



NOTICE

Notice is hereby given that an Extra-Ordinary General Meeting of the Members of National Securities Clearing Corporation Limited will be held on **Monday, April 28, 2014 at 12.45 p.m.** at the **Conference Room, Ground Floor, 'A' Wing, Exchange Plaza, Plot C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai- 400 051** to transact the following business:

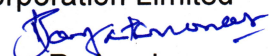
1. To consider, and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:

"RESOLVED THAT in modification of the Special Resolution passed at the Extra- Ordinary General Meeting held on March 04, 2014 approving the appointment of, and payment of remuneration to, Mr. T.Venkat Rao, Managing Director subject to SEBI approval for a period of three years to be effective from the date of approval from SEBI and in accordance with the provisions contained in Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 or any amendment thereto or re-enactment thereof and subject to approval of SEBI, the consent of the members be and is hereby accorded for variation in terms and conditions of appointment of, and payment of remuneration to, Mr. T. Venkat Rao, Managing Director Designate of the company as set out in the Explanatory Statement annexed to the Notice convening this Extra-ordinary General Meeting."

"RESOLVED FURTHER THAT where in any financial year during the currency of his tenure as Managing Director, the Company has no profits or its profits are inadequate, the monthly remuneration payable to him, shall not exceed the limits specified under Schedule V of the Companies Act, 2013 or any amendment thereto or re-enactment thereof.."

"RESOVLED FURTHER THAT Mr.T. Venkat Rao shall not be liable to retire by rotation during his tenure as Managing Director of the Company."

By Order of the Board of Directors,
For National Securities Clearing Corporation Limited


R. Jayakumar

Asst. Company Secretary

Date: April 28, 2014

Place: Mumbai

NOTE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING
2. Explanatory Statement pursuant to Section 102 of The Companies Act, 2013 is annexed to this notice.

**Annexure to Notice****Explanatory Statement pursuant to Section 102 of the Companies Act, 2013****Item No. 1**

The Members of the Company, in the Extraordinary General Meeting held on March 04, 2014, had approved the appointment of, and remuneration payable to, Mr.T. Venkat Rao as Managing Director of the Company for a period of three years effective from the date of approval of SEBI. Accordingly, approval of the SEBI was sought and the same is awaited.

As per the existing terms, the Board or the Compensation Committee may at its discretion, fix the annual increase in the Total Pay every year not exceeding 15% of the Total Pay of the previous year. As per the compensation policy for NSE /NSCCL employees, the annual increment for 'A' level employees is calculated at 12% of the total pay. Accordingly, the Board in its meeting held on April 28, 2014 decided to vary the terms and conditions of remuneration of Mr. T. Venkat Rao for the FY 2014-15 as under:

Fixed Pay* (per annum)	**Variable Pay (per annum)	Total Pay (per annum)	% of Fixed Pay to Total Pay	% of Variable Pay to Total Pay
Rs.94,56,378	Rs.31,52,126	Rs.1,26,08,504	75%	25%

* Fixed Pay includes Basic Salary, House Rent Allowance, Vehicle Allowance, Special Allowance, Leave Travel Allowance, Medical Allowance, reimbursement of telephone (including mobile) expenses, Lunch, contribution to Provident Fund, Gratuity and Superannuation and Pension Schemes.

**As per the Compensation Policy applicable to NSE/NSCCL employees, the variable pay component of 25% is in respect of median performance level i.e (A-). There are five grades of performance level namely A+, A, A-, B+ and B. At the end of every financial year, the performance of every employee is assessed and one of the above performance grades is assigned. If any employee's performance is rated above the median performance level (ie. either A+ or A), the variable pay is currently given equivalent to 120% or 110% of variable pay at median level (i.e A-), as the case may be. Similarly if any employee's performance is rated below the median performance level (ie. either B+ or B), the variable pay is equivalent to 90% or 0% of variable pay at median level (i.e A-), as the case may be. Accordingly, the variable pay of Mr. T Venkat Rao for each year will be fixed (subject to discretion of Board or the Compensation Committee, as the case may be, to vary the percentage increase in the variable pay for each performance level in comparison to median performance level) depending upon his performance in each year subject to the condition that the final variable pay shall not exceed one-third of final total pay for the respective year as stipulated by SEBI.



Accordingly, the terms and conditions of appointment of, and remuneration payable to, Mr.T. Venkat Rao is proposed to be revised as under:-

(I) Salary:

He shall be entitled to a salary of Rs. 2,36,500/- (Rupees two lakhs thirty six thousand five hundred only) per month.

(II) A Special Allowance of Rs. 2,81,800/- (Rupees two lakhs eighty-one thousand eight hundred only) per month.

