

Transcript of the proceedings of 18th Annual General Meeting of Clearcorp Dealing Systems (India) Limited held on Wednesday, August 11, 2021 at 4:00 P.M. through Video Conferencing.

Directors Present:

Mr. R. Gandhi Non - Executive Chairman & Director
(Attended through VC from Bengaluru)

Mr. Hare Krishna Jena Managing Director
(Attended in person)

Mr. Narayan Seshadri Independent Director
(Attended through VC from Mumbai)

Members Present (Attended in person):

Mr. Hare Krishna Jena Authorized representative of The Clearing Corporation of India Ltd.

Mr. O. N. Ravi Nominee of The Clearing Corporation of India Ltd.

Mr. Kausick Saha Nominee of The Clearing Corporation of India Ltd.

Mr. Deepak Chande Nominee of The Clearing Corporation of India Ltd.

Mr. Kamal Singhania Nominee of The Clearing Corporation of India Ltd.

Mr. Pradeep Naik Nominee of The Clearing Corporation of India Ltd.

Mr. K. Biju Nominee of The Clearing Corporation of India Ltd.

Also Present

Mr. Deepak Chande Chief Financial Officer
(Attended in person)

Mr. Pankaj Srivastava Company Secretary
(Attended in person)

Mr. Daraius Fraser Representative of M/s. Kalyaniwalla & Mistry, LLP, Statutory Auditors
(Attended through VC from Mumbai)

Public

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1. **Date, Time and Venue of the Meeting:**

The 18th Annual General Meeting (AGM) of Clearcorp Dealing Systems (India) Limited (“the Company/Clearcorp”) was held on Wednesday, August 11, 2021 through Video Conferencing (VC) from CCIL Bhavan, S. K. Bole Road, Dadar (West), Mumbai-400028 (Registered Office and deemed venue of AGM). The Meeting commenced at 4:00 P.M. and concluded at 4:15 P.M.

2. **Transcript of the Meeting:**

Mr. Pankaj Srivastava, Company Secretary

In terms of Article 103 of the Articles of Association of the Company, the Chairman of the Board shall be entitled to take the chair at every General Meeting. I request Mr. R. Gandhi, Chairman of the Board to act as the Chairman for the 18th AGM of the Company.

Mr. R. Gandhi, Chairman

Thank you, Pankaj.

On behalf of the Board of Directors, I, R. Gandhi, Chairman of the Board of Clearcorp Dealing Systems (India) Limited, cordially welcome all the Members to the 18th Annual General Meeting of the Company. I am attending the meeting through VC from my residence in Nagawara, Bengaluru. In pursuance to the circulars issued by the Ministry of Corporate Affairs (MCA), the meeting is being conducted through VC. Participation of members attending meeting in-person or through VC is being recorded for the purpose of quorum, as per the circulars issued by MCA and Section 103 of the Companies Act, 2013. Requisite quorum is present in terms of the requirements under the Companies Act, 2013 and MCA Circulars.

The quorum being present, I call this meeting to order. Mr. Hare Krishna Jena, Managing Director is attending this AGM in-person from the Registered Office of the Company, which is the deemed venue of the AGM and Mr. Narayan Seshadri, Independent Director, is attending this AGM through VC. Further, Mr. N. S. Venkatesh, Non-Executive Director, Mr. Ananth Narayan, Independent Director have expressed their

inability to attend the meeting due to their pre-occupation. I request Mr. Narayan Seshadri, joining the meeting through VC to introduce himself.

Mr. Narayan Seshadri, Independent Director

Good afternoon all, myself Narayan Seshadri, Independent Director of the Company, joining this AGM through VC from my residence at Mumbai. Thank you.

Mr. R. Gandhi, Chairman

Thank you, Mr. Seshadri

We also have Mr. Daraius Fraser, Partner, M/s. Kalyaniwalla & Mistry, LLP, representing Statutory Auditors of the Company, attending the meeting through VC. We also have Mr. Deepak Chande, Chief Financial Officer and Mr. Pankaj Srivastava, Company Secretary, Key Managerial Personnel (KMPs) of the Company attending this AGM from the registered office of the Company. Also, members are attending the meeting in-person from the registered office of the Company. I thank all the members for joining the AGM.

