) called or payable at a fixed time in respect of such shares and on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company. Any such lien shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

#### **Enforcing lien by sale**

42. The company may sell, in such manner as the Board thinks fit, any shares in which the company has a lien.

To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

The purchaser shall be registered as the holder of the shares comprised in any such transfer.

The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made unless a sum in respect of which the lien exists is presently payable or until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount, in respect of which the lien exists is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

#### **Application of proceeds of sale**

43. The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards the satisfaction of the debt or liability in respect whereof the lien exists so far as the same is presently payable and the residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of sale.

#### **Certificate of forfeiture**

44. A certificate in writing under the hands of any Director, Manager or the Secretary of the Company that the call in respect of a share was made and that the forfeiture of the share was made by a resolution of the Directors to that effect shall be conclusive evidence of the fact stated therein as against all persons entitled to such shares.

#### **Title of purchaser and allottee of forfeited shares**

45. The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

The transferee shall thereupon be registered as the holder of the share; and

The transferee shall not be bound to see the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the same and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

#### **Partial payment not to preclude forfeiture**

46. Neither a judgement nor a decree in favour of the Company for calls or other monies due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any money shall preclude the forfeiture of such shares as herein provided.

#### **ELIGIBILITY FOR ACQUIRING OR HOLDING SHARES**

47. \*(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. ##Provided that the onus shall be on the Clearing Corporation to ensure that all its shareholders are fit and proper persons.

\* @ (ii). [.....]

\*(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), 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). [....]

\*(v). Any person holding 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).

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

#### **\*SHAREHOLDING IN CLEARING CORPORATION**

48. \*(i). At least fifty one per cent. of the paid up equity share capital of 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.

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\* Amended vide special resolution passed by the members at their 14<sup>th</sup> Annual General Meeting held on August 6, 2020 and approved by SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.

## Inserted pursuant to the SEBI letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.

@ Deleted vide special resolution passed by the members at their Extra-Ordinary General Meeting held on September 26, 2023 and approved by SEBI vide its letter no. SEBI/HO/MRD/RAC-1/P/OW/2024/3355/1 dated January 23, 2024.

\***(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 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 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 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 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 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 regulation 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 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 eight years.

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*\* Amended vide special resolution passed by the members at their 14<sup>th</sup> Annual General Meeting held on August 6, 2020 and approved by SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.*

## **TRANSFER AND TRANSMISSION OF SHARES**

### **Transfer not to be registered except on production of instrument of transfer**

49. The company shall register a transfer of securities of the company, if in accordance with the provisions of Section 56 of the Act, a proper instrument of transfer duly stamped, dated and executed by or on behalf of the transferor and the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company by the transferor or the transferee within a period of sixty days from the date of execution, along with the certificate relating to the securities, or if no such certificate is in existence, along with the letter of allotment of the shares or debentures provided that where, on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit; provided further that nothing in this Article shall prejudice the power of the company to register, on receipt of an intimation of transmission of any right to any securities by operation of law from any person to whom such right has been transmitted.

### **Form of transfer**

50. The instrument of transfer shall be in writing in the form SH-4 as prescribed in the rules made under sub-section (1) of section 56 of the Act.

### **Transfer by legal representative**

51. A transfer of shares or other interest in the Company of a deceased Member thereof made by legal representative shall, although the legal representative is not himself a Member, be as valid as if he had been a Member at the time of the execution of the instrument of transfer.

### **Application for registration of transfer**

52. (i) An application for the registration of a transfer of any share or shares may be made either by the transferor or by the transferee.
- (ii) Where the application is made by the transferor alone and relates to partly paid up shares, the transfer shall not be registered, unless the Company gives notice of the application, in such manner as may be prescribed in the rules made under sub-section (3) of section 56, to the transferee and the transferee gives no objection to the transfer within two weeks from the receipt of the notice.
- (iii) For the purpose of sub-article (2), notice to the transferee shall not be deemed to have been duly given unless it is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer, and if so despatched shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

### **Company's power to refuse transfer**

53. Nothing in these Articles shall prejudice the powers of the Company to refuse to register the transfer /transmission of any shares, giving reasons for such refusal.

### **Transferor liable until the transferee's name entered in Register**

54. The transferor shall be deemed to remain the holder of any shares until the name of the transferee is entered into the Register of Members in respect thereof.

### **Register of Transfers to be kept**

55. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

### **Rectification of register on transfer**

56. Subject to the provisions of section 58 of the Act, the securities or other interest of any member of the company shall be freely transferable; provided that if the company without sufficient cause refuses to register the transfer of securities within a period of thirty days from the date on which the instrument of transfer or the intimation of transmission, as the case may be, is delivered to the company, the transferee may appeal to the Tribunal in the manner provided under the above mentioned section.

**No transfer to minor, etc.**

57. No transfer shall be made to a person who is a minor or of unsound mind. However, subject to the provisions of The Act, the Directors may at their absolute discretion, approve a minor becoming a Member of the Company on such terms as the Directors may stipulate.

**Custody of transfer instruments**

58. The instrument of transfer shall, after registration, be retained by the Company and shall remain in its custody. All the instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.

**Closure of transfer books**

59. In accordance with section 91 and the rules made there under, the Board shall have the power to close the register of members or the register of debenture-holders or the register of other security holders for any period or periods not exceeding in the aggregate forty-five days in each year, but not exceeding thirty days at any one time.

**Title to shares of deceased holder**

60. The executors or administrators of a deceased Member or holder of a succession certificate or other legal representation in respect of shares of a deceased Member where he was a sole or only surviving holder shall be the only person whom the Company may recognise as having any title to the shares registered in the name of such Members and the Company shall not be bound to recognise such executors or administrators unless they have first obtained Probate or Letters of Administration or such holder is the holder of a Succession Certificate or other legal representation as the case may be from a Court of competent jurisdiction in India; provided that, in any case where the Directors in their absolute discretion think fit, the Directors may dispense with production of Probate or Letters of Administration or succession certificate upon such terms as to indemnity or otherwise as the Directors in their absolute discretion think necessary and register the name of any person who claims to be absolutely entitled to the share(s) standing in the name of a deceased Member as a Member.

**Registration of persons entitled to shares other than by transfer**

61. Any person becoming entitled to any shares in consequence of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful means, other than by a transfer in accordance with these Articles, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title, as the Directors shall require either be registered as a Member in respect of such shares or may, subject to the regulations as to transfer in these Articles contained, transfer such shares to some other persons. This Article is in these Articles referred to as the "the Transmission Clause".

**Refusal to register nominee**

62. The Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer for registration.

**Board may require evidence of transmission**

63. Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

**Fee on transfer or transmission**

64. No fee shall be payable to the Company in respect of transfer or transmission of any shares in the Company.

**Nomination of shares**

65. (1) Every holder of shares in, or holder of debentures of, the Company may, at any time, nominate, in the prescribed manner, a person to whom his shares in, or debentures of, the Company shall vest in the event of his death.



(2) Where the shares in, or debentures of, the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.

(3) Notwithstanding any contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in, or debentures of, the Company, where a nomination made in the prescribed manner purports to confer and on any person the right to vest the shares in, or debentures of, the Company, the nominee shall, on the death of the shareholder or holder of debentures of, the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or, as the case may be, all the joint holders, in relation to such shares in, or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

(4) Where the nominee is a minor, it shall be lawful for the holder of shares, or holder of debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares in, or debentures of, the Company, in the event of his death, during the minority.

#### **Transmission of shares**

66. (1) Any person who becomes a nominee by virtue of the provisions of Article 65, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either (a) to be registered himself as holder of the share or debenture, as the case may be; or (b) to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debenture holder, as the case may be, could have made.

(2) If the person being a nominee, so becoming entitled, elects to be registered as holder of the share or debenture, himself, as the case may be, he shall deliver or send to the company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder, as the case may be.

(3) All the limitations, restrictions and provisions of this Act relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were a transfer signed by that shareholder or debenture holder, as the case may be.

(4) A person, being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture except that he shall not, before being registered a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company; provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with.

#### **The Company not liable for disregard of a notice prohibiting registration of transfer**

67. The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by the apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to them of any equitable title or interest or be under liability whatsoever for refusing or neglecting so to do though it may have been entered or referred in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.

#### **Transfer of Debentures**

68. The provisions of these Articles shall, mutatis mutandis, apply to the allotment and transfer of or the transmission by law of the right to Debentures of the Company.

## DEMATERIALIZATION OF SECURITIES

### **Dematerialisation of securities**

69. (1) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

### **Options for investors**

(2) Every person subscribing to securities offer by the Company shall have the option to receive security certificate or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of Securities.

### **Beneficial owners of securities**

(3) If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

### **Securities in depositories to be in fungible form**

(4) All the securities held by a depository shall be dematerialized and be infungible form.

### **Rights of depositories and beneficial owners**

(5) (a) Notwithstanding anything to the contrary contained in The Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

### **Service of documents**

(6) Notwithstanding anything in The Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

### **Transfer of securities**

(7) Nothing contained in Section 56 of The Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

### **Allotment of securities dealt with in a depository**

(8) Notwithstanding anything in The Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

### **Distinctive numbers of securities held in a depository**

(9) Nothing contained in The Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

### **Register and index of beneficial owners**

(10) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to the Register and Index of Members and Security holders for the purposes of these Articles.

## CONVERSION OF SHARES INTO STOCK

### Conversion of shares into stock and reconversion

70. The Directors, with the sanction of a resolution of the Company in General Meeting, may convert all or any of its fully paid-up shares into stock and may reconvert that stock into fully paid-up shares of any denomination.

Where any shares have been converted into stock,

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit the several holders of such stock may thenceforth transfer their respective interests therein or any part of such interest in the same manner and subject to the same regulations as and subject to which fully paid up shares in the Company's capital may be transferred or as near thereto as circumstances will admit.

(b) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stockholder" respectively.

### Right of stockholders

71. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

## INCREASE, REDUCTION AND ALTERATION OF CAPITAL

### Increase of Capital

72. The Company may, from time to time, in General Meeting increase its share capital by the creation of new shares of such amount as it thinks expedient and the new shares shall, subject to the provisions of The Act and these Articles, be created upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting creating the same shall direct and if no such directions be given, as the Directors shall determine.

### Further issue of capital

73. 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 or such lesser number of days as may be prescribed under the Act and Rules made thereunder and not exceeding thirty 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 which is not dis-advantageous to the shareholders and the Company;

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@ Amended vide special resolution passed by the members at their Extra-Ordinary General Meeting held on September 26, 2023 and noted by SEBI vide its letter no. SEBI/HO/MRD/RAC-1/P/OW/2024/3355/1 dated January 23, 2024.

@ 2. [...]

#<sup>s</sup> 3. Such new shares may be offered to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause 1 (a), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such compliance and conditions as may be prescribed by the Act or the rules made thereunder.

#<sup>s</sup> 4. Nothing in this Article shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

#### **Shares under control of General Meeting**

74. In addition to and without derogating from the powers for the purpose conferred on the Directors under Article 10, the Company in the General Meeting may in accordance with the provisions of Section 62 of the Act determine that any shares (whether forming part of the original capital of the Company or not) shall be offered to such persons (whether Members or holders of Debentures of the Company or not) in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Section 53 of the Act) as such General Meeting shall determine.

#### **Same as original capital**

75. Except so far as otherwise provided by the conditions of issue or by these Articles any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmissions, forfeiture, lien, surrender, voting and otherwise.

#### **Reduction of capital**

76. Subject to the provision of Section 66 of the Act, the Company may from time to time, by special resolution, reduce its share capital in any way authorized by law and in particular may pay off any paid up share capital upon the footing that it may be called up again or otherwise and may and if and so far as is necessary alter its Memorandum of Association by reducing the amount of its share capital and of its share accordingly.

