

NSE Clearing Limited
27th Annual General Meeting
July 05, 2022

Transcript of the 27th Annual General Meeting of NSE Clearing Limited held on Tuesday, July 05, 2022 at 10:00 A.M. through Video Conferencing.

Directors Present:

- Mr. Harun R. Khan : Chairman of the Board, Audit Committee and Stakeholder Relationship Committee (by VC from Bhubaneswar)
- Mrs. Bhagyam Ramani : Public Interest Director (by VC from Mumbai)
- Mr. G S Hegde : Public Interest Director (by VC from Mumbai)
- Mr Jayant Haritsa : Public Interest Director (by VC from Bangalore)
- Mr. Vikram Kothari : Managing Director (by VC from Mumbai)
- Mr. Yatrik Vin : Shareholder Director (by VC from Mumbai)

Members Present:

- Mr. Manish Marodia : Representative of National Stock Exchange of India Limited (by VC from Mumbai)
- Mr. Rohit Gupte : Shares jointly held with National Stock Exchange of India Limited (by VC from Mumbai)
- Mr. Yatrik R Vin : Shares jointly held with National Stock Exchange of India Limited (by VC from Mumbai)
- Mr. Mayur Sindhwad : Shares jointly held with National Stock Exchange of India Limited (by VC from Mumbai)
- Mr. M Vasudev Rao : Shares jointly held with National Stock Exchange of India Limited (by VC from Mumbai)
- Mr. Ravi Varanasi : Shares jointly held with National Stock Exchange of India Limited (by VC from Mumbai)

Auditors Present:

Mr. Lalit Parmar and : Representative of M/s. Khandelwal Jain & Co.
Mr. Narendra Jain
(Statutory Auditors) (by VC)

Mr. Vaibhav Dandawate : Representative of M/s. Makarand M Joshi & Co
(Secretarial Auditors) (by VC)

KMPs Present:

Mr. Amit Amlani : Chief Financial Officer (by VC)

1. Date, Time and Venue of the Meeting:

The 27th AGM of the Company was held on Tuesday, July 05, 2022 by using 'Microsoft Teams Application. The Meeting commenced at 10:10 A.M. through video conference from the Exchange Plaza, Plot C-1, Block 'G', Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 and concluded at 10:27 A.M.

2. Transcript of the Meeting:

Mr. Harun R. Khan, Chairman

On behalf of the Board of Directors, I, Harun Khan, Chairman of the Board of NSE Clearing Limited (NCL), welcome everyone to the 27th Annual General Meeting of the Company. I hope all of you and your families are safe and in good health. I also Chair Audit Committee and Stakeholders Relationship Committee and I am attending the meeting through VC from Bhuvneshwar. In pursuance of the circulars issued by the Ministry of Corporate Affairs and SEBI, the meeting is being conducted through Video Conference. Participation of members through video conference is being recorded for the purpose of quorum, as per the circular issued by MCA, and Section 103 of the Companies Act, 2013. The Chairman inquired whether requisite quorum was present.

The quorum being present, I call this meeting to order. My colleagues are attending this meeting through video conferencing or other audio-visual means. My colleague, Mr. Ananth Narayan who has been appointed as Public Interest Director on the Board of the Company with effect from June 17, 2022 and was appointed as the Chairman of Nomination & Remuneration Committee, has conveyed his inability to join the meeting due to his pre-occupation. In his absence, I will take any queries of the members. I request my colleagues joining the meeting through Video Conferencing or other audio-visual means to introduce themselves.

First, Mrs. Bhagyam Ramani, Public Interest Director

Good Morning Everyone. I am Bhagyam Ramani, I am on the Board of the Company from last 4 and half years and also a member of Standing Committee on Technology, Risk Management Committee and Membership Committee. I retired as general Manager and Director on the Board of General Insurance Corporation of India in the year 2012 and I joined the board of NSE Clearing as I mentioned earlier in 2017 and I am attending this AGM from my residence in Mumbai and also alone in this room. Thank You.

Prof. Jayant Haritsa, Public Interest Director

Good Morning. I am Jayant Haritsa. I have been a professor at the Indian Institute of Science in Bangalore for past 3 decades and I specialize in the area of Database Systems internals and research and Development and I will be primarily working with Standing Committee on technology here apart from few of the other Committees. I am looking forward for this group and attending this AGM from Bangalore. Thank You.

Mr. G S Hegde, Public Interest Director

Good morning. I am G S Hegde, a Public Interest Director, retired as principle legal advisor of RBI in 2014 thereafter I have served reserve bank as consultant for some time and now I am consultant at Shardul Amarchand Mangaldas solicitors and advocates. I am on few committees like CSR Committee. I have joined this meeting from residence in Mumbai. Thank You.

Mr. Harun khan

Thank Your Mr. Hegde. Warm welcome to you and Mr. Haritsa for joining the Board.

Mr. Yatrik Vin, Shareholder Director

Good Morning. I am Yatrik Vin. I am Shareholder Director on the Board of NCL. I am with NSE almost since inception and I am group CFO and Head of corporate affairs at NSE. I am attending this AGM from our office in BKC, Mumbai. Thank you.

Mr. Vikram Kothari, Shareholder Director

Good Morning. I am Vikram Kothari, Managing Director of NSE Clearing. Pleasure to have new directors on the Board. I am joining this meeting from our office in BKC, Mumbai. I have been with this Company since November 2017. Thank you.

