



**MCX SX CLEARING CORPORATION LIMITED**

**Registered Office:** Exchange Square, CTS No. 255, Suren Road, Chakala, Andheri (East), Mumbai - 400 093.

**NOTICE**

Notice is hereby given that the Fifth Annual General Meeting of **MCX-SX Clearing Corporation Limited** will be held on Friday, September 20, 2013 at 4 p.m. at the Registered Office of the Company at Exchange Square, CTS No. 255, Suren Road, Andheri (East), Mumbai - 400093, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March 2013 and the Balance Sheet as at that date along with the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Paras Ajmera, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution;

**“RESOLVED THAT** subject to provisions of Section 224 and other applicable provisions of the Companies Act, 1956, M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai (Registration No: 117364W) who are retiring at the Fifth Annual General Meeting, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of the Fifth Annual General Meeting until the conclusion of the Sixth Annual General Meeting of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to determine the remuneration to be paid to the Statutory Auditors.”

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provision of Sections 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956 consent of the Company be and is hereby accorded for the appointment of, Mr. U. Venkataraman as the Managing Director and Chief Executive Officer (MD and CEO) of the



Company for a period of three years with effect from April 3, 2013 on a remuneration in the range of Rs. 1.08 crore per annum to 1.75 crore per annum (cost to Company basis), with the starting remuneration being Rs. 1.08 crore per annum.

**RESOLVED FURTHER THAT** the gross remuneration to be paid to Mr. Venkataraman be increased, augmented, enhanced or varied as approved by the Remuneration cum Compensation Committee or the Board on a periodic basis (including the annual increment for the financial year 2013-14), so however that the increased remuneration shall not exceed Rs. 1.75 crore per annum, during the period of three years from the date of his appointment.

**RESOLVED FURTHER THAT** if in any year the Company has adequate profits, the Managing Director may be paid remuneration as may be decided by the Remuneration cum Compensation Committee or the Board, within the ceilings prescribed in sections 198 and 309 read with Schedule XIII of the Companies Act, 1956.

**RESOLVED FURTHER THAT** if in any subsequent financial year, the Company has inadequate profits or absence of profits, Mr. Venkataraman may be paid remuneration as given in paragraphs 1 and 2 of this resolution.

**RESOLVED FURTHER THAT** Mr. Venkataraman shall hold office not liable to retire by rotation and that if however, at any time, he is required to retire by rotation, and is immediately reappointed after such retirement, he shall continue to hold his office of Managing Director and the retirement by rotation and reappointment shall not be deemed to constitute a break in his appointment and subject to this, he shall hold office only so long as he continues to be a Director on the Board of the Company.

**RESOLVED FURTHER THAT** the Board (including the Committee thereof) be and is hereby authorized to do all acts, deeds and things as may be necessary to carry the above resolution into effect."

By order of the Board of Directors

Sd/-

Date: July 29, 2013  
Place: Mumbai

Ameya Paranjape  
Company Secretary



**Notes:**

1. The relevant Explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of business under Item No. 4 above is annexed hereto.
2. A member entitled to attend and vote at the meeting is also entitled to appoint proxy to attend and vote at the meeting instead of himself and the proxy need not be a member of the company.
3. Proxies in order to be effective must be lodged with Company not less than 48 hours before the commencement of the meeting.
4. The Register of Director's Shareholding, maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the members at the Meeting.
5. Corporate Shareholders are requested to send a duly certified copy of the Board/Management Committee Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
6. Brief details of director/s proposed to be reappointed at Annual General Meeting are given in the Annexure A.
7. SEBI vide its letter dated June 20, 2013 had approved six Public Interest Directors on the Board of the Company. Brief details of said directors are given in the Annexure B.



## Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

### Item no. 4

Mr. U. Venkataraman was appointed as a CEO & Whole-time Director (CEO & Whole-time Director) of the Company for a period of three year starting from April 17, 2009 and the same was approved by the shareholders at the Annual General Meeting held on July 17, 2009. The Board had approved extension of his term as a CEO & Whole-time Director for a further period of three years from April 17, 2012 at its meeting held on April 27, 2012 which was confirmed by the shareholders at their meeting held on September 25, 2012.

The Company had proposed the name of Mr. U. Venkataraman as Managing Director (MD) of the Company to SEBI, in the application made for recognition under SECC regulations. Now the Company had received approval from SEBI vide its letter dated April 3, 2013 for appointment of Mr. U. Venkataraman as Managing Director of the Company.

Pursuant to provisions of Schedule XIII and other relevant provisions of the Companies Act, 1956 members' approval by way of special resolution is required for appointment of Mr. U. Venkataraman as MD and CEO.