#### **Division and sub-division**

77. The Company may in the General Meeting by ordinary resolution alter the conditions of its Memorandum of Association so as to: -

(1) Consolidate and divide all or any of its shares into shares of larger amount than its existing shares.

(2) Sub-divide shares or any of them into shares of smaller amount than originally fixed by the Memorandum of Association subject nevertheless to the provisions of the Act in that behalf. Subject to these Articles, the resolution by which any shares are sub-divided may determine that as between the holders of the shares resulting from such sub-division one or more of such shares may be given any preference or advantage or otherwise over the others or any other such shares.

(3) Cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

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<sup>#</sup> *Inserted vide special resolution passed by the members at their 14<sup>th</sup> Annual General Meeting held on August 6, 2020 and approved by SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.*

<sup>@</sup> *Deleted vide special resolution passed by the members at their Extra-Ordinary General Meeting held on September 26, 2023 and noted by SEBI vide its letter no. SEBI/HO/MRD/RAC-1/P/OW/2024/3355/1 dated January 23, 2024.*

<sup>s</sup> *Substituted vide special resolution passed by the members at their Extra-Ordinary General Meeting held on September 26, 2023 and noted by SEBI vide its letter no. SEBI/HO/MRD/RAC-1/P/OW/2024/3355/1 dated January 23, 2024.*

## **JOINT HOLDERS OF SHARES**

### **Joint holders of share**

78. Where two or more persons are registered as the holders of any share, the person first named in the Register shall be deemed the sole holder for matters connected with the Company subject to the following and other provisions contained in the Articles:

(1) The Company shall be entitled to decline to register more than three persons as the joint holders of any share.

(2) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

(3) On the death of any such joint holders, the survivor(s) shall be the only person(s) recognised by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person(s).

(4) Any one of such joint holders may give effectual receipts for any dividends or other monies payable in respect of such share.

(5) Only the person whose name stands first in Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive document (which expression shall be deemed to include all documents mentioned in the Article 195) from the Company and any notice given to or document served on such person shall be deemed service on all the joint holders.

(6) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders are present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting provided always that the joint holder present at the meeting personally shall be entitled to vote in preference to a joint holder present by attorney or by proxy stands first or higher (as the case may be) in the Register in respect of such shares. Several executors or administrators of a deceased Member in whose (deceased Member's) sole name any share stand, shall for the purpose of this clause be deemed to be joint holders.

## **BORROWING POWERS**

### **Conditions on which money may be borrowed**

79. Subject to the provisions of Sections 73, 179 and 180 of the Act, the Board may, from time to time, at its discretion by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up share capital of the Company and its free reserves not being reserves set apart for any specific purpose), the consent of the members by way of Special Resolution shall be required.

### **Bonds, debentures etc., to be subject to control of Directors**

80. Any bonds, debentures, debenture stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider being for the benefit of the Company.

### **Securities may be made assignable free from equities**

81. Any debentures, debenture-stock or other securities may be issued at a premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, allotment of shares and attending (but not voting) at general meetings, 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 general meeting accorded by a Special Resolution.

**Issue at discount, etc. or with special privileges**

82. \*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.

**Mortgage of uncalled capital**

83. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may authorise the person in whose favour such mortgage or security is executed or any other person in trust for him to make calls on the Members in respect of such uncalled capital and the provisions herein before contained in regard to calls shall, mutatis mutandis, apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable, if expressed so to be.

**Indemnity may be given**

84. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

**Register of Charges to be kept**

85. The Company shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company; and shall cause the requirement of Sections 71, 77, 79, 82 and 85 of the Act in that behalf to be duly complied with, so far as they fail to be complied with by the Board.

**MEETINGS**

**Annual General Meeting**

86. The Company shall in each year hold, in addition to other meetings, a general meeting which shall be styled as its "Annual General Meeting" in accordance with the provisions of Section 96 of the Act.

**Extra-Ordinary General Meetings**

87. All general meetings other than Annual General Meeting shall be called Extra-ordinary General Meetings.

**Calling of Extraordinary General Meeting**

88. (1) The Board may, whenever they think fit, and shall, on the requisition of such number of Members of the Company as is hereinafter specified, forthwith proceed to call an Extra-ordinary General Meeting of the Company.
- (2) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.
- (3) The requisition may consist of several documents in like form, each signed by one or more requisitionists.
- (4) The number of Members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of deposit of the requisition, not less than one-tenth of such of the paid-up capital of the Company as at the date carries the right of voting in regard to that matter.
- (5) Where two or more distinct matters are specified in the requisition, the provisions of sub-article (4) shall apply separately in regard to each such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that sub-article is fulfilled.

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\* Amended vide special resolution passed by the members at their 14<sup>th</sup> Annual General Meeting held on August 6, 2020 and approved by SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.

(6) If the Board does not, within twenty one days from the date of deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters, on a day not later than forty five days from the deposit of the requisition, the meeting may be called by such of the requisitionists as represent either majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in sub-article (4), whichever is less. However, for the purpose of this sub-article (4), the Directors shall, in the case of a meeting at which a resolution is to be proposed as a special resolution give, such notice thereof as is required by sub-section (2) of Section 114 of The Act.

(7) A meeting called under sub-article (6) by the requisitionists or any of them:

(a) shall be called in the same manner, as nearly as possible, as that in which the meetings are to be called by the Board, but

(b) shall not be held after the expiration of three months from the date of the deposit of the requisition; provided that nothing contained in this sub-article shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some day after the expiry of that period.

(8) Where two or more persons hold any shares or interest in the Company jointly, a requisition, or a notice calling a meeting, signed by one or some of them only shall, for the purposes of this Article, have the same force and effect as if it had been signed by all of them.

(9) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to call a meeting shall be reimbursed to the requisitionists by the Company and any sum so reimbursed shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

#### **Notice of Meeting**

89. (1) A General Meeting of the Company may be called by giving not less than clear twenty one days notice in writing or through electronic mode in such manner as may be prescribed in the rules made under the Act.

(2) A General Meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five percent of the members entitled to vote at such meeting.

#### **Contents and manner of service of notice and persons on whom it is to be served**

90. (1) Every Notice of a meeting of the company shall clearly specify the nature of the meeting, place, date, day and the hour of the meeting and shall contain a statement of the business to be transacted at such meeting.

(2) Notice in writing of every meeting shall be given to every Member of the company including legal representative of any deceased member or assignee of an insolvent member.

Such Notice shall also be given to the Directors and Auditors of the company, to the Secretarial Auditor, to Debenture Trustees, if any, and, wherever applicable or so required, to other specified persons.

#### **Omission to give notice not to invalidate proceedings at the meeting**

91. The accidental omission to give notice to or the non-receipt of notice by any Member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

#### **Business at General Meetings**

92. (1) In the case of an Annual General Meeting, all business to be transacted at the meeting shall be deemed special, with the exception of business relating to :

(a) the consideration of accounts, balance sheet and reports of the Board of Directors and Auditors;

(b) the declaration of a dividend;

(c) the appointment of Directors in the place of those retiring; and

(d) the appointment of, and fixing the remuneration of the Auditors; and

(2) in the case of any other General Meeting all business shall be deemed special;

(3) Where any item of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of meeting a statement setting out all material facts concerning such item of business, including in particular the nature of the concern or interest, financial or otherwise, if any therein of every Director and the Manager, if any; every other key managerial personnel; and relatives of the persons mentioned above. Provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates to, or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding interest is not less than two percent of the paid-up share capital of that company, also be set out in the statement.

(4) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

#### **Ordinary and Special resolutions**

93. (1) A resolution shall be an ordinary resolution when at a General Meeting of which the notice required under the Act has been duly given, the votes cast (whether on a show of hands, or electronically or on a poll, as the case may be) in favour of the resolution (including the casting vote, if any, of the Chairman) by Members who, being entitled to do so, vote in person or where proxies are allowed, by proxy or by postal ballot exceed the votes, if any, cast against the resolution by Members so entitled and voting.

(2) A resolution shall be a special resolution when: -

- (a) the intention to propose the resolution as a special resolution has been duly specified in the notice calling the General Meeting or other intimation given to the Members of the resolution;
- (b) the notice required under the Act has been duly given of the General Meeting; and
- (c) the votes cast in favour of the resolution (whether on a show of hands, or electronically or on a poll, as the case may be) by Members who, being eligible so to do vote in person, or where proxies are allowed, by proxy or by postal ballot are not less than three times the number of votes, if any, cast against the resolution by Members so entitled and voting.

#### **Resolution requiring special notice**

94. (1) Where, by any provisions contained in the Act or in these Articles, special notice is required of any resolution, notice of the intention to move such resolution shall be given to the Company by such number of members holding not less than one per cent of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees has been paid-up on the date of the notice.

The notice referred above shall be sent by members to the company not earlier than three months but at least fourteen days before the date of the meeting at which the resolution is to be moved, exclusive of the day on which the notice is served or deemed to be served and the day of the meeting.

(2) The Company shall, immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the meeting at least seven days before the meeting exclusive of the day on which notice is given and the day of the meeting.

Where it is not practicable to give the notice in the same manner as it gives notice of any general meetings, the notice shall be published in pursuance with the rules framed under section 114 of the Act.

### **PROCEEDINGS AT GENERAL MEETING**

#### **Quorum at General Meeting**

95. The quorum for the general meetings shall be as provided in Section 103 of the Act.

Members need to be personally present at a Meeting to constitute the quorum and proxies shall be excluded for determining the quorum.

#### **Business confined to election of Chairman whilst chair vacant**

96. No business other than the election of a Chairman shall be discussed at any General Meeting whilst the chair is vacant.



### **Chairman of General Meeting**

97. The Chairman of the Board shall take the chair and conduct the Meeting. If the Chairman is not present within fifteen minutes after the time appointed for holding the Meeting, or if he is unwilling to act as Chairman of the Meeting, or if no Director has been so designated, the Directors present at the Meeting shall elect one of themselves to be the Chairman of the Meeting. If no Director is present within fifteen Minutes after the time appointed for holding the Meeting, or if no Director is willing to take the chair, the Members present shall elect, on a show of hands, one of the Directors to take the Chair. If no Director present be willing to take the Chair, the Members present shall elect, on a show of hands, one of themselves to be the Chairman of the Meeting.

### **Proceeding when quorum not present**

98. Any business shall be transacted at any general meeting only when the requisite quorum is present not only at the time of commencement of business but also while transacting the business.

If within half an hour after the time appointed for the holding of a General Meeting, a quorum is not present, the meeting if commenced on the requisition of shareholders shall be dissolved and, in any other case, shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such time and place as the Directors may determine. If at such adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the Members present shall be a quorum and may transact the business for which the meeting was called.

### **Adjourned Meeting**

99. The Chairman with the consent of the meeting at which the quorum is present adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place. No notice of adjourned meeting shall be necessary to be given unless the meeting is adjourned for more than thirty days.

### **What is to be evidence of the passing of resolution where poll not demanded**

100. (1) If the members of the company are less than one thousand, at any general meeting a resolution put to vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded in the manner hereinafter mentioned, and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority, or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence thereof without proof of the number or proportion of the votes recorded in favour of or against the resolution.

(2) If the members of the company are one thousand or more, the company shall provide the facility of voting through electronic means in compliance with the provisions of Section 108 of the Act and the rules made there under, as amended from time to time.

Provided that the company may, irrespective of the number of its members, provide the facility of voting through electronic means as stated in sub-article (2) above, if it deems fit.

### **Demand for poll**

101. (1) Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion, and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five lakh rupees has been paid-up.

(2) The demand for a poll, may be withdrawn at any time by the person who made the demand.

### **Time of taking poll**

102. (1) If a poll is demanded on the election of a Chairman or on a question of adjournment, it shall be taken forthwith and without adjournment.

(2) A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made, as the Chairman may direct.