The Notice of AGM along with the Explanatory Statement and the Annual Report for FY 2020-21 were sent to all the members at the e-mail IDs registered with the Company within the prescribed time limit under the provisions of the Companies Act, 2013 and other authorised personnel who are required to get them under the Companies Act, 2013. Since the meeting is being conducted through VC, attendance slip, proxy form and route map were not annexed to the Notice of AGM.

I now request Mr. Pankaj Srivastava, Company Secretary to provide general information and instructions to the members with regard to the AGM.

Mr. Pankaj Srivastava, Company Secretary

Thank you, Chairman Sir

Register of Members (Shareholders), Register of Directors and Key Managerial Personnel, Register of Contracts or Arrangements in which Directors are interested along

with other Statutory Registers and Statutory Auditors Report are tabled at the Meeting for inspection by the Members.

Pursuant to the provisions of Section 107 of the Companies Act, 2013, at a general meeting a resolution put to vote shall, unless a poll is demanded or voting is carried out electronically, be decided on show of hands. Since the requirement of electronic voting is not applicable to the Company, the Company is permitted to conduct voting by show of hands at the meeting. Accordingly, all the resolutions shall be put to vote by show of hands.

I now request Chairman Sir to address the Members.

Mr. R. Gandhi, Chairman

Thank you, Pankaj.

Address by the Chairman

The financial year 2020-21 was a challenging year for the Company considering the difficulties posed by the outbreak of COVID 19 not only in the country but all over the world.

During the financial year 2020-21, diverse trends were witnessed in the various trading systems operated by the Company. Volumes dealt/reported on the NDS-OM platform declined by 25%, and on the NDS-CALL platform declined by 33%. Trading in the money market platforms owned by Clearcorp i.e. CROMS and TREPS rose during the year by 54% and 42% respectively in comparison to the previous year. Trading on the FX-CLEAR platform declined by 53%, while on the other hand, trading on the FX-SWAP platform rose by 23% during the financial year. Also, volumes dealt on the ASTROID platform rose by 6%. In view of the COVID-19 pandemic, the Company has enabled trading over internet for all its trading platforms during financial year 2020-21, to facilitate uninterrupted trading on these platforms.

Further, your Company has achieved significant milestone during the financial year 2020-21 as follows:

- The facility to book Forward Contracts on the FX-Retail platform was operationalized from September 21, 2020.
- The 'Request for Quote' (RFQ) dealing mode for secondary market trading in the NDS-OM Platform was introduced on October 5, 2020.
- The Company has implemented a market surveillance system covering its seven trading platforms. For this purpose, the Company has selected NASDAQ Market Surveillance (NMS) to implement the surveillance system for the ETPs. The system which has recently gone operational, enables the real-time tracking of market activity in terms of market prices, volumes, participant activity etc.
- The Company has ensured robust business continuity during the lock down imposed by the government due to COVID-19 and ensured uninterrupted services to the market. At the same time, safety of employees was also ensured by providing Work from Home (WFH) facility to most of the employees and other needed support.

For the financial year ended March 31, 2021, the Company's total income was Rs. 4,576 lakhs and Net profit after tax was Rs. 1,030 lakhs. Detailed Financial Statements were sent to the members and are also available on the website of the Company.

Taking into account the role of the Company as an Electronic Trading Platform operator and various other initiatives which the Company has undertaken or propose to undertake, the potential future growth of the Company looks positive.

I congratulate and thank all the Members, Directors, Auditors, staff and vendors of the Company and CCIL, the Holding Company for the successful completion of the financial year 2020-21, which would not have been possible without their unconditional support. I also thank Reserve Bank of India (RBI) for their continuous guidance and support.

With the permission of Members, the Notice convening the 18th AGM along with the Explanatory Statement may be taken as read.

The Statutory Auditors, M/s. Kalyaniwalla & Mistry, LLP has expressed unqualified opinion in the audit report for the financial year 2020-21. Since there are no

qualifications and observation, with the permission of members, the same can be taken as read.

