

Transcript of the proceedings of 19th Annual General Meeting of The Clearing Corporation of India Limited held on Thursday, July 30, 2020 at 4:30 P.M. through Video Conferencing.

Directors Present:

Mr. R. Gandhi	Non-Executive Chairman <i>(Attended through VC from his residence at Bengaluru)</i>
Mr. R. Sridharan	Managing Director <i>(Attended in person)</i>
Mr. Narayan Seshadri	Independent Director and Chairman of Audit Committee and Nomination and Remuneration Committee <i>(Attended through VC from his residence at Mumbai)</i>
Mr. Sudhakar Shanbhag	Nominee Director <i>(Attended through VC from his residence at Mumbai)</i>
Mr. Ashish Parthasarthy	Nominee Director <i>(Attended through VC from his residence at Mumbai)</i>

Members Present (Through Video Conferencing):

Mr. Dibyendu Adhikari	Representative of State Bank of India
Mr. Ashish Parthasarthy	Representative of HDFC Bank Ltd
Mr. Jubin Goyal	Representative of ICICI Bank Ltd
Mr. Ramesh R S	Representative of Life Insurance Corporation of India
Mr. Amit Kumar Sinha	Representative of Union Bank of India
Ms. Suparna Sharma	Representative of STCI Finance Ltd
Mr. Sham K	Representative of SBI DFHI Ltd

Public

Page 1 of 15



Mr. Prabhjot Singh	Representative of IFCI Limited
Mr. Sourav Sharma	Representative of Canara Bank
Mr. Aditya Khandelwal	Representative of Axis Bank Ltd.
Mr. Sandipta Patel	Representative of Central Bank of India
Mr. Sandeep Kr Choudhary	Representative of Punjab National Bank
Mr. Amit Telange	Representative of Kotak Mahindra Life Insurance Company Limited
Mr. Vinod Mahajan	Representative of ICICI Lombard General Insurance Company Ltd
Mr. Sreekanth I.V	Representative of The Federal Bank Ltd. (Equity and Preference Shareholder)
Mr. Kiran Pandya	Representative of The Kalapur Commercial Cooperative Bank Limited (Preference Shareholder)

The following Auditors were present:

Mr. Daraius Fraser	Representative of M/s. Kalyaniwalla & Mistry, LLP, Statutory Auditors	Present through video conferencing from his residence in Mumbai
Mr. Vaibhav Dandawate	Representative of M/s. Makarand M. Joshi & Co. Practising Company Secretaries, Secretarial Auditors	Present through video conferencing from his residence in Mumbai

Also Present (In person):

Mr. Hare Krishna Jena	- MD Designate
Mr. O. N. Ravi	- Executive Vice President
Mr. Deepak Chande	- Chief Financial Officer
Mr. Pankaj Srivastava	- Company Secretary and Compliance Officer
Mr. Kausick Saha	- Chief Risk Officer
Mr. Golaka Nath	- Sr. Vice President –Membership, ERS and HRD
Mr. Pradeep Naik	- Sr. Vice- President (Operations & Fixed Income)



Mr. Praveen Mata	- Sr. Vice President – IT
Mr. Kamal Singhania	- Sr. Vice President – Forex
Mr. Arun Kumar Pandey	-Sr. Vice President –Derivatives
Mr. K. Biju	-Vice President – PDD

1. Date, Time and Venue of the Meeting:

The 19th Annual General Meeting of The Clearing Corporation of India Limited (“CCIL / the Company”) was held on Thursday, July 30, 2020 by using ‘BlueJeans Web’. The Meeting commenced at 4:30 P.M. through Video Conferencing (VC) from CCIL Bhavan, S. K. Bole Road, Dadar (West), Mumbai-400028 (Registered Office and deemed venue of AGM) and concluded at 5:00 p.m.

2. Transcript of the Meeting:

Mr. Pankaj Srivastava, Company Secretary

In terms of Article 103 of the Articles of Association of the Company, the Chairman of the Board shall be entitled to take the chair at every General Meeting. I request Mr. R. Gandhi, Chairman of the Board to act as the Chairman for the 19th AGM of the Company.

Mr. R. Gandhi, Chairman

On behalf of Board of Directors, I, R. Gandhi, Chairman of the Board of The Clearing Corporation of India Limited, cordially welcome all the Members to the 19th Annual General Meeting (AGM) of the Company. I am attending the meeting through VC from my residence in Bengaluru. In pursuance of the circulars issued by the Ministry of Corporate Affairs (MCA), the meeting is being conducted through VC. Participation of members attending meeting in person or through VC is being recorded for the purpose of quorum, as per the circular issued by MCA, and Section 103 of the Companies Act, 2013. Requisite quorum is present in terms of the requirements under the Companies Act, 2013 and MCA circulars.