**Rights of a Member to use his votes differently**

103. On a poll taken at a meeting of the Company, a Member entitled to more than one vote, or his proxy or other persons entitled to vote for him as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

**Scrutinizers at poll**

104. (1) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinise the votes given on the poll and to report thereon to him.
- (2) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutinizer from office and to fill vacancies in the office of the scrutinizer arising from such removal or from any other cause.
- (3) Of the two scrutinizers appointed under this Article, one shall always be a Member (not being an Officer or employee of the Company) present at the meeting, provided that such a Member is available and willing to be appointed.

**Manner of taking poll and result thereof**

105. (1) Subject to the provision of The Act, the Chairman of the meeting shall have the power to regulate the manner in which a poll shall be taken.
- (2) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

**Motion how decided in case of equality of votes**

106. In the case of equality of votes, whether on show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which a poll is demanded, shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a Member.

**Demand for poll not to prevent transaction of other business**

107. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

**Minutes of General Meetings**

108. (1) The Company shall cause minutes of all proceedings of General Meetings to be entered in books kept for that purpose within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered. The Minutes of each Meeting shall contain a fair and correct summary of the proceedings thereat. All the appointments of officers made at any of the meetings shall be included in the minutes of the meeting. Any such minutes, if purported to be signed by the Chairman of the meeting at which the proceedings took place or in the event of the death or inability of that Chairman by a Director duly authorised by the Board for the purpose, shall be evidence of the proceedings.
- (2) The Minutes may be maintained in the books in the form of a binder containing loose leaves in the manner prescribed by the Central Government.

**Inspection of Minute books**

109. The books containing minutes of proceedings of General Meetings of the Company shall be kept at the Registered Office of the Company and shall be open to the inspection of any Member without charge between 11 a.m. and 1.00 p.m. on all working days.

**Copies of Minutes**

110. Any Member shall be entitled to be furnished, within seven working days after he has made a request in that behalf to the Company with a copy of any minutes referred to above, on payment of such fees as may be prescribed by the Act.

**VOTES OF MEMBERS**

**Voting of Members**

111. Subject to any rights or restrictions for the time being attached to any class or classes of shares-
- (1) upon a show of hands every Member of the Company entitled to vote and present in person or by attorney or proxy shall have one vote; and

(2) upon a poll or electronic voting, every Member of the Company who being an individual is present in person or by attorney or by proxy or being a corporation is present by a representative or proxy shall have a voting right in proportion to his share of the paid-up equity share capital of the Company as on the date of the meeting or on the cut-off date fixed for such purpose.

#### **Voting by Corporations**

112. (1) A corporation / institution / company / organization / society, or any other body corporate, may if it is Member, by a resolution of the Board of Directors or other governing body in accordance with the provisions of Section 113 of the Act, authorize such person as it thinks fit to act as its representative at any meeting of the company, or at any meeting of any class of members of the company.

(2) The production at the meeting of a copy of such resolution duly signed by one Director of such corporation or by a member of its governing body or any person authorized in this behalf and certified by him as being a true copy of the resolution shall on production at the meeting, be accepted by the Company as sufficient evidence of the validity of his appointment.

(3) A person authorised by a resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by a proxy and by postal ballot) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member, creditor or holder of debentures of the company.

113. No Member shall be entitled to vote either personally or by proxy for another Member at any General Meeting or meeting of a class of shareholders either upon a show of hands or upon poll or electronically in respect of any shares registered in his name on which any call or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

114. Any person entitled under the transmission clause to transfer any shares may vote at General Meetings in respect thereof as if he was the registered holder of such shares provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

#### **Qualification of proxy**

115. (1) Any Member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself, but a proxy so appointed shall not have any right to speak at the meeting and shall not be entitled to vote except on a poll.

(2) In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a Member.

#### **Votes may be given by proxy or attorney**

116. Votes may be given either personally or by attorney or by proxy or in case of a corporation /institution /company /organisation /society also by a representative duly authorised as aforesaid.

#### **Execution of instrument of proxy**

117. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney or if such appointer is a company or corporation, if any or under the hand of a person duly authorized by such company or corporation in that behalf or under the hand of its attorney who may be the appointer.

#### **Deposit of instrument of appointment of proxy and inspection**

118. No person shall act as proxy unless the instrument of his appointment and the Power of Attorney or other authority, if any, under which it is signed or a copy of that Power of Attorney or other authority, duly certified by a Notary Public, shall be deposited at the Office at least forty eight hours before the time of holding the meeting at which the person named in the instrument of proxy proposes to vote and in default the instrument appointing the proxy shall not be treated as valid. No attorney shall be entitled to vote unless the Power of Attorney or other instrument appointing him as attorney or a copy thereof, duly certified by a Notary Public, has either been registered in the records of the Company at any time not less than forty eight hours before the time of the meeting at which the attorney proposes to vote or is deposited at the Office not less than forty eight hours before the time of same meeting as aforesaid. Notwithstanding that a Power of Attorney or other

authority has been registered in the records of the Company, the Company may by notice in writing addressed to the Member or that attorney at least seven days before the date of a meeting require him to produce the original Power of Attorney or authority and unless the same is thereupon deposited with the Company not less than forty eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Directors in their absolute discretion excuse such non production and deposit. Every member entitled to vote at a meeting of the Company or any resolution to be moved thereat shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged at any time during the business hours of the Company provided that not less than three days notice in writing of the intention so to inspect is given to the Company.

#### **Custody of the instrument**

119. If any Instrument of appointment is confined to the object of appointing a proxy or substitute for voting at meetings of the Company, it shall remain permanently or for such time as the Director may determine, in the custody of the Company, and if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in custody of the Company.

#### **Instrument appointing proxy**

120. Every instrument of proxy whether for a specified meeting or otherwise shall be in writing and if the appointer is a corporation under the hand of an officer or an attorney duly authorized by it and shall as nearly as circumstances will admit be in the form as prescribed in the rules made under section 105 of the Act.

#### **Validity of votes given by proxy notwithstanding death of Members, etc.**

121. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed or the transfer of the shares in respect of which the vote is given provided that no intimation in writing of the death, revocation or transfer shall have been received at the office before the meeting.

#### **Time for objections to votes**

122. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy not disallowed at such meeting or poll, shall be deemed valid for all purposes.

#### **Chairman of any meeting to be the judge of validity of any vote**

123. The Chairman of any meeting shall be the sole judge to decide the validity of every vote tendered at such meeting. The Chairman present at the time of conducting of a poll shall be the sole judge of the validity of every vote tendered at such poll.

#### **Equal rights of Members**

124. Any Member whose name is entered in the Register of Members of the Company shall enjoy the same rights and be subject to the same liabilities as all other Members of the same class.

### **DIRECTORS**

#### **Number of Directors**

125. The number of Directors shall not be less than three or more than fifteen.

#### **Composition of Board of Directors**

126. The Board shall include –

- (i) Public Interest directors;
- @ (ii) Non-independent director; and
- (iii) Managing Director.

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*@ Substituted vide special resolution passed by the members at their Extra-Ordinary General Meeting held on September 26, 2023 and approved by SEBI vide its letter no. SEBI/HO/MRD/RAC-1/P/OW/2024/3355/1 dated January 23, 2024.*

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.

<sup>§</sup> The Board of the Clearing Corporation shall comprise of directors having the requisite qualifications and experience in the areas of capital markets, finance and accountancy, legal and regulatory practice, technology, risk management and management or administration. Provided that the Board of the Clearing Corporation shall comprise of at least one public interest director having the requisite qualification and experience in each of the areas of capital markets, finance and accountancy, legal and regulatory practice, and technology. The Clearing Corporation may also appoint directors having qualification and experience in other areas which may be specific to them, provided that the Clearing Corporation shall ensure that the Board collectively comprises of directors with qualifications and experience as specified above.

<sup>§</sup> SEBI may appoint one or more persons not exceeding three in number, as director(s) on the Board of the Clearing Corporation and such director(s) shall enjoy the same status and power as the other directors of the Board.

\*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 the Clearing Corporation shall not be less than the number of non-independent directors.
- (2) \* @ The managing director shall be included in the category of non-independent 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 non-independent director. The number of public interest directors in a meeting shall not be less than the number of non-independent 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.
- (6) ##The Clearing Corporation shall monitor and ensure the compliance of regulation 23 (6) of the SECC Regulations on a continuous basis, to ensure that directors appointed, on its Board, do not get associated with trading member or clearing member after approval of appointment.
- (7) ##@ The voting on a resolution in the meeting of the Board of the Clearing Corporation shall be valid only when the number of public interest directors that have cast their vote on such resolution is equal to or more than the number of non-independent directors who have cast their vote on such resolution.
- (8) ##The casting vote in the meetings of the Board of the Clearing Corporation shall be with the Chairperson of the Board.
- (9) <sup>§</sup> The Clearing Corporation shall provide at least seven days of training to all directors each year.

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\* Amended vide special resolution passed by the members at their 14<sup>th</sup> Annual General Meeting held on August 6, 2020 and approved by SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.

## Inserted pursuant to the SEBI letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.

<sup>§</sup> Inserted vide special resolution passed by the members at their Extra-Ordinary General Meeting held on September 26, 2023 and approved by SEBI vide its letter no. SEBI/HO/MRD/RAC-1/P/OW/2024/3355/1 dated January 23, 2024.

@ Amended vide special resolution passed by the members at their Extra-Ordinary General Meeting held on September 26, 2023 and approved by SEBI vide its letter no. SEBI/HO/MRD/RAC-1/P/OW/2024/3355/1 dated January 23, 2024.

## Public Interest Directors

- 127.a) 1). \* @ The public interest directors on the Board of Directors of the Clearing Corporation shall be appointed with the prior approval of the SEBI. Public interest directors shall be appointed 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 appointed with the prior approval of SEBI 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. Public interest directors shall be paid only sitting fees as specified in the Companies Act 2013.
- 2) @ The names of public interest directors shall be forwarded to SEBI after the approval of the Board of the Clearing Corporation. The shareholders approval shall not be necessary. A minimum of two names shall be submitted to SEBI for each vacancy of public interest directors, two months before such vacancy.
- 3) \* @ 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) At least one public interest director having the requisite qualification and experience in each of the areas of capital markets, finance and accountancy, legal and regulatory practice, and technology.
  - b) Atleast one person shall 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 Clearing Corporation shall be excluded.
- 4) \*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.
- 5) @ Public interest directors shall peruse the relevant laws, code of conduct, etc. and submit an undertaking to the Clearing Corporation that they are aware of their role, responsibilities and obligations.
- 6) \* @ In case of re-appointment of the public interest director, the Clearing Corporation shall apply to SEBI four months before the expiry of the term. In addition to the other requirements prescribed, the application for re-appointment of the public interest director shall be accompanied with, their attendance details on meetings of various mandatory committees and on the Board of Directors of the Clearing Corporation, performance review and the reasons for extension of the term.
- 7) The public interest director shall not be subject to retirement by rotation.
- 8) @ The existing public interest director may continue holding the post for a maximum period of three months from the date of expiry of their term or till a new Public Interest Director is appointed, whichever is earlier, only if the Board does not meet the mandatory regulatory requirements on its composition.
- 9) # @ A person may be appointed as a public interest director for a maximum of three terms across recognised stock exchanges / recognised clearing corporations / depositories, subject to a maximum age limit of seventy five years.

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\* Amended vide special resolution passed by the members at their 14<sup>th</sup> Annual General Meeting held on August 6, 2020 and approved by SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.

# Inserted vide special resolution passed by the members at their 14<sup>th</sup> Annual General Meeting held on August 6, 2020 and approved by SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.

@ Amended vide special resolution passed by the members at their Extra-Ordinary General Meeting held on September 26, 2023 and approved by SEBI vide its letter no. SEBI/HO/MRD/RAC-1/P/OW/2024/3355/1 dated January 23, 2024.