Now, we proceed with the ordinary business of the Company, the first agenda item is to receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021, the reports of the Board of Directors and Auditors thereon.

With the permission of members, the resolution is taken as read.

Objective and Implications of the resolution is that in terms of Sections 129 and 134 of the Companies Act, 2013, the Audited Financial Statements of the Company for the financial year ended March 31, 2021, the report of the Board of Directors and Auditors thereon shall be adopted by the members at the Annual General Meeting. After its adoption, the same would be filed with ROC in terms of Section 137 of the Act.

I would request one of the member to propose the said resolution and another member to second the same.

Mr. O. N. Ravi, Nominee of The Clearing Corporation of India Ltd., Member

I propose the said resolution.

Mr. Kamal Singhania, Nominee of The Clearing Corporation of India Ltd., Member

I second the same.

Mr. R. Gandhi, Chairman

Thank you. The resolution is now put to vote by show of hands.

Those who are in favour, please raise your hands.

Those who are not in favour, please raise your hands.

There being no opposition, I now declare that the resolution is passed unanimously as an Ordinary Resolution.

The second agenda item is to appoint a Director in place of Mr. N. S. Venkatesh (DIN: 01893686), who retires by rotation and being eligible, offers himself for re-appointment.

With the permission of members, the resolution is taken as read.

Objective and Implications of the resolution is that Mr. N. S. Venkatesh (DIN: 01893686), Non-Executive Director of the Company, whose office is liable to retire by rotation, is proposed to be re-appointed as a Director of the Company in terms of Section 152 of the Companies Act, 2013.

I would request one of the member to propose the said resolution and another member to second the same.

Mr. Pradeep Naik, Nominee of The Clearing Corporation of India Ltd., Member

I propose the said resolution.

Mr. Deepak Chande, Nominee of The Clearing Corporation of India Ltd., Member

I second the same.

Mr. R. Gandhi, Chairman

Thank you. The resolution is now put to vote by show of hands.

Those who are in favour, please raise your hands.

Those who are not in favour, please raise your hands.

There being no opposition, I now declare that the resolution is passed unanimously as an Ordinary Resolution.

Now we proceed with the third agenda item of the AGM to approve the appointment and remuneration of M/s. G. M. Kapadia & Co., Chartered Accountants (Firm Reg. no. 104767W) as Statutory Auditors in place of M/s. Kalyaniwalla & Mistry, LLP

With the permission of members, the resolution is taken as read.

Objective and Implications of the resolution is that M/s Kalyaniwalla & Mistry LLP, Chartered Accountants, would retire as Statutory Auditors of the Company from the conclusion this 18th AGM as prescribed under Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Board at its meeting held on May 6, 2021 has recommended the appointment of M/s. G. M. Kapadia & Co., Chartered Accountants (Firm Reg. no. 104767W) in place of M/s Kalyaniwalla & Mistry LLP, as the Statutory Auditors of the Company to hold office as such from the conclusion of this 18th AGM till the conclusion of the 23rd AGM at a remuneration of Rs. 3,75,000/- (Rupees Three Lakhs Seventy Five Thousand Only) towards audit fees exclusive of applicable taxes and out of pocket expenses (which are to be reimbursed at actuals) for the financial year 2021-22 and at such remuneration as may be decided by the Board for the financial years 2022-23 to 2025-26.

I would request one of the member to propose the said resolution and another member to second the same.

Mr. Deepak Chande, Nominee of The Clearing Corporation of India Ltd., Member

I propose the said resolution.

Mr. K. Biju, Nominee of The Clearing Corporation of India Ltd., Member

I second the same.

Mr. R. Gandhi, Chairman

Thank you. The resolution is now put to vote by show of hands.

Those who are in favour, please raise your hands.

Those who are not in favour, please raise your hands.

There being no opposition, I now declare that the resolution is passed unanimously as an Ordinary Resolution.

Now we proceed with the Special businesses of the AGM, the fourth agenda item is appointment of Mr. Hare Krishna Jena (holding DIN: 07624556) as a Director not liable to retire by rotation.

With the permission of members, the resolution is taken as read.

