

## METROPOLITAN CLEARING CORPORATION OF INDIA LIMITED

(Formerly known as MCX- SX CLEARING CORPORATION LIMITED)

Registered Office: Exchange Square, CTS No. 255, Suren Road, Chakala, Andheri (East),  
Mumbai - 400 093. Website: <http://www.mcx-sx.com/mcxsxcl>

CIN- U67120MH2008PLC188032

### NOTICE

Notice is hereby given that the Seventh (7<sup>th</sup>) Annual General Meeting of **METROPOLITAN CLEARING CORPORATION OF INDIA LIMITED** (Formerly known as MCX-SX CLEARING CORPORATION LIMITED) will be held on **Tuesday, September 22, 2015 at 11.30 A.M.** at *Vibgyor* Towers, 4th floor, Plot No C 62, G Block, Opp. Trident Hotel, Bandra Kurla Complex, Bandra (E), Mumbai - 400098 , to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements including Balance Sheet as on March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year ended March 31, 2015 on that date including notes to the Financial Statements and the Report of the Directors and the Auditors thereon.
2. To appoint M/s. Kirtane & Pandit, Chartered Accountants, (Firm Registration No. 105215 W) as the Statutory Auditors of the Company and fix their remuneration and in this regard, if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution** :

**“RESOLVED THAT** pursuant to the provisions of 139 and other applicable provisions, if any, of the Companies Act, 2013, and to the extent applicable, read with the Companies (Audit & Auditors) Rules, 2014, M/s. Kirtane & Pandit, Chartered Accountants, (Firm Registration No.105215 W), be and are hereby appointed as the Statutory Auditors of the Company, the said firm M/s. Kirtane & Pandit, Chartered Accountants, shall hold office as the Statutory Auditors of the Company until the conclusion of the AGM to be held for the financial year 2018-19 (subject to ratification of the appointment by the Members at every AGM, till the tenure ) and that the Board of Directors of the Company be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors.”

3. To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to sections 196, 197 and 203 read with Schedule V of the Companies Act, 2013 including any modifications or amendments thereof, consent of the Company be and is hereby accorded for the appointment of Mr. Udai Kumar as the Managing Director of the Company for a period of three years with effect from April 6, 2015 (date of effective appointment/date of joining) on a remuneration of Rs. 55 Lacs per annum (all inclusive on a cost to company basis), applicable for a period of one year with effect from April 06, 2015.

**RESOLVED FURTHER THAT** Mr. Udai Kumar 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.

**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.”

**Date: August 29, 2015**  
**Place: Mumbai**

**By order of the Board of Directors**  
**Metropolitan Clearing Corporation of India Limited**  
(formerly known as MCX-SX Clearing Corporation Limited)

**Sd/-**  
**Dhananjay Apte**  
**Assistant Company Secretary**

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

## Notes:

1. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote, instead of himself/herself and the proxy need not be a member of the Company.**
2. 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.
3. The relevant Explanatory statement in respect of business under Item No. 3 above is annexed hereto.
4. Proxy(ies) in order to be effective must be lodged with Company not less than 48 hours before the commencement of the meeting.
5. 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.
6. 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.
7. Members/Proxy holders are requested to bring their attendance slip duly signed and copy of the Annual Report to attend the meeting.
8. Members are requested to send to the Company their queries, if any, at least 10 days before the Meeting to enable the Company to provide the required information.
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 AGM.

## The Explanatory Statements pursuant to Section 102 of the Companies Act, 2013

### Item No. 3

Subsequent to the resignation of Mr. U. Venkataraman as a Managing Director and Chief Executive Officer of the Company, the Selection Committee was constituted for recommending the Managing Director to the Board of Directors in accordance with SECC Regulations, 2012. Accordingly, the Board, thereafter in its meeting held on February 04, 2015 appointed Mr. Udai Kumar as a Managing Director, for a period of three years with effect from the date of joining.

The Company received approval from SEBI vide its letter dated March 19, 2015 for the appointment of Mr. Udai Kumar as a Managing Director of the Company for a period of three years from the date of his joining and the compensation of INR 55 lakh per annum payable to him for the first year from the date of joining as proposed by the Board of the Company, subject to conditions mentioned therein. Subsequently, Mr. Udai Kumar joined as Managing Director of the Company on April 6, 2015.

Mr. Udai Kumar shall draw remuneration of INR 55 lakh per annum (all inclusive on cost to company basis), applicable for a period of one year with effect from April 6, 2015 and thereafter his remuneration shall be as recommended by the Nomination and Remuneration cum Compensation Committee and approved by the Board of Directors and shareholders.