- 10) #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.
- 11) #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.
- 12) ##@ No public interest director shall become a non-independent director unless there is a cooling-off period of three years after ceasing to be a public interest director.

**<sup>s</sup> Non-independent Directors**

127 (b) @ 1) The names of persons to be appointed as non-independent directors shall first be approved by the Board of Directors of the Clearing Corporation, followed by Shareholders' approval before submitting the same to SEBI for approval.

@ 2) The manner of election, appointment, tenure, resignation, vacation etc. of non-independent directors shall be governed by the provisions applicable under the Companies Act, 2013 save as otherwise specifically provided under the SECC Regulations or in accordance with the SCRA, circulars issued thereunder.

128. \* <sup>s</sup> **Code of Conduct for Clearing Corporation, Board, Directors, Committee Members and Key Management Personnel**

<sup>s</sup> a. The Clearing Corporation shall abide by the Code of Conduct as specified under Part –A of Schedule II of SECC Regulations.

<sup>s</sup> b. The Board, Directors, Committee Members and Key Management Personnel of the Clearing Corporation shall abide by the Code of Conduct as specified under Part –B of Schedule II of SECC Regulations.

@ c. Every Director and Key Management Personnel of the Company shall be a 'Fit & Proper' person as specified under Regulation 20 of SECC Regulations.

**First Directors**

129. (1) The persons hereinafter named are the first Directors of the Company: -

- (i) Mr. Ravi Narain
- (ii) Mr. Chitra Ramkrishna
- (iii) Mr. Raghavan Putran

(2) The first Directors shall hold office until the close of the first Annual General Meeting of the Company provided that if vacancy arises in the office of any of the aforesaid first Directors before the close of the first Annual General Meeting of the Company then such vacancy may be filled by the Directors at their meeting.

**Managing Director**

130. (a) The appointment, renewal of appointment and termination of service of the managing director of the Clearing Corporation shall be subject to prior approval of the SEBI.

# Inserted vide special resolution passed by the members at their 14<sup>th</sup> Annual General Meeting held on August 6, 2020 and approved by SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.

## Inserted pursuant to the SEBI letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.

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<sup>s</sup> Substituted vide special resolution passed by the members at their Extra-Ordinary General Meeting held on September 26, 2023 and approved by SEBI vide its letter no. SEBI/HO/MRD/RAC-1/P/OW/2024/3355/1 dated January 23, 2024.

- (b) The Clearing Corporation shall, subject to the guidelines issued by the SEBI from time to time, determine the qualification, manner of appointment, terms and conditions of appointment and other procedural formalities associated with the selection/ appointment of the managing director.
- (c) \* @ The appointment of the managing director shall be for a 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 period of ten years, subject to a maximum age limit of sixty five years.
- (d) \*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.

- (e) The managing director shall be liable for removal or termination of services by the Board of Directors with the prior approval of the SEBI for failure to give effect to the directions, guidelines and other orders issued by the SEBI, or the rules, the articles of association, bye-laws and regulations of the Clearing Corporation.
- (f) The SEBI may suo motu remove or terminate the appointment of the managing director if deemed fit in the interest of securities market:
- Provided that no managing director shall be removed unless he has been given a reasonable opportunity of being heard.
- (g) \*The Nomination & Remuneration Committee of the Clearing Corporation 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. The Clearing Corporation shall forward the list of candidates for appointment to SEBI before two months from the last working day of the existing Managing Director.
- (h) \*In case a vacancy of managing director arises due to unforeseen reasons, the Clearing Corporation shall forward the list of candidates to SEBI within 60 days from the date of submission of resignation or such vacation of office.
- (i) \* @ 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 shall be within a range of 25% to 50% of total pay.
  - (ii) 50% of the variable pay shall be paid on a deferred basis after a minimum period of three years.
  - (iii) ESOPs and other equity linked instruments in the Clearing Corporation shall not be offered or provided as part of the compensation for the managing director.
  - (iv) The compensation policy shall have malus and clawback arrangements.

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\* Amended vide special resolution passed by the members at their 14<sup>th</sup> Annual General Meeting held on August 6, 2020 and approved by SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.

@ Amended vide special resolution passed by the members at their Extra-Ordinary General Meeting held on September 26, 2023 and approved by SEBI vide its letter no. SEBI/HO/MRD/RAC-1/P/OW/2024/3355/1 dated January 23, 2024.



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

(j) The aforesaid provisions shall also be applicable if the Clearing Corporation appoints a Chief Executive Officer who is not a Managing Director.

#### **Alternate Director**

131. (1) Subject to Section 161 of the Act, the Board of Directors may appoint an Alternate Director to act for a Director (hereinafter in this Article called "the original Director") at his suggestion or otherwise, during his absence for a period of not less than three months from India.

(2) An Alternate Director appointed under sub-article (1) shall not hold office as such for a period longer than permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to India.

(3) If the term of office of the original Director is determined before he so returns to the State aforesaid, any provision for the automatic reappointment of the retiring Directors in default of another appointment shall apply to the original and not to the Alternate Director.

#### **Additional Directors and Director appointed to fill casual vacancy**

132. The Directors shall have power at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director, but the total number of Directors shall not exceed the maximum number fixed by Articles. Any Director appointed as additional director shall hold the office only upto the next Annual General Meeting of the Company and shall then be entitled for appointment as Director. Any Director appointed to fill a casual vacancy shall hold office only up to the date up to which the Director in whose place he is appointed would have held office had it not been vacated.

#### **Share Qualification of Director**

133. No Director shall be required to hold any qualification shares of the Company.

#### **Remuneration of Director**

134. (1) \*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.

(2) The fees payable to a Director for attending a meeting of the Board or Committee thereof shall be as decided by the Board of Directors from time to time and subject to such ceiling as may be prescribed by The Act or the Central Government.

#### **Directors not being residents of place where a meeting is held may receive extra compensation**

135. The Directors may allow and pay to any Director, who is not a resident of the place where a meeting is held and who shall come to such place for the purpose of attending a meeting, such sum as the Directors may consider fair compensation for travelling, hotel and other expenses in addition to his remuneration to be paid to any member or members of their body, or a committee appointed by the Directors in terms of these Articles.

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**Special remuneration to Director for extra service, etc.**

136. If any Director being willing, be called upon to perform extra service or special exertions in going out or residing at particular place or otherwise for any of the purposes of the Company, the Company may remunerate such Director either by a fixed sum or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his remuneration above provided.

**Directors may act notwithstanding any vacancy**

137. Subject to the provisions of The Act, the continuing Directors may act notwithstanding any vacancy in their body; but if the number falls below the minimum number fixed, the Directors shall not, except in emergencies or for the purpose of filling up vacancies or for summoning a General Meeting of the Company, act so long as the number is below the minimum and they may so act notwithstanding the absence of a necessary quorum under the provisions of Article 156.

**Directors vacating office**

138. The office of a Director shall become vacant on the happening of any one of the events mentioned in Section 167 of the Act or if he resigns his office by a notice in writing addressed to the Company. The Board shall on receipt of such notice take note of the same and the company shall intimate the Registrar and shall also place the fact of such resignation in the report of directors laid in the immediately following general meeting of the Company.

**Disclosure of interest by Director**

139. (1) Every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors.
- (2) (a) In the case of proposed contract or arrangement, the disclosure required to be made by a Director under sub-article (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting, concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested.
- (b) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.
- (3) (a) For the purpose of sub-articles (1) and (2), a general notice given to the Board by a Director, to the effect that he is a Director or a member of a specified body corporate or company or is a partner of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or company or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made;
- (b) Any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further period of one financial year at a time, by a fresh notice given in the first meeting of the Board held for relevant financial year.
- (c) No such general notice and no renewals thereof shall be of effect unless either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
- (4) Nothing in this Article shall be taken to prejudice the operation of any rule of law restricting a Director of the Company from having any concern or interest in any contracts or arrangements with the Company.
- (5) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any of the Directors of the Company or two or more of them together holds or hold not more than two percent of the paid-up share capital in the other company.

**Interested Director not to participate or vote in Board's proceedings**

140. (1) No Director of the Company shall, as a Director, take any part in the discussion of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is, in anyway, whether directly or indirectly concerned, or interested in the contract or arrangement; nor shall his

presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void.

(2) This Article shall not apply to: -

(a) any contract of indemnity against any loss which the Directors or any one or more of them, may suffer by reason of becoming or being sureties or surety for the Company;

(b) any contract or arrangement entered into or to be entered into with a public company, or a private company, which is a subsidiary of a public company, in which the interest of the Director aforesaid consists solely in his being a Director, of such company and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the company, or in his being a member holding not more than two per cent of the paid-up share capital of such other company.

#### **Directors may be Directors of companies promoted by the Company**

141. A Director may be, or become, a Director of any company promoted by the Company, or in which it may be interested as a vendor, member or otherwise, and subject to the provisions of the Act and these Articles, no such Director shall be accountable for any benefits received as Director or any member of such company.

### **ROTATION OF DIRECTORS**

#### **Non-rotational Directors**

142. @ Directors other than Public Interest Directors appointed with the prior approval of SEBI shall be persons whose period of office is liable to determination by rotation and, subject to the provisions of the Act, shall be appointed by the Company in a General Meeting.

#### **Directors to retire annually, how determined**

143. At every Annual General Meeting of the Company other than the first Annual General Meeting, one- third of such of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.

#### **Which Directors to retire**

144. The Directors to retire by rotation at every Annual General Meeting shall be those who are liable to retire and who have been longest in office since their last appointment, but as between persons, who became Directors on the same day, those who are to retire shall (unless they otherwise agree among themselves), be determined by lot.

#### **Retiring Directors eligible for re-election**

145. A retiring Director shall be eligible for re-election.

#### **Company to fill up vacancy**

146. The Company may, at the Annual General Meeting at which a Director retires as aforesaid, fill up the vacancy by appointing the retiring Director or some other person in that vacancy.

#### **Retiring Directors to remain in office until successors appointed**

147. If the place of the retiring Director is not filled up as provided in the preceding Article and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place and if at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless -

(1) at that meeting or at the previous meeting, a resolution for the re-appointment of such Director has been put to the meeting and lost;

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- (2) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so reappointed;
- (3) he is not qualified or is disqualified for appointment;
- (4) a resolution, whether special or ordinary, is required for his appointment by virtue of any provisions of The Act; or
- (5) the proviso to sub-article (2) of Article 148 is applicable to the case.

#### **Appointment of Directors to be voted individually**

148. (1) At every Annual General Meeting of the Company, a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution, unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it.

(2) A resolution moved in contravention of sub-article (1) of this Article shall be void whether or not objection was taken at the time to this being so moved; provided that where a resolution so moved is passed, no provision for the automatic re-appointment of retiring Directors in default of another appointment shall apply.

(3) For the purpose of this Article, a motion for approving a person's appointment or for nominating a person for appointment shall be treated as motion for his appointment.

#### **Rights of persons other than retiring Directors to stand for Directorship**

149. (1) 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.

<sup>#</sup> 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.

(2) The Company shall inform its Members of the candidature of a person for the Office of Director or the intention of a Member to propose such person as a candidate for that office by serving individual notices on the Members and by placing notice of such candidature or intention on the website of the company.

(3) Provided that that it shall not be necessary for the Company to serve individual notices upon the Members as aforesaid if the Company advertises such candidature or intention, not less than seven days before the meeting at least once in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is situated, and circulating in that district, and at least once in English language in an English newspaper circulating in that district.

#### **Removal of Directors**

150. (1) The Company may, subject to the provisions of The Act and these Articles, by an ordinary resolution remove a Director before the expiry of his period of office.

(2) A special notice shall be required of any resolution to remove a Director under this Article or to appoint somebody instead of a Director so removed at the meeting at which he is removed.

(3) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned, and the Director (whether or not he is a Member of the Company) shall be entitled to be heard on the resolution at the meeting.

