



MCX-SX CLEARING CORPORATION LIMITED

Registered Office: Exchange Square, CTS No.255, Suren Road, Andheri (East), Mumbai – 400093.

Tel. +91 22 6731 9080, Fax +91 22 6731 9103

Website: www.mcx-sx.com/mcxsccl

CIN: U67120MH2008PLC188032

NOTICE

NOTICE is hereby given that an Extraordinary General Meeting of the Members of **MCX-SX CLEARING CORPORATION LIMITED** will be held on Tuesday, June 16, 2015 at 11.30 AM at Vibgyor Tower, 4th Floor, G Block, C62, Bandra Kurla Complex, Bandra (E), Mumbai - 400098 to transact the following business:

SPECIAL BUSINESS:

ITEM NO. 1: ALTERATION OF THE ARTICLES OF ASSOCIATION

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

“RESOLVED THAT pursuant to Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (“SECC Regulations”) issued by Securities and Exchange Board of India (SEBI) vide notification dated June 20, 2012 as amended from time to time, and the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and subject to the approval of SEBI, and subject to such other approvals/consents as may be necessary, the consent of the Company be and is hereby accorded to amend the Articles of Association of the Company to include provisions for certain restrictions on shareholding and divestment of shareholding, of such persons held to be ‘not fit and proper persons’ by any competent court or regulatory authorities and/ or holding shares in excess of the percentage that they are entitled to hold as per SECC Regulations, by insertion of new articles, which are presented below, immediately after existing Article 196 in the Articles of Association of the Company.

ARTICLE 197:

Restrictions on shareholding

1. No person shall, directly or indirectly, acquire or hold equity shares of the Company unless he is a fit and proper person as per the criteria laid down in the guidelines, directions, norms, etc. instructions issued by SEBI or any other regulators or competent authorities under applicable laws.
2. No person shall, directly or indirectly, either individually or together with persons acting in concert, acquire/hold equity shares exceeding the prescribed percentage of the paid up equity share capital without the requisite approval of the SEBI.
3. In the event of any person ceasing to be a ‘fit and proper person’ or being declared so by the SEBI or any other regulator or competent authorities, such person shall forthwith divest his shareholding.

ARTICLE 198:

Divestment of Shareholding

1. Any shareholder of the Company holding shares in excess of the percentage that he is entitled to hold, whether by reason of such person being declared as not fit and proper, or for any other reason, whether such reason arises out of a direction or order of the Central or State Government, Securities and Exchange Board of India or any order passed by a court, tribunal or any other statutory authority, or otherwise, shall forthwith divest his shareholding and the voting rights of such person shall stand extinguished and any corporate benefit in lieu of such holding shall be kept in abeyance / withheld by the Company.
2. The Company shall take necessary steps as it may deem fit so as to ensure that the shareholding of such person is divested forthwith upon such direction or order of a competent authority.
3. On being declared as not fit and proper person to continue to hold the shares of the Company, the Company may call upon the concerned shareholder to divest his shares forthwith. The Company shall simultaneously require the Depository and Depository Participant to note the extinguishment of the voting rights in respect of the shares of the said shareholder and freeze the beneficiary account of the said shareholder.
4. In the event the said shareholder fails or neglects to divest the shares within such time as prescribed in the communication from the Company, the said shareholders shall be deemed to have irrevocably constituted, nominated and appointed the Board of Directors of the Company as the agents for such shareholder. The Board of Directors shall cause to transfer such shares immediately to an escrow account which would be opened and operated by the Board of Directors of the Company and the Board of Directors may request respective Depository and Depository Participants to transfer the entire shareholding or the shares held in excess of the permissible limits to the escrow account opened and operated by the Board of Directors to ensure compliance with the order/guidelines/direction/norms, etc. of the Central or State Government, Securities and Exchange Board of India or any court, tribunal or any other statutory / competent authority for the disposal of such shares from such escrow account.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to carry out and effect any changes, alterations or modification(s), as may be suggested/directed by SEBI or any other regulator or statutory or other competent authority to the aforesaid resolution and to do all such acts, deeds, matters and things as be necessary for or required for the purpose of giving effect to such suggestions/directions.”

**By order of the Board of Directors
For MCX-SX CLEARING CORPORATION LIMITED**

Sd/-

Date: June 12, 2015

Place: Mumbai

**Udai Kumar
Managing Director**

Registered Office:-

Exchange Square, CTS No.255,

Suren Road, Andheri (East), Mumbai – 400093.