(III) Annual Performance Based Variable Pay, as may be decided by the Board or the Nomination & Remuneration Committee, of Rs. 31,52,126/*- (Rupees thirty one lakhs fifty two thousand one hundred and twenty six only) per annum [*applicable to median performance level i.e. (A-)]. The Board or the Nomination & Remuneration Committee, as the case may be, may fix the variable pay in each year depending upon his performance level at such amount and at such percentage in comparison to the median performance level subject to condition that the final variable pay shall not exceed one-third of final total pay for the respective year as stipulated by SEBI. 50% of the amount so decided shall be payable on deferred basis after three years.

(IV) Perquisites:

In addition to the above, he shall be entitled to the following perquisites:-

PART – A

- (a) House Rent Allowance at the rate of 50 % of Salary.
- (b) Medical Allowance at the rate of one month's Salary per annum.
- (c) Leave Travel Allowance at the rate of one month's Salary per annum.

PART – B

- (a) Contribution to Provident and Pension Fund(s) at the rate of 12% of the Salary.
- (b) Contribution to Superannuation Scheme at the rate of 15% of the Salary.

Explanation : Contribution to Provident and Pension Fund(s) and Superannuation Scheme will not be included in the computation of the ceiling on remuneration payable to Managing Director to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

- (c) Gratuity at a rate not exceeding one month's Salary for each completed year of service or part thereof in excess of six months with the Company. However gratuity payable at a rate not exceeding half a month's Salary for each completed year of service shall not be included in the computation of the ceiling on remuneration payable to him.



(d) Encashment of accumulated leave at the end of his tenure. This will however not be included in the computation of the ceiling on remuneration payable to him.

PART – C

(a) A Company maintained car with driver or car allowance as per Company's policy.

(b) Company maintained telephone (besides a mobile phone) as per Company's policy.

(V) Other Benefits

(a) Leave

Ordinary Leave with full pay and allowances as per the Rules of the Company. Such leave will be permitted to be accumulated in accordance with the Company's Rules and Procedures in force from time to time. Casual and Sick leave will be admissible as per the Rules of the Company.

(b) Any other payments which the Board or Nomination & Remuneration Committee may decide to pay to the employees including working directors in such manner and for such purpose as may be decided by the Board or the Nomination & Remuneration Committee provided that such other payments payable to him together with salary and other emoluments or its structure shall not exceed the limits prescribed under Companies Act, 2013 or any amendment thereto or re-enactment thereof or under SEBI Regulations.

(c) General

Such other benefits as are made available by the Company to other members of the staff from time to time. Further, the Board or Nomination & Remuneration Committee may restructure the compensation payable to him from time to time in accordance with prevailing SEBI Regulations subject to the overall total compensation provided above.

No sitting fee shall be payable to Mr. T. Venkat Rao during his tenure.

Where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the monthly remuneration payable to him, shall not exceed the limits specified under Schedule V of the Companies Act, 2013 or any amendment thereto or re-enactment thereof.

The Board or the Nomination & Remuneration Committee, as the case may be, may at its discretion, fix the annual increase in the Total Pay every year not exceeding 15% of the Total Pay of the previous year. The Board or the Nomination & Remuneration Committee, as the case may be, may also vary, at any time, the percentage increase in the variable pay for each performance level applicable to Managing Director in comparison to median performance level (i.e. A-)



The compensation package of Mr. T. Venkat Rao, shall also be subject to following since he is also a Key Management Person as per the requirements of SEBI :-

- A. The Variable Pay component in the compensation will not exceed one third of the Total Pay.
- B. 50% of the Variable Pay will be paid on a deferred basis after 3 years subject to (D) below.
- C. ESOPs and other equity linked instruments will not form part of the compensation package.
- D. The terms of compensation shall have malus and claw back arrangements.

Further, as per requirements of SEBI, variation in the terms and conditions of appointment of, and the remuneration payable to, Mr.T. Venkat Rao as Managing Director shall be approved by shareholders after the same is approved by the Board of NSCCL before submitting the same to SEBI for its approval. In view of the same, the approval of the shareholders is sought for variation in the terms and conditions of appointment of, and the remuneration payable to, Mr.T. Venkat Rao as Managing Director.

The Board recommends the resolution at item No. 1 of the accompanying notice for the approval of the shareholders.

This may be treated as an abstract of the variation in the terms and conditions of appointment of, and the remuneration payable to, Mr.T. Venkat Rao as Managing Director of the Company effective from the date of approval from SEBI pursuant to Section 190 of the Companies Act, 2013.

Except Mr.T. Venkat Rao, none of the Directors, Key Managerial Personnel (as defined in Section 2(51) of the Companies Act, 2013) of the Company and their relatives are in any way concerned or interested in the passing of the resolution at item No.1.

By Order of the Board of Directors,
For National Securities Clearing Corporation Limited

R. Jayakumar
Asst. Company Secretary

Date: April 28, 2014
Place: Mumbai