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<sup>#</sup> Inserted vide special resolution passed by the members at their 14<sup>th</sup> Annual General Meeting held on August 6, 2020 and approved by SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.

(4) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests for notification to Members of the Company, the Company shall, unless the representations are received by it too late for it to do so -

- (a) in the notice of the resolution given to Members of the Company, state the fact of the representations having been made; and
- (b) send a copy of the representations to every Member of the Company to whom notice of the meeting is sent (whether before or after receipt of the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting; provided that copies of the representations need not be read out at the meeting, if on the application either of the Company or of any other person who claims to be aggrieved, the Central Government is satisfied that the rights conferred by this sub-article are being abused to secure needless publicity for defamatory matter.

(5) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in the General Meeting or by the Board pursuant to Article 132, be filled by the appointment of another Director in his stead, by the meeting at which he is removed, provided special notice of the intended appointment has been given under sub-article (2) of this Article. A Director so appointed shall hold office until the date up to which his predecessor would have held office, had he not been removed as aforesaid.

(6) If the vacancy is not filled under sub-article (5) of this Article, it may be filled as a casual vacancy in accordance with the provisions so far as they may be applicable of Article 132 and all the provisions shall apply accordingly; provided that the Director who was removed from office shall not be re-appointed as a Director by the Board of Directors.

## **PROCEEDINGS OF DIRECTORS' MEETING**

### **Meeting of Directors**

151. The Directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings and proceedings as they think fit; provided, however, that a meeting of the Board of Directors shall be held at such number of times and at such frequencies as may be prescribed in the Act, the rules made there under and the Secretarial Standards.

### **When meeting to be convened**

152. The Chairman may at any time and the Managing Director / Manager or such other Officer of the Company as may be authorized by the Directors shall upon the request of a Director convene a meeting of the Directors.

### **Notice of Meetings**

153. Notice in writing of every Meeting shall be given at least seven days before the date of the Meeting, to every Director by hand or by speed post or by registered post or by courier or by facsimile or by e-mail or by any other electronic means.

The Notice shall specify the serial number, day, date, time and full address of the venue of the Meeting.

In case the facility of participation through Electronic Mode is being made available, the Notice shall inform the Directors about the availability of such facility, and provide them necessary information to avail such facility and shall also contain the contact number or e-mail address(es) of the Chairman or the Company Secretary or any other person authorized by the Board, to whom the Director shall confirm in this regard.

The Notice of a Meeting shall be given even if Meetings are held on pre-determined dates or at pre-determined intervals.

### **Chairman of the Board of Directors**

154. The Chairperson of the Board of Directors of Clearing Corporation shall be Public Interest Director and shall be appointed with the prior approval of SEBI.

All meetings of the Directors shall be presided over by such Chairman, if present, but if, at any meeting of Directors, the Chairman be not present at the time appointed for holding the same, then and in that case the Directors shall choose one of the Directors then present to preside at the meeting.

### **Question at a Board meeting, how decided**

155. \* @ 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 non-independent directors who have cast their vote on such resolution. The casting vote in the meetings of the Board of Directors shall be with the Chairman of the meeting (whether the Chairman appointed by virtue of these Articles or the Director presiding at such meeting).

### **Quorum and its competence to exercise powers**

156. \* @ 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, the number of public interest directors shall not be less than the number of non-independent directors to constitute the quorum for the meeting of the board of directors.

<sup>s</sup> [...]

# <sup>s</sup> [...]

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.

(3) ## <sup>s</sup> [...]

### **Procedure where meeting adjourned for want of quorum**

157. (1) If a meeting of the Board could not be held for want of quorum, then, unless the Directors present at each meeting otherwise decide, the meeting shall automatically stand adjourned to the same day in the next week, at the same time and place, or if that day is a national holiday, to the next succeeding day which is not a national holiday at the same time and place. If there is no Quorum at the adjourned Meeting also, the Meeting shall stand cancelled.

(2) The provisions of Article 151 shall not be deemed to have been contravened merely by reason of the fact that a meeting of the board which had been called in compliance with the terms of that Article could not be held for want of quorum.

### **Directors may appoint Committee**

158. The Directors may, subject to the provisions of the Act, delegate any of their powers to a Committee or Committees consisting of such member or members of their body as they deem fit, and they may, from time to time, revoke such delegation. Any Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed on it by the Directors.

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\* Amended vide special resolution passed by the members at their 14<sup>th</sup> Annual General Meeting held on August 6, 2020 and approved by SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.

# Inserted vide special resolution passed by the members at their 14<sup>th</sup> Annual General Meeting held on August 6, 2020 and approved by SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.

## Inserted pursuant to the SEBI letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.

@ Amended vide special resolution passed by the members at their Extra-Ordinary General Meeting held on September 26, 2023 and noted by SEBI vide its letter no. SEBI/HO/MRD/RAC-1/P/OW/2024/3355/1 dated January 23, 2024.

<sup>s</sup> Deleted vide special resolution passed by the members at their Extra-Ordinary General Meeting held on September 26, 2023 and noted by SEBI vide its letter no. SEBI/HO/MRD/RAC-1/P/OW/2024/3355/1 dated January 23, 2024.

#### **\*Board Committees**

159. The Company shall constitute Committees as to ensure effective oversight of the functioning of the Clearing Corporation as mandated under the Companies Act, 2013, 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 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. 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.

#### **Meetings of Committee how to be governed**

160. The meetings and proceedings, of any Committee appointed pursuant to the preceding Article shall be governed by the provisions of these Articles for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

#### **Acts of Board or Committees valid notwithstanding defect of appointment**

161. All acts done at any meeting of the Board or a Committee thereof or by any person acting as a Director, shall be valid notwithstanding that it may be afterwards discovered that the appointment of any one or more of such Directors or of any person acting as aforesaid, was invalid by reason of defect or disqualification or had terminated by virtue of any provision contained in The Act or these Articles; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
162. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors including Interested Directors on the same day or to all the members of the Committee, as the case may be, at their addresses registered with the company in India by hand, or by speed post or by registered post or by courier, or by e-mail or by any other recognized electronic means.

Provided that, where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

#### **Minutes of proceedings of Directors and Committees.**

163. The company shall keep minutes of all Board and Committee Meetings in a Minutes Book. A distinct Minutes Book shall be maintained for Meetings of the Board and each of its Committees.

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The minutes shall contain –

- (i) at the beginning the serial number and type of the Meeting, name of the company, day, date, venue and time of commencement and conclusion of the Meeting;
- (ii) the names of the Directors present physically or through Electronic Mode, the Company Secretary who is in attendance at the Meeting and Invitees, if any, including Invitees for specific items;
- (iii) a fair and correct summary of the proceedings at the meeting;
- (iv) all orders made by the Board and Committee of the Board and all appointments of Officers and Committees of Directors;
- (v) in the case of each resolution passed at a meeting of the Board or Committee of the Board, the names of the Directors, if any, dissenting from, or not concurring in, the resolution.

#### **By whom Minutes to be signed and the effect of such Minutes**

164. The minutes of any meeting of the Board or any Committee of the Board, if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting, shall for all purposes whatsoever, be evidence of the actual passing of the resolutions recorded and the actual and regular transaction or occurrence of the proceedings so recorded and of the regularity of the meeting at which the same appear to have taken place.

### **POWERS OF DIRECTORS**

#### **General powers of Company vested in Directors**

165. Subject to the provisions of The Act and these Articles, the business of the Company shall be managed by the Directors who may exercise all such powers and do all such acts and things as the Company is by its Memorandum of Association or otherwise authorised to exercise and do and are not by these Articles or by statute directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of The Act and of the Memorandum of Association and these Articles from time to time made by the Company in General Meeting provided that no such regulation shall invalidate any prior act of Directors which would have been valid if such regulation had not been made.

#### **Certain powers to be exercised by Board at meeting only**

166. The Board shall exercise the powers as specified in sub-section (3) of section 179 of the Act, on behalf of the company by means of resolutions passed at meetings of the Board.

Provided that the Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Chairman, the Managing Director, the Manager, the Whole-time Director or any other Officer of the company or in the case of a Branch office of the Company, the Principal Officer of the Branch office, the powers specified in clause (d) to (f) of subsection (3) of Section 179 of the Act on such conditions as it may specify.

#### **Consent of Company necessary for exercise of certain powers**

167. The Board shall exercise the powers as specified in sub-section (1) of section 180 of the Act, only with the consent of the company by a special resolution.

#### **Specific powers given to Directors**

168. Without prejudice to the general powers conferred by these Articles but subject to the provisions of the Act, it is hereby expressly declared that the Directors shall have the following powers: -
- i. to pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company,
  - ii. to keep Foreign Register in accordance with the provisions of the Act,
  - iii. to purchase or otherwise acquire for the Company any property rights or privileges which the Company is authorized to acquire at such price and generally on such terms and conditions as they may think fit.
  - iv. ***To pay for property***  
to pay for the property at their discretion to pay for any property or rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash, or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued whether as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock



or other securities may be either specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

- v. ***To insure properties***  
to insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of insurance effected in pursuance of this power.
- vi. ***To open bank accounts***  
to open accounts with any bank or bankers or with any Company, firm or individual and to pay money into and draw money from any such account from time to time as the Directors may think fit.
- vii. ***To enter into and secure contracts***  
to enter in to all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company and to secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being in such other manner as they think fit.
- viii. ***To attach conditions***  
to attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions as to transfer thereof as they think fit.
- ix. ***To accept surrender of shares, etc.***  
to accept from any Member on such terms and conditions as shall be agreed a surrender of his shares or stocks or any part thereof.
- x. ***To appoint Trustees***  
to appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested, or for any other purposes and to execute and do all such acts and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.
- xi. ***To institute and defend legal proceedings***  
to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debt due or of any claims or demands by or against the Company.
- xii. ***To refer to arbitration***  
to refer any claim or demand by or against the Company to arbitration and observe and perform the awards.
- xiii. ***To act in all matters relating to bankruptcy and insolvency.***  
to act on behalf of the Company in all matters relating to bankruptcy and insolvency.
- xiv. ***To make and give receipts***  
to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- xv. ***To authorize execution of bills, etc.***  
to determine, from time to time, who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents.
- xvi. ***To invest moneys***  
to invest and deal with any of the monies of the Company not immediately required for the purposes thereof, in such securities and in such manner as they may think fit and from time to time to vary or realize such investments.

xvii. ***To give security by way of indemnity***  
to execute in the name and on behalf of the Company in favour of any director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

xviii. ***To distribute bonus***  
to distribute by way of bonus amongst the staff of the Company as here in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as part of the working expenses of the Company.

xix. ***To give interest in particular business or transaction, etc.***  
to give to any director, officer or other person employed by the Company an interest in any particular business or transaction or otherwise or a share in the general profits of the Company and such interest, commission or share of profits shall be treated as a part of the working expenses of the Company;

Provided that the share of general profits of the Company payable to the Directors or to the officer of the Company or such other person shall not exceed in the aggregate sum equivalent to

- (i) one percent of the net profits of the Company, if the Company has Managing or Whole-time Director or a Manager;
- (ii) three percent of the net profits of the Company, in any other case, as determined in accordance with the provisions of Section 198 of the Act;

Provided further that this limitation or restriction on the percentage of net profits shall not be applicable to any distribution of a general bonus to employees of the Company.

xx. ***To provide for welfare of employees, etc.***  
to provide for the welfare of employees or ex-employees of the Company or its predecessors in business and the spouse, widow or widower, father (including step-father), mother (including step-mother), brother (including step-brother), sister (including step-sister), son (including step-son), daughter (including step-daughter), son's widow, daughter's widower, deceased son's children, deceased daughter's children or dependents of such employees or ex employees, by building or contributing to the building of houses or dwellings or by grant of money, pensions, allowances, bonus, ex-gratia or other payments or by creating and from time to time subscribing or contributing to provident funds and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and to subscribe or contribute to or otherwise assist charitable, benevolent, national and or other institutions or objects.