Notes:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. The meeting is being convened at a shorter notice, after obtaining the consent, in writing, of not less than 95% of the Members of the Company, pursuant to the provisions of Section 101 of the Companies Act, 2013.
3. The relevant Explanatory statement in respect of business above is annexed hereto.
4. Pursuant to Section 105(1) of the Companies Act, 2013, read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of Members not exceeding 50 (fifty) in number and holding in aggregate not more than 10 (Ten) per cent of the total share capital of the Company carrying voting rights. In the case of a Member holding more than 10 (ten) per cent of the total share capital of the Company carrying voting rights, such a Member may appoint a single person as proxy, who however shall not act as proxy for any other person or shareholder.
5. Proxies in order to be effective must be lodged with Company not less than 48 hours before the commencement of the meeting.
6. Members/Proxy holders are requested to bring their attendance slip duly signed.
7. As per the provisions of Section 113 of the Companies Act, 2013, Corporate Shareholders are requested to send a duly certified copy of the Board/ Managing Committee Resolution authorizing their representatives to attend and vote on their behalf at the meeting.
8. The Register of Director's and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 read with Rule 17 of the Companies (Appointment and Qualification) Rules, 2014 will be available for inspection by the members at the Meeting in terms of Section 171 of the Companies Act, 2013.
9. Copy of all the documents mentioned herein above, would be available for inspection by the shareholders at the Registered Office of the Company between 11 a.m. and 1.00 p.m. on all working days from the date hereof up to the date of the EGM.
10. Members may also note that the Notice of the Extraordinary General Meeting will also be available on the Company's website www.mcx-sx.com/mcxsxcc1 for download. The physical copies of the aforesaid documents will also be available at the Company's registered office in Mumbai for inspection during normal business hours on working days.

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013

Item No. 1

Your Company being a regulated clearing corporation operates within the regulatory framework of the Securities and Exchange Board of India Act, 1992 (SEBI Act, 1992) and regulations made there under. Accordingly, the clearing corporation has to comply with the guidelines/directions of the regulator, SEBI.

Financial Technologies (India) Limited (FTIL) holds 57,50,000 equity shares of MCX-SX Clearing Corporation Limited (MCX-SXCCL) comprising 23% of its paid-up equity share capital. Multi Commodity Exchange of India Limited (MCX) holds 65,00,000 equity shares of MCX-SXCCL comprising 26% of its paid-up equity share capital. Shareholding of both the shareholders is more than 5% limit as prescribed in Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (“SECC Regulations”).

SEBI vide its Order no. WTM/RKA/MRD-DSA/11/2014 dated March 19, 2014 (“SEBI Order”), declared FTIL as ‘not fit and proper person’ to acquire or hold any equity share or any instrument that provide for entitlement for equity shares or rights over equity shares at any future date in a recognized stock exchange or clearing corporation either directly or indirectly and has asked FTIL to divest its shareholding.

FTIL challenged the SEBI Order before the Securities Appellate Tribunal (“SAT”) which upheld SEBI Order vide its order dated July 07, 2014. FTIL then filed an appeal against SEBI Order before the Hon’ble Supreme Court which has been admitted and is pending for hearing. Additionally, FTIL’s request for extension of time, was rejected by SEBI vide communication/ order dated September 22, 2014. FTIL filed a separate appeal against the rejection issued by SEBI before the Hon’ble SAT. This Appeal is also pending for hearing.

As the onus of implementation of SEBI’s order is on the Company, your Company has been making the best possible efforts to implement the same by taking various measures, but in the absence of any specific powers, it is unable to ensure that FTIL divests its shareholding..

Considering the need to implement the SEBI Order and to further overcome any such situation that may arise in future especially with respect to divestment of shareholding of such shareholder who has been declared as not fit and proper and/ or holding shares in excess of the percentage that they are entitled to hold as per SECC Regulations, the Board of Directors commends the Special Resolution set out at item no. 1 of the accompanying Notice for approval by the Members by altering the articles by including the proposed amendments as stated in the aforesaid resolution, subject to requisite approvals.

Further, as the Company is required to ensure and report compliance by its shareholders to SEBI by June 19, 2015, it is essential to hold Extraordinary General Meeting at the shorter notice to obtain approval of the shareholders for proposed amendments in the Articles of Association of the Company.

The Articles of Association of the Company and the SEBI Order are available for inspection by the Members of the Company from 10.00 A.M. to 1.00 P.M. on working days of the Company from the date hereof up to the date of the EGM.

None of the Directors or Key managerial personnel or the relatives of Directors, Key managerial personnel are in any way, concerned or interested, financial or otherwise, in this resolution, except to the extent of their respective shareholding in the Company, if any.

**By Order of the Board of Directors
For MCX-SX CLEARING CORPORATION LIMITED**

**Date: June 12, 2015
Place: Mumbai**

**Sd/-
Udai Kumar
Managing Director**



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ATTENDANCE SLIP

Full Name of the Member (in BLOCK LETTERS)

Regd. Folio No.

DP ID No.

Client ID No:-

No. of Share(s) held:-

Full Name of the Proxy (in BLOCK LETTERS)_____

Member's/Proxy's Signature_____

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall.



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**FORM NO. MGT-11
PROXY FORM**

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)		E-mail Id:	
		Folio No./ *Client ID	
Registered Address		*DP ID	

I/We, being the holder/s of _____ equity shares of MCX-SX Clearing Corporation Limited, hereby appoint:

- 1) _____ of _____ having e-mail id _____ or failing him
- 2) _____ of _____ having e-mail id _____ or failing him
- 3) _____ of _____ having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extraordinary General Meeting of the Company, to be held on Tuesday, June 16, 2015, at 11.30 AM at 4th Floor, Vibgyor Towers, Opp. Trident Hotel, Bandra-Kurla Complex (BKC), Bandra (East), Mumbai - 400 098 and at any adjournment thereof in respect of such resolution as is indicated below:

Resolution: Alteration of the Articles of Association

Affix
One
Rupee
Revenue
Stamp

Signed this _____ day of _____, 2015

Signature of the Proxy holder(s):

Signature of Shareholder

Note: This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.