Mr. U. Venkataraman shall draw remuneration in the range of Rs. 1.08 crore per annum to Rs. 1.75 crore per annum (cost to company basis), with the starting remuneration being Rs. 1.08 crore per annum for a period of three years with effect from April 3, 2013 ("date of effective appointment").

### **I. General Information about the Company**

#### **Nature of Industry**

Your company, MCX-SX Clearing Corporation Ltd. (MCX-SX CCL), was incorporated on November 7, 2008 under the Companies Act 1956 (the Act). It was promoted by MCX Stock Exchange Ltd. (MCX-SX), Multi Commodity Exchange of India Limited (MCX) and Financial Technologies (India) Ltd. (FTIL). It currently clears and settles the deals entered in the Capital Market Segment, Futures & Options Segment, Debt Segment and Currency Derivatives Segment of MCX-SX.

#### **Business Operations**

MCX-SX CCL commenced operations of clearing and settlement of trades executed on Currency Derivatives platform of MCX-SX on February 16, 2009. Also, the Company has started the clearing and settlement of trades executed on



Capital Market segment and Futures & Options segment from February 11, 2013 and Debt Segment from June 10, 2013.

### **Financial Performance**

As per the audited figures for the period ended March 31, 2013, the Company had a total income of Rs. 2009.77/- lakh and a net profit after tax of Rs. 9.86/- lakh.

### **Export Performance**

The Company does not directly contribute to export growth, as it is not allowed to export its services. However, the holding Company, MCX-SX provides a platform to the small and medium enterprises (SMEs) and resident Indians, who hitherto did not have easy access to the securities market and takes the necessary initiative to educate these potential users on the benefits and risks of trading in currency futures through seminars and events. By providing a hedging mechanism, it indirectly encourages exports.

### **Foreign Investments and Foreign Collaborators**

The Company currently has no foreign investors or foreign collaborators.

## **II. Information about the appointee**

Mr. U. Venkataraman is currently the Chief Executive Officer-Debt Segment and Whole-time Director of MCX-SX. He is the member of various committees of MCX-SX. He maintains liaison with industry associations, trade bodies and professional institutes and has participated as the panel member in several seminars and workshops relating to capital markets and currency markets. Prior to that he was the Head-Treasury, IDBI Bank Ltd., where he was in overall charge of treasury operations of the Bank.

Mr. Venkataraman is neither related to any managerial personnel of the Company nor has any, direct or indirect, pecuniary relationship with the Company.

### **Past Remuneration**

Mr. Venkataraman was not drawing any remuneration during his previous term.

### **Nature of Duties**

As Managing Director & CEO, Mr. U. Venkataraman shall be in charge of all affairs concerning the Company including business development and shall also carry out such duties as may be entrusted to him by the Board of Directors from



time to time, including by serving on any executive body or Committee of the Company. He may exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in the best interests of the Company. He may also be required to act for any group company or subsidiary, including performing duties as assigned by the Board from time to time by serving on Boards, executive bodies or Committees of such companies. Having regard to his vast experience in the securities market and previous achievements, it is expected that Mr. Venkataraman will be eminently suited for the position.

### **Recognition or awards**

- Proficiency Gold Medal in Pre-University
- Graduate in Business Administration – First Class – University Rank Holder
- Certified Associate of Indian Institute of Banking and Finance – All India 16th Rank
- Chairman – Forex Association of India 2001-2002 – Affiliated to ACI Paris
- Chairman, Organizing Committee, Asia Pacific Forex Congress, 2000

### **Proposed remuneration**

It is proposed that he shall draw remuneration in the range of Rs. 1.08 crore per annum to Rs. 1.75 crore per annum (cost to company basis), with the starting remuneration being Rs. 1.08 crore per annum for a period of three years with effect from April 3, 2013 (“date of effective appointment”) from the Company.

### **Other Terms of Appointment**

- (1) The MD&CEO shall report to the Board of Directors of the Company and perform such other functions as may be assigned by the Board. During his tenure, he may be required to act for any subsidiary including performing duties as assigned by the Board from time to time by serving on Boards, executive bodies or Committees of such companies.
- (2) The Company and the MD&CEO may terminate the contract by giving six months’ notice or in case of earlier termination by Company, by paying remuneration in lieu of the shorter notice.
- (3) The terms and conditions relating to appointment of MD&CEO may be altered and varied by the Board of Directors from time to time subject to the applicable legal provisions.



- (4) The MD&CEO shall, unless prevented by ill health or disability, throughout the said term devote adequate time, attention and abilities to the business of the Company, and in all respects conform to and comply with the directions given and regulations made by the Board and he shall faithfully serve the company and use his best endeavors to promote the interests of the Company. He will however continue in executive position in MCX Stock Exchange Limited.
- (5) The MD&CEO shall not during the continuance of his employment or at any time thereafter divulge or disclose to any person whomsoever or make any use whatsoever, of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the Company or as to any trade secrets or secret processes of the Company and that he shall during the continuance of his employment hereunder also use his best endeavors to prevent any other person from doing so.
- (6) The MD&CEO shall be bound by the employment terms and general employment policies of the Company and those given in the Code for Directors and Committee Members adopted by the Board of Directors of the Company.