Mr. Harun Khan, Chairman

We also have the key executives joining from their respective locations. Mr. Lalit Parmar and Mr. Narendra Jain representing Statutory auditors, M/s. Khandelwal Jain & Co. and Mr. Vaibhav Dandawate, representing Secretarial auditors, M/s. Makarand M Joshi & Co., Auditor have also joined this meeting. The Notice of AGM along with the Explanatory Statement and the Annual Report for FY 2021-22 were provided to all those who are required to get them under the Companies Act. Since the meeting is being conducted through Video Conference, attendance slip, proxy form and route map were not annexed to the Notice of AGM. The proceedings of the AGM is available as live web cast as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The statutory registers required to be maintained as per the provisions of the Companies Act, are available for inspection by the members, on requests made by them. Coming to the business of the meeting, with your permission I shall now take the notice convening the meeting as read, which the members agreed to.

The Statutory Auditors, M/s. Khandelwal Jain & Co. and Secretarial Auditor, M/s. Makarand M Joshi & Co., have expressed unqualified opinion in the respective audit reports for the financial year 2021-2022. Accordingly, the said reports are not required to be read at this meeting. I now request the CFO, Mr. Amit Amlani, to brief the members on the Audit Report and the Financial Statements of the Company for the Financial Year 2021-22.

Mr. Amit Amlani, CFO

Thank you, sir. The Annual Report containing the audited financial statements both standalone as well as consolidated was circulated to the members. The Financials for this year have been prepared in accordance with IND AS and the amended Schedule III which has enhanced disclosure and reporting norms. The Auditors have submitted their report. They have issued a clean report for the FY 2021-22 to the Company. There are no qualifications, observations or adverse remarks or disclaimers in the financial statements and matters which have any material bearing on the functioning of the Company or in the Auditor's Report or Secretarial Audit Report. The Highlight of this year's financials is that we have had significant increase in the clearing and settlement charges which was backed by the global and domestic events, and we have had 56% increase in our key operating income. The total income has increased by around 31% from Rs. 500 crores to around Rs. 700 crores and our total profit after tax for the year has increased around 100% from Rs. 210 crores to Rs. 460 crores. The net worth of the Company stands at Rs. 1,120 crores which is a very significant performance for the Company.

Mr. Harun R Khan, Chairman

Thank you, Amit. Since there are no qualifications, observations, etc, the Auditors Report is taken as read.

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 the 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.

Now we proceed with the ordinary business of the company, the first agenda item is to receive, consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon. If there are no queries from the shareholders we can now proceed with the ordinary business. The resolution reads as

“RESOLVED THAT the audited financial statements of the Company (Standalone & Consolidated) for the financial year ended March 31, 2022, and the reports of Auditors, Secretarial Auditors and Board of Directors thereon laid before this meeting, be and are hereby considered and adopted.”

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

Mr. Rohit Gupte, Shareholder

I propose the said resolution.

Mr. Manish Marodia, Representative of National stock Exchange India Limited

I second the same.

Mr. Harun R Khan, Chairman

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

I now declare that the resolution is passed unanimously.

The second agenda item is relating to the declaration of dividend on equity shares for the FY 2021-22. The dividend percentage recommended by the Board is 400%. The resolution reads as

“RESOLVED THAT pursuant to the recommendations made by the Board of Directors of the Company, a dividend at the rate of Rs. 40/- per equity share of Rs.10/- each be and is hereby declared out of the profits of the Company for the year ended March 31, 2022 in respect of 4,50,00,000 fully paid up equity shares held by those members whose names appear as beneficial owners as on Friday, July 01, 2022 in the records of National Securities Depository Limited in respect of the shares held in dematerialized form and be paid in around 10 days from the date of AGM.”

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

Mr. Mayur Sindhwad, Shareholder

I propose the said resolution.

Mr. Manish Marodia, Representative of National stock Exchange India Limited

I second the same.

Mr. Harun R Khan, Chairman

Thank you, Mr. Mayur and Mr. Manish. The resolution is now put to vote by show of hands.

I now declare that the resolution is passed unanimously.

The next item is relating to the re-appointment of Statutory Auditor of the Company. The resolution is read as

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. Khandelwal Jain & Co., Chartered Accountants (Firm Registration 105049W), be and are hereby re-appointed as Statutory Auditors of the Company for a second term of 5 (Five) years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 32nd Annual General Meeting to be held in the year 2027.

RESOLVED FURTHER THAT the Board of Directors or Audit Committee thereof, be and is hereby authorised to decide and finalise the terms and conditions of appointment, including the remuneration of the Auditors".

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

Mr. Rohit Gupte, Shareholder

I propose the said resolution.

Mr. Manish Marodia, Representative of National stock Exchange India Limited

I second the same.

Mr. Harun R Khan, Chairman

Thank you, Rohit and Manish. The resolution is now put to vote by show of hands.

I now declare that the resolution is passed unanimously.

The next item is relating to the re-appointment of Mr. Yatrik Vin as a director under the category of Shareholder Director. He retires by rotation but is eligible for re-appointment for which this resolution is to be moved. I would request one of the members to propose the said resolution and another member to second the same.

Mr. Mayur Sindhwad, Shareholder

I propose the said resolution.

Mr. M. Vasudev Rao, Shareholder

I second the same.

Mr. Harun R Khan, Chairman

Thank you Mayur and Vasudev. I now declare that the resolution is passed unanimously.

Mr. Harun R Khan, Chairman

With that, all the items pertaining to the meeting are completed and I therefore declare the proceedings of this AGM of NSE Clearing Limited closed. I would like to thank the Directors, Members and Auditors for participating in the Meeting and as we are still passing through drying times so I take this opportunity to wish each everyone good health and safety in the year ahead.

Mr. Vikram Kothari, Managing Director

Thanks to the Chair.

Thank you everybody for participating in the meeting.