As required by Rule 7 (2) of the Companies (Appointment and Remuneration), Rules, 2014 read with Schedule V of the Companies Act, 2013, (hereinafter referred to as 'the Act'), members' approval by way of ordinary resolution is required for appointment and remuneration payable to Mr. Udai Kumar as Managing Director. The relevant disclosures to be made in terms of the said provisions are given below:

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

- **Nature of Industry**

The Metropolitan Clearing Corporation of India Limited (Formerly known as MCX-SX Clearing Corporation Limited) was incorporated on November 7, 2008 under the Companies Act, 1956 (the Act) and is recognized by Securities and Exchange Board of India (SEBI) under Regulation 4 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (SECC) Regulations, 2012. The Company is currently in the business of clearing and settlement of trades in the Capital Market, Futures & Options, Currency Derivatives and Debt Market Segments on the holding Company, Metropolitan Stock Exchange of India limited (MSEI). The Company offers an electronic, transparent and hi-tech system for clearing and settlement.

- **Date of commencement of business**

The Company received certificate of commencement of business from Registrar of Companies, Mumbai dated November 10, 2008. Commenced its operations in the Currency Derivatives (CD) Segment on February 16, 2009, under the regulatory framework of SEBI. Also, the Company has started the clearing and settlement of trades executed on Capital Market segment and Futures & Options segment from February 11, 2013, Debt segment from June 10, 2013 and cash-settled Interest Rate Futures (IRF), on 10-year G-Sec, in its Currency Derivative Segment from January 20, 2014.

- **Financial Performance**

As per the audited figures for the financial year ended March 31, 2015, the Company had a total income of INR 17.51 crore and a net profit after tax of INR 1.37 crore.

- **Export Performance**

The Company does not directly contribute to export growth, as it is not allowed to export its services. However, the holding Company, MSEI 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

- **Background Details**

<b>Date of Birth</b>	1-March-1960
<b>Date of Appointment</b>	March 19, 2015
<b>Qualification</b>	M.Sc. (Physics) from University of Delhi M.B.A (Finance) from Birla Institute of Technology, MESRA, Ranchi
<b>Expertise in specific functional areas</b>	Banking, Capital Markets, Investment Banking and Financial Services
<b>Directorship held in other public limited Companies (excluding foreign Companies and Section 25 Companies)</b>	NIL
<b>Membership/chairmanship of</b>	NIL

<b>Committees of other public limited companies. (includes details of only Audit Committee and Shareholder Grievance Committee)</b>	
<b>No. of shares held in the Company</b>	NIL

- **Past Remuneration:**

In his previous assignment as Managing Director of Inter-connected Stock Exchange of India Limited, Mr. Udai Kumar was drawing remuneration of INR 54.05 lakhs per annum (all inclusive on a cost to company basis).

- **Recognition or awards**

Mr. Udai Kumar has been part of Indian capital markets for last two decades. He has rich experience in stock exchange administration, capital markets, fund raising, restructuring and mergers & acquisition functions having worked in senior capacities with large institutions, like JM Financial Consultants, JM Morgan Stanley, Centrum Capital and Fortune Financial earlier during his career.

He has served as Managing Director of Inter-connected Stock Exchange of India Ltd. (ISE) as part of its Governing Board and has led team of stock exchange professionals heading different functions such as market operations, clearing and settlement, risk management, surveillance, regulatory compliance, finance & accounts.

He holds in-depth knowledge of regulatory and operational issues in the functioning of stock exchange and clearing corporation and has updated knowledge of changing landscape in this business. He has knowledge of Indian statutory and regulatory environment with particular reference to securities industry, securities laws and regulations.

- **Job Profile and his suitability**

As Managing Director, Mr. Udai Kumar 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 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 Financial and Banking sector and previous achievements, it is expected that Mr. Udai Kumar will be eminently suited for the position.

- **Proposed remuneration**

It is proposed that he shall draw remuneration of INR 55 lakh per annum (all inclusive on a cost to company basis), applicable for a period of one year with effect from February 04, 2015.

The annual increment shall be as decided by the Board after considering recommendations of the Nomination and Remuneration cum Compensation Committee and approved by the shareholders. It will be based on merit and after taking into account the Company's performance for the year. The benefits, perquisites and allowances may be varied by the Nomination and Remuneration cum Compensation Committee.

- **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person**

The remuneration to Managing Director is based on a pricing programme that takes into account both market practice as well as internal business considerations. From a market viewpoint, the Company has positioned the remuneration package taking into consideration those of its principal competitors and other companies in the securities and commodities market infrastructure sector, after duly allowing for the fact that the Company has recently expanded its operations and its comparative size as at present and as is expected to be during the tenure of the Managing Director.