The quorum being present, I call this meeting to order. I welcome Mr. Hare Krishna Jena, MD Designate to the 19th AGM of the Company who would be taking over as the Managing Director of CCIL with effect from August 1, 2020. Mr. R. Sridharan,



Managing Director is attending this AGM in person from the Registered Office of the Company which is the deemed venue of the AGM. Further, Mr. Narayan Seshadri, Independent Director and Chairman of Audit Committee and Nomination and Remuneration Committee, Mr. Sudhakar Shanbhag, Nominee Director, Mr. Ashish Parthasarthy, Nominee Director, are attending this AGM through VC. Mr. Sankarshan Basu, Independent Director, Dr. Meena Hemchandra, Independent Director, Dr. G Sivakumar, Independent Director, Mr. S. Vishvanathan, Independent Director, Mr. B. Prasanna, Nominee Director, Mr. Pradeep Madhav, Nominee Director have conveyed their inability to join the meeting due to some official exigency.

I request all the Directors joining the meeting through VC to introduce themselves.

Mr. Narayan Seshadri, Independent Director and Chairman of Audit Committee and Nomination and Remuneration Committee

Good evening all, myself, Mr. Narayan Seshadri, Independent Director and Chairman of Audit Committee and Nomination and Remuneration Committee of the Company, joining this AGM through VC from my residence at Mumbai. Thank you.

Mr. Sudhakar Shanbhag, Nominee Director

Good evening all, myself, Mr. Sudhakar Shanbhag, Nominee Director of the Company, joining this AGM through VC from my residence at Mumbai. Thank you.

Mr. Ashish Parthasarthy, Nominee Director

Good evening all, myself, Mr. Ashish Parthasarthy, Nominee Director of the Company, joining this AGM through VC from my residence at Mumbai. Thank you.

Mr. R. Gandhi, Chairman

Thank You all the Directors.

We also have Mr. Daraius Fraser, Partner, M/s. Kalyaniwalla & Mistry, LLP, representing Statutory Auditors of the Company, attending the meeting through video conferencing from his residence in Mumbai and Mr. Vaibhav Dandawate, representative of M/s. Makarand M. Joshi & Co, Practising Company Secretaries, attending the meeting through video conferencing from his residence in Mumbai. Mr. Hare Krishna Jena. MD



Designate, Key Managerial Personnel and Senior Management officials of the Company are also attending this AGM in person from the registered office of the Company. I thank all the members for joining the AGM.

The Notice of AGM along with the Explanatory Statement and the Annual Report for FY 2019-20 were sent to all the Shareholders and other authorised personnel who are required to get them under the Companies Act, 2013. Since the meeting is being conducted through VC, attendance slip, proxy form and route map were not annexed to the Notice of AGM. Further, all efforts feasible under the circumstances were made by the Company to enable members to participate and vote on the items being considered in the 19th AGM and the mechanism provided in the MCA circulars along with provisions of the Companies Act, 2013 and rules thereunder were complied with by the Company.

I now request Mr. Pankaj Srivastava, Company Secretary to record the presence of the members and provide the general information and instructions to the Shareholders with regard to the convening of the AGM.

Mr. Pankaj Srivastava, Company Secretary

Thank you, Chairman Sir.

I request all the members attending this AGM through VC to identify themselves alongwith the name of shareholder they represent.

I also request Statutory Auditor and Secretarial Auditors attending this AGM through VC to identify themselves.

The Notice of the AGM alongwith Annual Report was sent to the shareholders and all other persons entitled to receive the same in accordance with the provisions of the Companies Act, 2013. With the permission of members, the Notice convening the 19th Annual General Meeting along with the explanatory statement may be taken as read.

The Statutory Auditors, M/s. Kalyaniwalla & Mistry LLP has expressed unqualified opinion in their Audit Reports on Standalone and Consolidated financials for the



financial year 2019-20. Since there are no qualifications and observation in the Audit Reports, with the permission of members, the same can be 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.

Mr. R. Gandhi, Chairman

Thank you Pankaj.

In accordance with the provisions of the Companies Act, the latest Beneficiary positions from the Register of Beneficial Owners maintained by the Depository, Register of Directors and Key Managerial Personnel, Register of contracts or arrangements in which directors are interested, Auditors' Report, Secretarial Auditors' Report and other relevant documents are available for inspection by the Members.

Address by the Chairman

I cordially welcome all the members, directors, auditors and other participants to this 19th Annual General Meeting. The financial year 2019-20 marked a significant year for CCIL. Highlights of the business and financial performance of the Company are as follows:

During the financial year 2019-20, a total Face Value of around Rs. 429 lakh crores accounting for more than 12.03 lakh trades (Outright and Repo 1st and 2nd Leg) in the Securities Settlement Segment were settled, representing an increase of 18% both in trade and volumes terms over financial year 2018-19.

In the Triparty Repo segment, around 2.18 lakh trades for an aggregate amount of Rs. 401 lakh crores were settled representing an increase of 23% in volumes over financial year 2018-19.