xxi. ***To subscribe for Charitable fund, etc.***  
to subscribe or guarantee money for any national, charitable, benevolent, public, general or useful object or for any exhibition or any institution, club, society or fund as prescribed under Section 181 of the Act.

xxii. ***To contribute for CSR Activities***  
to spend or guarantee money for any Corporate Social Responsibility activities to be carried out by the company in compliance with the provisions of Act.

xxiii. ***To set aside sums for Reserves, create Reserve Fund, etc.***  
before recommending any dividend, to set aside, out of the profits of the Company, such sums as the Directors may think proper for depreciation or to a depreciation fund or as reserve or to a reserve fund or sinking fund or any special fund to meet contingencies or to redeem debentures or for repairing, improving, extending and maintaining any part of the property of the Company or for such other purposes as the Directors may in their absolute discretion think conducive to the interests of the Company, and the Directors may invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restrictions imposed by the Act) as the Directors may think fit; and from time to time deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Directors (subject to such restrictions as

aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they expend the same, or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and the Directors may divide the reserve or any fund into such special funds and transfer any sum from one fund to another as the Directors may think fit, and may employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of debentures and that without being bound to keep the same separate from the other assets, and without being bound to pay interest on the same, with power, however, to the Directors at their discretion to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.

xxiv. ***To appoint officers etc.***

to appoint and at their discretion remove or suspend such committee or committees of experts, technicians, or advisers or such Managers, Officers, clerks, employees, and agents for permanent, temporary or special services as they may, from time to time, think fit, and to determine their powers and duties and fix their salaries and emoluments and require security in such instances and to such amounts as they may think fit, and also without prejudice as aforesaid, from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India in such manner as they think fit and the provisions contained in sub-articles (xxv) and (xxvi) following shall be without prejudice to the general powers conferred by this sub- article.

xxv. ***To ensure compliance of local laws***

To ensure the compliance of the requirements of any local law, which in their opinion, shall in the interest of the Company be necessary or expedient to comply with.

xxvi. ***To establish any local boards***

From time to time and at any time, to establish any local boards for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of any Local Boards and to fix their remuneration. And from time to time and at any time, but subject to provisions of Section 180 of the Act and of these Articles, to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Directors, and to authorise the members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit, and the Directors may at any time remove any persons so appointed, and may annul or vary any such delegations. Any such delegates may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

xxvii. ***To appoint Attorneys***

to appoint at any time and from time to time but subject to the provisions of Section 179 of the Act and these Articles, by Power of Attorney, any persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as the Directors may, from time to time, think fit and any such appointment (if the Directors think fit) may be made in favour of the Members or in favour of any company or the Members, Directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Directors, and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorney as the Directors may think fit.

xxviii. ***To formulate schemes, etc.***

to formulate, create, institute or set up such schemes, trusts, plans or proposals as they may deem fit for the purpose of providing incentive to the officers, employees and workers of the Company including without limiting the generality of the foregoing, formulation of schemes for the subscription by the officers, employees and workers to shares in, or debentures of, the Company.

xxix. ***Delegation of powers***

Subject to the provisions of the Act and these Articles, to delegate the powers, authorities, and discretion vested in the Directors to any person, firm, company or fluctuating body or persons as aforesaid.

xxx. ***Sub-Delegation of powers by Delegates***

any such delegatee or attorney as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers authorities and discretion for the time being vested in him.

**Powers of the Board**

169. (1) The Board shall have power to organise, maintain, control, manage, regulate and facilitate the operations of the Clearing Corporation and of commodities transactions by trading members of the Clearing Corporation subject to the provisions of these Articles and of the SCRA and the Rules framed thereunder.

(2) Subject to the provisions of these Articles and of the SCRA and the Rules framed thereunder or any Directives by the SEBI, the Board shall have power and wide authority to make Rules, Bye-laws and Regulations from time to time, for any or all matters relating to the conduct of the business of the Clearing Corporation, the business and transactions of trading members between trading members inter se as well as between trading members and persons who are not trading members, and to control, define and regulate all such transactions and to do such acts and things which are necessary for the purposes of the Clearing Corporation or of the Company.

(3) Without prejudice to the generality of the foregoing, the Board shall have power to make Rules, Bye-laws and Regulations, amongst other purposes, for all or any of the following matters:-

- a. Conditions for admission to clearing membership;
- b. Conduct of business of clearing corporation
- c. Conduct of clearing members with regard to the business, subject to Rule, Bye-Laws, Regulations or Usage;
- d. Time, place and manner for transacting business;
- e. Penalties for disobedience or contravention of the Rules, Bye-Laws and Regulations or of general discipline, including expulsion or suspension of the clearing members;
- f. Declaration of any clearing member as defaulter or suspension, resignation or exclusion from clearing membership and of consequences thereof;
- g. Scale of commission or brokerage which clearing members can charge;
- h. Conditions, levy for admission or subscription for admission to or continuance of clearing membership;
- i. Charges payable by Clearing Members for transactions any may be laid down from time to time;
- j. investigations of the financial conditions, business conduct and dealings of clearing members;
- k. Settlement of disputes, complaints, claims arising between clearing members and person who are not clearing members and persons who are not clearing members relating to any transaction in securities made subject to the Rules, Bye-Laws, and Regulations and usage including settlement to the arbitration in accordance with the Rules Bye-Laws and Regulations and usage in force from time to time.
- l. establishment and functioning of clearing house(s) or other arrangements for clearing;
- m. creation and management of settlement fund, guarantee fund, insurance, collection and maintenance of margins and deposits and any other default risk and liability management mechanism;
- n. Appointment of Committee or Committees for any purposes of the Clearing Corporation

(4) The Board shall be empowered to delegate to Executive Committee(s) or to any person, all or any of the powers vested in it, to manage all or any of the affairs of Clearing Corporation.

(5) Subject to the provisions of these Articles and of the SCRA and the Rules framed thereunder any directives from the SEBI, the Board shall be empowered to vary, amend or repeal or add to Rules, Bye-laws and Regulations framed by it.

## EXECUTIVE COMMITTEE

170. (1) The Board shall constitute, and empower one or more Executive Committee(s) {EC(s)}, to manage the whole or part of the affairs of the Clearing Corporation.
- (2) The composition and the maximum strength of the EC(s) shall be such as may be prescribed in the Rules of the Clearing Corporation from time to time.
- (3) The Managing Director of the Company shall be the ex-officio Chairman of the Executive Committee and Chief Executive of the Clearing Corporation.
- (4) The Board may give such directives from time to time, in relation to the conduct of the affairs of the Clearing Corporation, and such directives shall be binding upon the Exchange and the EC(s). If at any time the Board is satisfied that circumstances exist which render it necessary in public interest to do so, the Board may supersede and/or dissolve the Executive Committee and appoint and reconstitute a new Executive Committee with such powers and on such terms as the Board may in its discretion think fit.
- (5) The Executive Committee may subject to the terms and conditions of delegations by the Board and to the extent of such delegation exercise all such powers and do all such acts and things as may be exercised or done by the Board.

## SECRETARY

### **Appointment and removal of Secretary**

171. The Directors shall pursuant to Section 203 of the Act, from time to time appoint a Secretary to perform functions and duties, which by the Act or the rules made there under are to be performed by the Secretary.

## DIVIDENDS

### **Division of profits**

172. The profit of the Company, subject to any special rights relating thereto created or authorised to be created by the Memorandum of Association or these Articles and subject to the provisions of The Act and these Articles, shall be divisible among the Members in proportion to the amount of capital paid up in the shares held by them respectively.

### **Capital paid up in advance at interest not to earn dividend**

173. Where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.

### **Dividends in proportion to amount paid up**

174. The Company may pay dividends in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up or credited as paid up on some shares than on others.

### **The Company in General Meeting may declare a dividend**

175. The Company in Annual General Meeting may declare a dividend to be paid to the Members according to their respective rights and interests in the profits and may fix the time for payment.

### **Dividend to be paid out of profits**

176. Dividend shall be declared and paid in accordance with the provisions of Section 123 of the Act and the rules made there under, as amended from time to time.

### **No larger dividend than recommended by Directors, etc.**

177. No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend, subject to the provisions of Section 123 of the Act, and no dividend

shall carry interest as against the Company. The declaration of the Directors as to the amount of the net profits of the Company in any year shall be conclusive.

**Interim dividend**

178. The Directors may, from time to time, pay to the Members such interim dividends as, in their judgement, the position of the Company justifies.

**Retention of dividends until completion of transfer.**

179. The Directors may retain the dividends payable upon shares in respect of which any person is entitled to transfer until such person shall become a Member in respect of such shares.

**No Member to receive dividend while indebted to the Company and Company's right of reimbursement thereof**

180. Subject to Section 123 of the Act, no Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares of or otherwise howsoever, either alone or jointly with any other person or persons, and the Directors may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.

**Right to dividend only on registration of transfer of shares**

181. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

**Special provision with reference to dividend**

182. The company shall pay dividend in respect of any share(s) therein only to the registered shareholder of such share(s) or to his order or to his banker and shall not be payable except in cash.

Provided that the capitalisation of profits or reserves of the company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the company shall not be deemed to be prohibited by the provisions of this Article.

**Dividends how remitted**

183. Any dividend payable in cash may be paid by cheque or warrant sent through the post to the registered address of the Member or in case of joint holders to that one of them first named in the Register in respect of the joint holding or in any electronic mode.

Every such cheque shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible to any cheque or warrant lost in transit or for any dividend lost to the Member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.

**Unclaimed or unpaid dividends**

184. (1) If a dividend declared by the Company has not been paid or claimed within thirty days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, open a special account in that behalf in any Scheduled Bank called " The Unpaid Dividend Account of "National Commodity Clearing Limited" for (mention year) " and transfer the total amount of such dividend remaining unpaid or unclaimed, to such Account.

Explanation: In this Sub-Article, the expression "dividend which remains unpaid" means any dividend the warrant in respect of which has not been encashed or which has otherwise not been paid or claimed.

(2) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund established under the applicable law.

### **Dividends and call together**

185. Subject to Section 124 of the Act, any General Meeting declaring a dividend may make a call on the Members in respect of moneys unpaid on shares for such amount as the meeting fixes so that the call on each Member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the call.

### **PURCHASE OF ITS OWN SECURITIES**

#### **Buy back of own shares**

186. Notwithstanding anything contained in these Articles, the Company may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be required under the provisions of the Act.

### **CAPITALISATION**

#### **Capitalisation**

187. (1) Any General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits, [including profits or surplus moneys arising from the realisation and (where permitted by law) from the appreciation in value of any capital assets of the Company], standing to the credit of the Reserve or Reserve Fund or any other Fund of the Company or in the hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the securities premium account be capitalised:

(a) by the issue and distribution of fully paid up shares, debentures, debenture-stock, bonds or other obligations of the Company, or

(b) by crediting shares of the Company which may have been issued to and are not fully paid up with the whole or any part of sum remaining unpaid thereon.

(2) Such issue and distribution under clause (a) of sub-article (1) of this Article and such payment to the credit of unpaid share capital under clause (b) of sub-article (1) of this Article shall be made to among and in favour of the Members or any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under clause (a) of sub-article (1) of this Article or payment under clause (b) of sub-article (1) of this Article shall be made on the footing that such Members become entitled thereto as capital.