- **Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any.**

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

### **Other Terms of Appointment**

- The Managing Director 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 or associated entity including performing duties as assigned by the Board from time to time by serving on Boards, executive bodies or Committees of such companies/bodies.
- The Company and the Managing Director may terminate the contract by giving six months' notice or in case of termination by Company, by paying six months remuneration.
- The terms and conditions relating to appointment of Managing Director may be altered and varied by the Board of Directors.

- The Managing Director 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.
- The Managing Director 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.
- The Managing Director shall be bound by the employment terms 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**

The remuneration to Managing Director is based on a pricing programme that takes into account current challenging financial position and market practice as well as internal business considerations. From a market viewpoint, the Company has positioned the remuneration package taking into consideration those of its principal competitors and other companies in the securities and commodities market infrastructure sector, after duly allowing for the fact that the Company has recently expanded its operations and its comparative size as at present and as is expected to be during the tenure of the Managing Director.

### **III. Other Information**

Reasons of loss or inadequate profits: As per the audited figures for the financial year ended March 31, 2015, the profit after tax increased to INR 1.37 crore for the year 2014 - 2015 as compared to a profit of INR 0.13 crore for the year 2013 - 2014.

Steps taken or proposed to be taken for improvement: Metropolitan Clearing Corporation of India Limited is providing the clearing and settlement services exclusively to the MSEI in respect of all the four segments namely; Currency Derivatives, Equity Derivatives, Equity Cash Market, and Debt Segment. Therefore the outlook and performance of the company is dependent on the performance of MSEI in these segments. The company believes that the MSEI has taken several steps to improve the sentiments of potential investors of MSEI and restore the faith of the market participants on the turnaround of the exchange, which in turn would benefit the company to meet its regulatory networth requirements and revenue potential. These will also lead to increase in productivity and profits.



In compliance with the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Act if any, read with relevant provisions of Schedule V of the Act and Regulation 25 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 ("SECC Regulations") 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 Ordinary Resolution.

Except Mr. Udai Kumar, no other Director or key managerial personnel or their relatives are concerned or interested in this resolution.

None of the Directors, except Mr. Udai Kumar be deemed to be concerned or interested in this resolution.

Copy of resolution passed by the Board in its Meetings held on February 4, 2015 in respect of the above and the SEBI's approval letter along with his detailed resume, may be inspected by shareholders at the venue of meeting between 10.30 am and 12.30 pm on all business days upto the date of the meeting.

**By order of the Board of Directors**  
**Metropolitan Clearing Corporation of India Limited**  
(formerly known as MCX-SX Clearing Corporation Limited)

Sd/-  
**Dhananjay Apte**  
Assistant Company Secretary

**Registered Office:**

Exchange Square, CTS No. 255, Suren Road  
Andheri (East), Mumbai - 400 093

**Date: August 29, 2015**

**Place: Mumbai**

**Metropolitan Clearing Corporation of India Limited**

(Formerly known as MCX- SX CLEARING CORPORATION LIMITED)

**CIN: U67120MH2008PLC188032**

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

Website: <http://www.mcx-sx.com/mcxsccl>

**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.  
Members are requested to bring their copy of the Annual Report to the meeting.*

FORM NO.MGT-11  
PROXY FORM

**Metropolitan Clearing Corporation of India Limited**

(Formerly known as MCX-SX CLEARING CORPORATION LIMITED)

CIN: U67120MH2008PLC188032

**Regd. Office:** Exchange Square, CTS No.255, Suren Road, Andheri (East), Mumbai - 400093.

Website: <http://www.mcx-sx.com/mcxsccl>

[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 Metropolitan Clearing Corporation of India 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 7<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, September 22, 2015 at 11.30 AM at Vibgyor Towers, 4th floor, Plot No C 62, G Block, Opp. Trident Hotel, Bandra Kurla Complex, Bandra (E), Mumbai - 400098 and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\*I wish my above Proxy to vote in the manner as indicated in the box below:

Particulars	For	Against
Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors		
To appoint and fix the remuneration of the Statutory Auditors M/s, Kirtane & Pandit, Chartered Accountants, (Firm Registration No. 105215 W), as the Statutory Auditors of the Company		
To appoint and fix remuneration of Mr. Udai Kumar as Managing Director of the Company		

Affix  
One Rupee  
Revenue  
Stamp

Signed this \_\_\_\_ day of \_\_\_\_\_, 2015

\_\_\_\_\_  
Signature of the Proxy holder(s):

\_\_\_\_\_  
Signature of Shareholder

Notes:

1. 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.
2. Please refer map on the next page for venue of the Annual General Meeting.