Objective and Implications of the resolution is that in terms of Section 2(54) of the Companies Act, 2013, Mr. Hare Krishna Jena is required to be appointed as a Director prior to his appointment as the Managing Director of the Company by the members. The Board of Directors at its meeting held on July 28, 2020, appointed Mr. Hare Krishna Jena (holding DIN:07624556), as an Additional Director and Managing Director of the Company, on account of his appointment as the Managing Director of CCIL for a period of 3 years from August 1, 2020 to July 31, 2023. As Mr. Hare Krishna Jena will be an Executive Director and his fixed tenure of appointment is proposed for three years, the Board of Directors has recommended appointment of Mr. Hare Krishna Jena as Director not liable to retire by rotation for the aforesaid period pursuant to the provisions of Section 152 of the Companies Act, 2013. The Company has also received a notice in writing from The Clearing Corporation of India Limited, a member proposing his candidature for the office of Director not liable to retire by rotation pursuant to Section 160 of the Companies Act, 2013. Accordingly, the resolution is placed before the members for approval.

I would request one of the member to propose the said resolution and another member to second the same.

Mr. Kausick Saha, Nominee of The Clearing Corporation of India Ltd., Member

I propose the said resolution.

Mr. Pradeep Naik, Nominee of The Clearing Corporation of India Ltd., Member

I second the same.

Mr. R. Gandhi, Chairman

Thank you. The resolution is now put to vote by show of hands.

Those who are in favour, please raise your hands.

Those who are not in favour, please raise your hands.

There being no opposition, I now declare that the resolution is passed unanimously as an Ordinary Resolution.

The fifth agenda item is appointment of Mr. Hare Krishna Jena (holding DIN: 07624556) as the Managing Director of the Company.

With the permission of members, the resolution is taken as read.

Objective and Implications of the resolution is that as per extant practice, the Company has been appointing the Managing Director of The Clearing Corporation of India Limited (CCIL), the holding company as the Managing Director of the Company. Pursuant to the provisions of Section 196, 197, 203 and Schedule V of the Companies Act, 2013 and rules made thereunder, the Board of Directors at its meeting held on July 28, 2020 approved the appointment of Mr. Hare Krishna Jena as the Managing Director of the Company for a period of three years w.e.f. August 1, 2020 till July 31, 2023 subject to the approval of the members in the General Meeting as per the terms and conditions and remuneration contained in the resolution proposed at Item No. 5 of the Notice. Pursuant to the provisions of Section 203(3) of the Companies Act, 2013, the Board of Directors of CCIL at their meeting held on July 29, 2020 granted their permission for appointment of Mr. Hare Krishna Jena as the Managing Director of the Company for a period of 3 (three) years from August 1, 2020 till July 31, 2023. Mr. Jena shall draw remuneration from the Holding Company only and accordingly, he shall not be entitled for payment of any sum of money by way of remuneration or otherwise from the Company upon his appointment as the Managing Director of the Company. In view of his proposed appointment as the MD of CCIL appointment of Mr. Jena as the MD of the Company is in the best interest of the Company. Accordingly, the resolution is placed before the members for approval.

I would request one of the member to propose the said resolution and another member to second the same.

Mr. O. N. Ravi, Nominee of The Clearing Corporation of India Ltd., Member

I propose the said resolution.

Mr. Kamal Singhania, Nominee of The Clearing Corporation of India Ltd., Member

I second the same.

Mr. R. Gandhi, Chairman

Thank you. The resolution is now put to vote by show of hands.

Those who are in favour, please raise your hands.

Those who are not in favour, please raise your hands.

There being no opposition, I now declare that the resolution is passed unanimously as an Ordinary Resolution.

The sixth agenda item is re-appointment of Mr. Ananth Narayan (holding DIN: 05250681) as an Independent Director of the Company.

With the permission of members, the resolution is taken as read.