(3) The Directors shall give effect to any such resolution and apply such portion of the profits of Reserve or Reserve Fund or any other Fund on account as aforesaid and may be required for the purpose of making payment in full for the shares, debentures or debenture-stock, bonds or other obligations of the Company so distributed under clause (a) of sub-article (1) of this Article or, as the case may be, for the purpose of paying in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid up under clause (b) of sub-article (1) of this Article; provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended, such distribution and payment shall be accepted by such Members as aforesaid in full satisfaction of their interest in the said capitalised sum. For the purpose of giving effect to any such resolution, the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and, in particular, they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any Members on the footing of the value so fixed and may vest any such cash shares, debentures, debenture-stock, bonds or other obligations in trustees upon such trusts for the person entitled thereto as may seem expedient to the Directors and generally may make such arrangements for the acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as they may think fit.

(4) Subject to the provisions of The Act and these Articles, in cases where some of the shares of the Company are fully paid up and others are partly paid up only, such capitalisation may be effected by the distribution of further shares in respect of the fully paid up shares, and by crediting the partly paid up shares with the whole or part of the unpaid liability thereon but as between the holders of the fully paid-up shares, and the partly paid up shares, the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid up shares shall be so applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid up and partly paid up shares respectively. When deemed

requisite, a proper contract shall be filed in accordance with The Act and the Board may appoint any person to sign such contract on behalf of the holders of the shares of the Company which shall have been issued prior to such capitalisation and such appointment shall be effective.

## ACCOUNTS

### Accounts

188. The Company shall keep at the Office or at such other place in India as the Board thinks fit and proper Books of account and other relevant books and papers and financial statement for every financial year in accordance with Section 128 of the Act.

Where the Board decides to keep all or any of the Books of Account aforesaid at any place other than the office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

The books of account and other relevant books and papers may be maintained in electronic mode in compliance with the applicable provisions of the Act and rules made there under and shall remain accessible in India so as to be usable for subsequent reference. Provided that the back-up of the books of account and other books and papers of the company maintained in electronic mode, including at a place outside India, if any, shall be kept in servers physically located in India on a periodic basis.

The Company shall preserve in good order the Books of Account relating to a period of not less than eight financial years preceding a financial year together with the vouchers relevant to any entry in such Books of Account shall be kept in good order.

The Directors shall from time to time, in accordance with Sections 129, 134, 137 and Schedule III of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profit and Loss Accounts and Reports as are required by these sections.

A copy of the financial statements, including consolidated financial statements, if any, Auditors' Report and every other document required by law to be annexed or attached to the financial statements or salient features of such documents or such other documents, as may be prescribed, shall be sent to, and also be made available for inspection by, the members of the Company and other persons entitled, as required by law. Provided also that a company shall also place its financial statements including consolidated financial statement, if any, and all other documents required to be attached hereto, on its website, which is maintained by or on behalf of the Company.

### Form and contents of Balance Sheet and Profit and Loss Account

189. Every Balance Sheet and Profit and Loss Account of the Company shall give a true and fair view of the state of affairs of the Company and shall, subject to the provisions of Section 129 of the Act, be in the Forms set out in Parts I and II respectively of Schedule III of The Act, or as near thereto as circumstances admit or in such other format as may be approved by the Central Government.

### Authentication of Balance Sheet and other documents; Copies thereof to be sent to Members

190. (1) The financial statements will be authenticated in compliance with the provisions of Section 134 of the Act.

\*(2) 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.

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\* Amended vide special resolution passed by the members at their 14<sup>th</sup> Annual General Meeting held on August 6, 2020 and approved by SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/57/1 dated January 1, 2021.



**Copies of Balance Sheet and Profit and Loss Account and Auditors' Report shall be filed with the Registrar of Companies**

191. A copy of the financial statements, including consolidated financial statement, if any, along with all the documents which are required to be attached to such financial statements under this Act, duly adopted at the annual general meeting of the company, shall be filed with the Registrar as required by Section 137 of the Act together with the requisite returns in accordance with the requirements of Section 92 of the Act.

**AUDIT**

**Accounts to be audited**

192. Once at least in every year the accounts of the Company shall be balanced and audited and the correctness of the Profit and Loss Account and Balance Sheet ascertained by one or more Auditors.

**Appointment and qualification of Auditors**

193. The company shall endeavor to appoint Statutory Auditor(s) in terms of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time.

The eligibility, qualification and disqualifications of auditor(s) shall be governed as per the provisions of Section 141 of the Act and the rules made there under, as amended from time to time.

Where at any Annual General Meeting, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor of the company.

Retiring Auditors shall, subject to the provisions of sub-section (9) of Section 139 of the Act, be re-appointed.

**Auditors: their powers, duties, rights, remuneration and their Report**

194. The rights, powers, duties, remuneration and the report of the Auditor(s) of the Company shall be governed as per the provisions of Sections 141 to 146 of the Act and the rules made there under, as amended from time to time.

**NOTICE**

**Notice**

195. (1) A notice (which expression for the purposes of these Articles shall be deemed to include any summons, notice, process, order, judgment or any other document in relation to or in the winding up of the Company) may be sent by the Company to any Member by hand or by ordinary post or by speed post or by registered post or by courier or by facsimile or by e-mail or by any other electronic means. The Notice shall be given to the members at their addresses registered with the Company or depository or if he has no registered address in India, to the address, if any, within India supplied by him to the Company for giving of notices to him.

(2) Where a document (which shall for this purpose be deemed to include any summons, requisition, process, order, judgment or any other documents in relation to the winding up of the Company) or a notice is sent by post, the service of such notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice; provided that where a Member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post, with or without acknowledgement due, and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the Member, and unless the contrary is proved, such service shall be deemed to have been effected in the case of a notice of a meeting at the expiry of forty eight hours after the letter containing the same is posted, and in any other case, at the time at which the letter would have been delivered in the ordinary course of post.

**Notice to Members having no registered address**

196. If a Member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, a notice advertised in a newspaper circulating in the neighbourhood of the Office shall be deemed to be fully given to him on the day on which the advertisement appears.

#### **Advertisement**

197. Subject to the provisions of The Act, any document required to be served or sent by the Company on or to the members or any of them, and not expressly provided for by these Articles, shall be deemed to be duly served or sent, if advertised once in one daily English and one daily vernacular newspaper circulating in Maharashtra.

#### **Service of notice to first of joint holders**

198. In the case of shares or other securities held jointly by two or more persons, the Notice shall be given to the person whose name appears first as per records of the Company or the depository, as the case may be.

#### **Persons entitled to notice of General Meetings**

199. Notice of every General Meeting shall be given in same manner hereinbefore authorised to –
- (a) every Member of the Company (including bearers of share warrants), legal representative of any deceased member or the assignee of an insolvent member;
  - (b) the auditor or auditors of the company including the Secretarial Auditor;
  - (c) every director of the company
  - (d) to debenture trustees, if any

#### **Notice by Company and signature thereon**

200. Any notice to be given by the Company shall be signed by the Secretary, if any, or by such officer as the Directors may appoint. Such signature may be written, printed or lithographed.

#### **Service of notice on Company**

201. A document may be served or given by a member on or to the company or an officer thereof by sending it to the company or the officer at the registered office of the company by registered post or by speed post or by courier service or by leaving it at the registered office or by means of such electronic or other mode as may be prescribed under the rules framed under sub-section (1) of section 20 of the Act.

#### **Transferee bound by prior notice**

202. Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which previously to his name and address and title to the share being notified to the Company, shall have been duly given to the person from whom he derives his title to such share.

#### **Notice valid though Member deceased**

203. Subject to the provisions of The Act, any notice given in pursuance of these Articles or documents delivered or sent by post to or left at the registered address of any Member or at the address given by him in pursuance of these Articles, shall notwithstanding such Member be then deceased and whether or not the Company has notice of his decease be deemed to have been duly served in respect of any registered share, whether held solely or jointly with other persons by such Member until some other persons be registered in his stead as the holder or the joint holder thereof, and such service shall for all purposes of these Articles be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators and all persons, if any, jointly interested with him or her in any such share.

#### **Authentication of Documents**

204. Save as otherwise expressly provided in the Act, or these Articles a document or proceedings requiring authentication by the Company may be signed by a Director or Secretary or any officer authorised by the Board of Directors in this regard and need not be under its seal, if any.

### **SECRECY CLAUSE**

#### **Secrecy Clause**

205. No member shall be entitled to require discovery of or any information respecting any detail of the Company's business or trade or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors, will be inexpedient in the interest of the Members of the Company to communicate to the public.

## **INDEMNITY AND RESPONSIBILITY**

### **Directors and others' right to indemnity**

206. (1) Subject to the provisions of the Act, the Board of Directors, Managing Director, Managers, Secretary and other officers or other employees for the time being of the company, Auditor and the Trustees, if any, for the time being acting in relation to any of the affairs of the company and every one of them and every one of their heirs, executors and administrators shall be indemnified and secured harmless out of the assets and profits of the company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators shall or may incur or sustain by or reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty in their respective offices or trusts except such, if any, as they shall incur or sustain through or by their own willful neglect or default respectively.
- (2) Subject as aforesaid, every Director or the Chairman, Managing Director, Wholetime Director, Manager, Secretary, officer or employee of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal instituted against him as such Director, Chairman, Managing Director, Wholetime Director, Manager, Secretary, or officer of the Company in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 463 of The Act in which relief is given to him by the Court.
- (3) Save and except so far as the provisions of this Article shall be avoided by the Act, none of them shall be answerable for the acts, receipts, neglects or defaults of the other or other of them, or for joining in any receipt for the sake of conformity, or for insolvency of any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody or for the insufficiency or deficiency of any security upon which any moneys belonging to the Company shall be placed out or invested or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts or in relation thereto, except when the same shall happen by or through their own willful neglect or default respectively.
- (4) The Directors or officers of the Company shall not be liable for the acts, receipts, neglect or default of any other Director or officer of the Company or for joining in any receipt or other act for conformity for any loss or expenses happening to the Company through the insufficiency or deficiency to title to any property acquired by the order of the Director for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act or any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, or damage whatsoever, which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own negligence or dishonesty.

## **WINDING UP**

207. The provisions of the, Insolvency and Bankruptcy Code, 2016 and the guidelines issued by The Insolvency and Bankruptcy Board of India shall apply to the process of Winding up of the Company.

We, the several persons whose names, addresses, descriptions and occupations as hereunto subscribed, are desirous of being formed into a Company in pursuance of this Articles of Association:

| <b>Names, addresses and descriptions of the Subscribers</b>   | <b>Signature(s)</b>   | <b>Witness</b>   |
|---|---|--|
| 1. National Stock Exchange of India Limited<br>Exchange Plaza, Plot C-1, Block G,<br>Bandra-Kurla Complex, Bandra (East)<br>Mumbai- 400051<br>Occupation: Stock Exchange<br>[Represented by its Company Secretary and Authorised<br>Official Mr. J. Ravichandran, S/o. Mr. S. Jaganathan] | For National<br>Stock Exchange<br>of India Limited<br>Sd/-<br>J. Ravichandran<br>Company<br>Secretary | Witness 1-7 Subscribers<br>Sd/-<br>R. Jaykumar<br>S/o. Mr. T. Ramaswamy<br>A- 401, Sungrace, Raheja Vihar, Powai, Mumbai- 400 072<br>Occupation: Service |
| 2. Ravi Narain<br>S/o Mr. Dharm Narain,<br>602, NEAT House, College Lane,<br>Dadar (West), Mumbai- 400 028<br>Occupation: Service   | Sd/-  |  |
| 3. Chitra Ramkrishna<br>D/o Mr. Gopalamudram Sankaran Subramanyan<br>601, NEAT House, College Lane<br>Dadar (West), Mumbai- 400 028<br>Occupation: Service  | Sd/-  |  |
| 4. J. Ravichandran<br>S/o Mr. S. Jagannathan<br>703, NEAT House, College Lane,<br>Dadar (West), Mumbai- 400 028<br>Occupation: Service  | Sd/-  |  |
| 5. R. Sundararaman<br>S/o Mr. S. Ramamurthy<br>B-8, Asavari, Mrutyunjaya Apartments Co-Op. Housing<br>Society Ltd.<br>214, Savarkar Marg,<br>Mahim, Mumbai- 400 016<br>Occupation: Service  | Sd/-  |  |
| 6. R. Nanada Kumar<br>S/o Mr. D. Radhakrishnan<br>C-608, Sungrace, Raheja Vihar,<br>Powai, Mumbai- 400 072<br>Occupation: Service   | Sd/-  |  |
| 7. Yatkrik Rushikesh Vin<br>S/o Mr. Rushikesh R. Vin<br>403, NEAT House, College Lane<br>Dadar (West), Mumbai- 400 028<br>Occupation: Service   | Sd/-  |  |

Date: July 25, 2006

Place: Mumbai

## **1) Special Resolution passed at the 14<sup>th</sup> Annual General Meeting held on August 6, 2020**

“**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 thing relating to the proposed alterations to the Articles of Association of the Company and adoption of altered Articles of Association of the Company.”