### **Comparison with industry**

Proposed remuneration of Mr. U. Venkataraman is as per industry standard.

### **Pecuniary Relationship**

Mr. U. Venkataraman has no pecuniary relationship directly or indirectly with the Company or with any other managerial personnel of the Company.

### **III. Other Information**

In compliance with the provisions of Sections 198, 269, 309, and all other applicable provisions of the Act if any, read with relevant provisions of Schedule XIII of the Act, the appointment and terms of remuneration specified as above are now being placed before the Members for their approval by way of special resolution.

The Directors recommend the resolution for the approval of the Members as Special Resolution.



Except Mr. Venkataraman, no other Director is concerned or interested in this resolution.

Copy of resolution passed by the Board at its Meetings held on September 7, 2012 in respect of the above, may be inspected by shareholders at the Registered Office of the Company between 10.30 am and 12.30 pm on all business days.

By order of the Board of Directors

**Sd/-**

**Date: July 29, 2013**  
**Place: Mumbai**

**Ameya Paranjape**  
**Company Secretary**



**Details of Director seeking re-appointment at Annual General Meeting**

Particulars	Mr. Paras Ajmera
Date of birth	September 27, 1972
Date of appointment	November 7, 2008
Qualification	Bachelor of Engineer - Computer Science
Expertise in specific functional areas	In-depth knowledge of exchange technologies solutions in derivatives and spot markets.
Directorship held in other public limited companies. (excluding foreign companies and Section 25 companies)	<ul style="list-style-type: none"> <li>• Multi Commodity Exchange of India Limited</li> <li>• National Bulk Handling Corporation Limited</li> <li>• Bourse India Limited</li> <li>• FT Projects Limited</li> <li>• SME Exchange of India Limited</li> <li>• Indian Energy Exchange Limited</li> </ul>
Membership/ chairmanship of Committees of other public limited companies. (includes details of only Audit Committee and Shareholder Grievance Committee)	-
No. of shares held in the Company	NIL

**Annexure B**

**Details of Directors nominated by SEBI on the Governing Board of the Company in terms of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012**

<b>Particulars</b>	<b>Mr. Vepa Kamesam</b>	<b>Dr. M.Y. Khan</b>	<b>Mr. V.K. Khanna</b>
Date of birth	24.9.1941	3.7.1942	9.12.1951
Date of appointment	20.6.2013	20.6.2013	20.6.2013
Qualification	B.sc, CAIIB and Diploma in Banking	M.A. in Economics and Statistics and Phd in Economics	B.sc and Chartered Accountant
Expertise in specific functional areas	Over 35 years of experience in field of Banking	Total experience of over 30 years in field of Banking and Capital Market	Over 30 years of experience in field of Banking
Directorship held in other public limited companies. (excluding foreign companies and Section 25 companies)	Pridhvi Asset Reconstruction and Securitization Company Ltd	KGN Industries Ltd	-
Membership/chairmanship of Committees of other public limited companies. (includes details of only Audit Committee and Shareholder Grievance Committee)	Member of Audit Committee - Pridhvi Asset Reconstruction and Securitization Company Ltd	-	-
No. of shares held in the Company	NIL	NIL	NIL

**Annexure B**

**Details of Directors nominated by SEBI on the Governing Board of the Company in terms of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations), Regulations, 2012**

<b>Particulars</b>	<b>Mr. Jayant Deo</b>	<b>Mr. P.K. Chhokra</b>	<b>Mrs. Asha Das</b>
Date of birth	20.7.1944	15.3.1953	6.10.1941
Date of appointment	20.6.2013	20.6.2013	20.6.2013
Qualification	B.E. Mechanical, Certificate in Financial Management	B.sc, LLB	M.A., Diploma in Advanced Studies in Development Administration.
Expertise in specific functional areas	Over 30 years of experience in field of engineering	Over 30 years of experience in field of Banking	Over 37 years of leadership experience with the Indian Administrative Service
Directorship held in other public limited companies. (excluding foreign companies and Section 25 companies)	Aplab Ltd	-	Indian Energy Exchange Ltd
Membership/ chairmanship of Committees of other public limited companies. (includes details of only Audit Committee and Shareholder Grievance Committee)	Chairman of Investor Grievance Committee - Aplab Ltd  Member of Audit Committee - Aplab Ltd	-	-
No. of shares held in the Company	NIL	NIL	NIL