Objective and Implications of the resolution is that Mr. Ananth Narayan (holding DIN: 05250681) was appointed as an Independent Director by the shareholders at the 15th Annual General Meeting for a period of three years with effect from May 9, 2018. Mr. Ananth Narayan has completed his first term as an Independent Director on May 8, 2021. In accordance with the provisions of the Companies Act, 2013, prior to the completion of the term of Mr. Ananth Narayan, the Board of Directors had carried out his performance evaluation during the annual performance evaluation of Directors. Based on the satisfactory performance review, the Board of Directors in its meeting held on May 6, 2021, recommended re-appointment of Mr. Ananth Narayan as an Independent Director to the members for a second term of three years from May 9, 2021 to May 8, 2024 by

passing a Special Resolution in terms of provisions of Section 149 of the Companies Act, 2013. Mr. Ananth Narayan has requisite skills, expertise and vast experience in the area of banking and his continued association will be highly beneficial and in the interest of the Company. The Company has received a notice from The Clearing Corporation of India Limited, a member, pursuant to Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Ananth Narayan for re-appointment as an Independent Director. Accordingly, the resolution is placed before the members for its approval as a special resolution.

I would request one of the member to propose the said resolution and another member to second the same.

Mr. K Biju, Nominee of The Clearing Corporation of India Ltd., Member

I propose the said resolution.

Mr. Pradeep Naik, Nominee of The Clearing Corporation of India Ltd., Member

I second the same.

Mr. R. Gandhi, Chairman

Thank you. The resolution is now put to vote by show of hands.

Those who are in favour, please raise your hands.

Those who are not in favour, please raise your hands.

There being no opposition, I now declare that the resolution is passed unanimously as the Special Resolution.

The seventh and last agenda item is re-appointment of Mr. Narayan Seshadri (holding DIN: 00053563) as an Independent Director of the Company.

With the permission of members, the resolution is taken as read.

Objective and Implications of the resolution is that Mr. Narayan Seshadri (holding DIN:00053563) was appointed as an Independent Director by the shareholders at the 15th Annual General Meeting for a period of three years with effect from August 13, 2018. Mr. Narayan Seshadri will be completing his first term as Independent Director on August 12, 2021. In accordance with the provisions of the Companies Act, 2013, prior to the completion of the term of Mr. Narayan Seshadri, the Board of Directors had carried out his performance evaluation during the annual performance evaluation of Directors. Based on the satisfactory performance review, the Board of Directors in its meeting held on May 6, 2021, recommended the re-appointment of Mr. Narayan Seshadri as an Independent Director to the shareholders for a second term of three years from August 13, 2021 to August 12, 2024 by passing a Special Resolution in terms of provisions of Section 149 of the Companies Act, 2013. Mr. Narayan Seshadri has requisite skills, expertise and vast experience in accounting, auditing, litigation support, restructuring, management consulting, investing and business management and his continued association will be highly beneficial and in the interest of the Company. The Company has received a notice from The Clearing Corporation of India Limited, a member, pursuant to Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Narayan Seshadri for re-appointment as an Independent Director. Accordingly, the resolution is placed before the shareholders for its approval as a special resolution.

I would request one of the member to propose the said resolution and another member to second the same.

Mr. Kamal Singhania, Nominee of The Clearing Corporation of India Ltd., Member

I propose the said resolution.

Mr Kausick Saha, Nominee of The Clearing Corporation of India Ltd., Member

I second the same.

Mr. R. Gandhi, Chairman

Thank you. The resolution is now put to vote by show of hands.

Those who are in favour, please raise your hands.

Those who are not in favour, please raise your hands.

There being no opposition, I now declare that the resolution is passed unanimously as the Special Resolution.

With that, all the items as per the notice of the AGM are completed and I therefore declare the proceedings of the 18th AGM of Clearcorp Dealing Systems (India) Limited as concluded. I would like to thank the Members, Directors and Auditors for participating in the Meeting.

We place on record our sincere appreciation for the valuable services rendered by M/s. Kalyaniwalla and Mistry LLP during their tenure as Statutory Auditors of the Company.

Mr. Daraius Fraser, Partner - M/s. Kalyaniwalla and Mistry LLP

I would like to thank the management of the Company for extending complete co-operation during the conduct of the audits especially during the COVID-19 pandemic which led to the closure of the audits on time in stringent timelines.

Mr. Kausick Saha, Nominee of The Clearing Corporation of India Ltd.

Thank you, Chairman Sir.

Thank you everybody for participating in the AGM.

----(End of Meeting)----