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## **2) Special Resolution passed at the Extra-Ordinary General Meeting held on September 26, 2023**

“**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 (‘SEBI’) and subject to such condition(s) and modification(s) as may be prescribed and imposed by SEBI or any other authorities while granting such approval(s), permission(s) and sanction(s), the consent of the Company be and is hereby accorded for the alterations / amendments to the Articles of Association of the Company as set out below and adoption of the altered / amended Articles of Association of the Company:

- (1) The existing Article 3 (2) (bb) of the Articles of Association of the Company be and is hereby amended by substituting the same with the following new Article 3 (2) (bb) as under:

“Key Managerial Personnel” means key managerial personnel defined under section 2 (51) of the Companies Act, 2013. A “Key Management Personnel” as per SECC Regulations shall include (i) any person appointed as the managing director or executive director; or (ii) a person serving as the head of a department or vertical and directly reporting to the managing director or to the directors on the governing board of the recognised clearing corporation; or (iii) a person serving as the head of a core function as specified under Part – C of Schedule II of these regulations; or (iv) a person who stands higher in hierarchy to the head of any department(s) handling core function(s) in the recognised clearing corporation; or (v)

reporting officials of key management personnel; or (vi) any person defined as a 'key managerial personnel under the Companies Act, 2013; or (vii) any other person who is a key decision making authority at the level of the recognised clearing corporation or its direct or indirect material subsidiaries, as identified by the managing director or its Nomination and Remuneration Committee. Provided that in case of a subsidiary of a recognised clearing corporation that is regulated by a financial sector regulator; the norms specified by such a regulator may be considered for determining as to whether the person at the subsidiary is designated as a key management personnel.

- (2) The existing Article 3 (2) (ccc) of the Articles of Association of the Company be and is hereby amended by substituting the same with the following new Article 3 (2) (ccc) as under:

“Non-independent director” means a director elected or nominated by the shareholders who are neither trading members nor clearing members, as the case may be, or their associates and agents.

- (3) The existing Article 47 (ii) of the Articles of Association of the Company be and is hereby deleted.
- (4) The existing Article 47 (iv) of the Articles of Association of the Company be and is hereby deleted.
- (5) The existing Article 73 (1) (b) of the Articles of Association of the Company be and is hereby amended by substituting the same with the following new Article 73 (1) (b) as under:

The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed under the Act and Rules made thereunder and not exceeding thirty days from the date of the offer, within which the offer, if not accepted, will be deemed to have been declined;

- (6) The existing Article 73 (1) (d) of the Articles of Association of the Company be and is hereby amended by substituting the same with the following new Article 73 (1) (d) as under:

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 which is not dis-advantageous to the shareholders and the Company;

- (7) The existing Article 73 (2) of the Articles of Association of the Company be and is hereby deleted.
- (8) The existing Article 73 (3) of the Articles of Association of the Company be and is hereby amended by substituting the same with the following new Article 73 (3) as under:

Such new shares may be offered to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause 1 (a), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such compliance and conditions as may be prescribed by the Act or the rules made thereunder.

- (9) The existing Article 73 (4) of the Articles of Association of the Company be and is hereby amended by substituting the same with the following new Article 73 (4) as under:

Nothing in this Article shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

- (10) The existing Article 126 of the Articles of Association of the Company be and is hereby amended by substituting the same with the following new Article 126 as under:

The Board shall include –

- (i) Public Interest directors;
- (ii) Non-independent director; 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 Board of the Clearing Corporation shall comprise of directors having the requisite qualifications and experience in the areas of capital markets, finance and accountancy, legal and regulatory practice, technology, risk management and management or administration. Provided that the Board of the Clearing Corporation shall comprise of at least one public interest director having the requisite qualification and experience in each of the areas of capital markets, finance and accountancy, legal and regulatory practice, and technology. The Clearing Corporation may also appoint directors having qualification and experience in other areas which may be specific to them, provided that the Clearing Corporation shall ensure that the Board collectively comprises of directors with qualifications and experience as specified above.

SEBI may appoint one or more persons not exceeding three in number, as director(s) on the Board of the Clearing Corporation and such director(s) shall enjoy the same status and power as the other directors of the Board.

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 the Clearing Corporation shall not be less than the number of non-independent directors.
- (2) The managing director shall be included in the category of non-independent 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 non-independent director. The number of public interest directors in a meeting shall not be less than the number of non-independent 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.
- (6) The Clearing Corporation shall monitor and ensure the compliance of regulation 23 (6) of the SECC Regulations on a continuous basis, to ensure that directors appointed, on its Board, do not get associated with trading member or clearing member after approval of appointment.

- (7) The voting on a resolution in the meeting of the Board of the Clearing Corporation shall be valid only when the number of public interest directors that have cast their vote on such resolution is equal to or more than the number of non-independent directors who have cast their vote on such resolution.
- (8) The casting vote in the meetings of the Board of the Clearing Corporation shall be with the Chairperson of the Board.
- (9) The Clearing Corporation shall provide at least seven days of training to all directors each year.
- (11) The existing Article 127 (a) 1 of the Articles of Association of the Company be and is hereby amended by substituting the same with the following new Article 127 (a) 1 as under:

The public interest directors on the Board of Directors of the Clearing Corporation shall be appointed with the prior approval of the SEBI. Public interest directors shall be appointed 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 appointed with the prior approval of SEBI 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. Public interest directors shall be paid only sitting fees as specified in the Companies Act 2013.

- (12) The existing Article 127 (a) 2 of the Articles of Association of the Company be and is hereby amended by substituting the same with the following new Article 127 (a) 2 as under:

The names of public interest directors shall be forwarded to SEBI after the approval of the Board of the Clearing Corporation. The shareholders approval shall not be necessary. A minimum of two names shall be submitted to SEBI for each vacancy of public interest directors, two months before such vacancy.

- (13) The existing Article 127 (a) 3 of the Articles of Association of the Company be and is hereby amended by substituting the same with the following new Article 127 (a) 3 as under:

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) At least one public interest director having the requisite qualification and experience in each of the areas of capital markets, finance and accountancy, legal and regulatory practice, and technology.
- b) Atleast one person shall 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 Clearing Corporation shall be excluded.

- (14) The existing Article 127 (a) 5 of the Articles of Association of the Company be and is hereby amended by substituting the same with the following new Article 127 (a) 5 as under:



Public interest directors shall peruse the relevant laws, code of conduct, etc. and submit an undertaking to the Clearing Corporation that they are aware of their role, responsibilities and obligations.

- (15) The existing Article 127 (a) 6 of the Articles of Association of the Company be and is hereby amended by substituting the same with the following new Article 127 (a) 6 as under:

In case of re-appointment of the public interest director, the Clearing Corporation shall apply to SEBI four months before the expiry of the term. In addition to the other requirements prescribed, the application for re-appointment of the public interest director shall be accompanied with, their attendance details on meetings of various mandatory committees and on the Board of Directors of the Clearing Corporation, performance review and the reasons for extension of the term.

- (16) The existing Article 127 (a) 8 of the Articles of Association of the Company be and is hereby amended by substituting the same with the following new Article 127 (a) 8 as under:

The existing public interest director may continue holding the post for a maximum period of three months from the date of expiry of their term or till a new Public Interest Director is appointed, whichever is earlier, only if the Board does not meet the mandatory regulatory requirements on its composition.

- (17) The existing Article 127 (a) 9 of the Articles of Association of the Company be and is hereby amended by substituting the same with the following new Article 127 (a) 9 as under:

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

- (18) The existing Article 127 (a) 12 of the Articles of Association of the Company be and is hereby amended by substituting the same with the following new Article 127 (a) 12 as under:

No public interest director shall become a non-independent director unless there is a cooling-off period of three years after ceasing to be a public interest director.

- (19) The existing Article 127 (b) of the Articles of Association of the Company be and is hereby amended by substituting the same with the following new Article 127 (b) including its heading as under:

#### **Non-independent Directors**

- 1) The names of persons to be appointed as non-independent directors shall first be approved by the Board of Directors of the Clearing Corporation, followed by Shareholders' approval before submitting the same to SEBI for approval.
  - 2) The manner of election, appointment, tenure, resignation, vacation etc. of non-independent directors shall be governed by the provisions applicable under the Companies Act, 2013 save as otherwise specifically provided under the SECC Regulations or in accordance with the SCRA, circulars issued thereunder.
- (20) The existing Article 128 of the Articles of Association of the Company be and is hereby amended by substituting the same with the following new Article 128 including its heading as under:

#### **Code of Conduct for Clearing Corporation, Board, Directors, Committee Members and Key Management Personnel**

- a. The Clearing Corporation shall abide by the Code of Conduct as specified under Part –A of Schedule II of SECC Regulations.
  - b. The Board, Directors, Committee Members and Key Management Personnel of the Clearing Corporation shall abide by the Code of Conduct as specified under Part –B of Schedule II of SECC Regulations.
  - c. Every Director and Key Management Personnel of the Company shall be a ‘Fit & Proper’ person as specified under Regulation 20 of SECC Regulations.
- (21) The existing Article 130 (c) of the Articles of Association of the Company be and is hereby amended by substituting the same with the following new Article 130 (c) as under:

The appointment of the managing director shall be for a 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 period of ten years, subject to a maximum age limit of sixty five years.

- (22) The existing Article 130 (i) of the Articles of Association of the Company be and is hereby amended by substituting the same with the following new Article 130 (i) as under:

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 shall be within a range of 25% to 50% of total pay.
- (ii) 50% of the variable pay shall be paid on a deferred basis after a minimum period of three years.
- (iii) ESOPs and other equity linked instruments in the Clearing Corporation shall not be offered or provided as part of the compensation for the managing director.
- (iv) The compensation policy shall 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
- (23) The existing Article 142 of the Articles of Association of the Company be and is hereby amended by substituting the same with the following new Article 142 as under:
- Directors other than Public Interest Directors appointed with the prior approval of SEBI shall be persons whose period of office is liable to determination by rotation and, subject to the provisions of the Act, shall be appointed by the Company in a General Meeting.
- (24) The existing Article 155 of the Articles of Association of the Company be and is hereby amended by substituting the same with the following new Article 155 as under:

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 non-independent directors who have cast their vote on such resolution. The casting vote in the meetings of the Board of Directors shall be with the Chairman of the meeting (whether the Chairman appointed by virtue of these Articles or the Director presiding at such meeting).

- (25) The existing Article 156 of the Articles of Association of the Company be and is hereby amended by substituting the same with the following new Article 156 as under:

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, the number of public interest directors shall not be less than the number of Non-independent directors to constitute the quorum for the meeting of the board of directors.

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.

**“RESOLVED FURTHER THAT** Mr. Rajiv Relhan (DIN: 07214524), Managing Director & CEO, Mr. Suresh Nair, Chief Compliance Officer & Head - Legal, 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 / amendments 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 / amendments 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 alterations / amendments to the Articles of Association of the Company and adoption of altered / amended Articles of Association of the Company.”

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