An aggregate volume of USD 6.99 trillion was settled during financial year 2019-20 in the Forex Segment which was the highest ever yearly volume settled since inception. This represents an increase of around 2.55% over financial year 2018-19.

Total OIS processing volumes for guaranteed settlement have declined by 41% during the financial year 2019-20 in comparison to the financial year 2018-19.

The Company has implemented a comprehensive Business Continuity Plan (BCP) to handle various disaster scenarios including COVID-19 epidemic. In this regard, the Company has taken various steps to ensure business continuity and at the same time to ensure safety of the employees and other persons working at the Company's premises. The details of the same are given in CCIL's Board Report for the FY 2019-20 circulated to the members. The Company has been able to carry out operations of the various payment systems smoothly without any glitches during the period of lockdown.

The Financial Performance of the Company for financial year 2019-20 was quite satisfactory. For the financial year ended March 31, 2020, as per the consolidated figures, Profit before tax was Rs. 682.93 cores, Net profit after tax was Rs. 512.84 crores demonstrating a growth of around 38% as compared to the previous financial year. The Net worth (including preference share capital) as on March 31, 2020 was Rs. 3,615.28 crores. Detailed financials are sent to the members and are also available on the website of the Company.

Further, your Company has achieved significant milestone during the year as follows:

- Clearing Member Structure was introduced in the Securities Settlement Segment from March 2, 2020, facilitating the segregation of collateral contribution towards client trades. This initiative would help to improve the efficiency of risk management at CCIL.
- Introduction of Tiered Membership structure under which, any retail entity can directly trade on the NDS-OM platform through their Depository Participant (DP), irrespective of whether the DP is a CCIL member or not. Settlement is through a Clearing Member who takes all the responsibility for settlement of such trades.



- RBI designated The Clearing Corporation India Limited (CCIL) as the 'Trade Repository' for the purpose of reporting of primary and secondary market transactions in Commercial Papers (CPs), Certificates of Deposit (CDs) and repo transactions in corporate bonds / CPs / CDs.
- Pursuant to RBI's directions and board approval, the existing 'F-TRAC Platform' was converted into CCIL TR F-TRAC Platform and made operational w.e.f., October 1, 2019. Further, during the year, the functionality to report CD primary market issuances was made operational on the F-TRAC platform.
- The forex trading platform for retail customers, FX-Retail trading platform for trading in USD/INR currency pairs by the Customers of banks was launched by Clearcorp, the wholly owned subsidiary, on August 5, 2019. The platform presently offers trading in CASH, TOM and SPOT instruments. Forward instruments will also be made available soon for trading on FX Retail Platform.
- CROMS web platform was launched by Clearcorp, the wholly owned subsidiary, in February 2020 to provide direct access of CROMS platform to Constituents through their Primary Member.
- Effective July 1, 2020, CCIL is acting as a Collection Agent for Stamp Duty levied on all OTC Derivatives trades reported to CCIL-TR.

The Board has recommended to pay dividend on equity shares at 30% i.e. at Rs. 3 per share. Dividend on preference shares will be at 8.5% i.e. Rs. 0.85 per share as per the terms of issue.

Taking into account the role of the Company as a Central Counterparty in Financial Markets and various other initiatives which the Company and its subsidiaries, have undertaken or propose to undertake in financial year 2020-21, the future of the Company looks very bright in the years to come.

I congratulate and thank all the Members, Directors, staff and vendors of the Company and its subsidiaries for the successful completion of the financial year 2019-20, which would not have been possible without their unconditional support. I also thank the Reserve Bank of India for their continued guidance and support.



Mr. Pankaj Srivastava, Company Secretary

Thank you, Chairman Sir. I request Chairman Sir to proceed with the agenda items as per the Notice of the AGM.

Mr. R. Gandhi, Chairman

Now we proceed with the ordinary business of the Company, the first agenda item is to receive, consider and adopt

- (a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020, the reports of the Board of Directors and Auditors thereon; and
- (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 and the report of the Auditors thereon.

With the permission of members, the resolution is taken as read.

Objective and Implication of the resolution is that in terms of Sections 129 and 134 of the Companies Act, 2013, the audited standalone financial statements of the Company including the audited consolidated financial statements, the report of the Board of Directors and Auditors' Reports attached to the financial statements for the financial year ended March 31, 2020 shall be placed before the shareholders for their approval and adoption at the Annual General Meeting. Accordingly, the said documents are placed for the adoption by the shareholders which would be filed with the Registrar of Companies (ROC) in terms of the Companies Act, 2013.

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

Mr. Sourav Sharma, representative of Canara Bank, Member

I propose the said resolution.

Mr. Sandeep Kr Choudhary, representative of Punjab National Bank, Member

I second the same.



Mr. R. Gandhi, Chairman

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

Those who are in favour, please raise your hands.

Those who are not in favour, please raise your hands.

There being no opposition, I now declare that the resolution is passed unanimously as an Ordinary Resolution.

The second agenda item is to declare dividend @ 8.5% on Redeemable Non-convertible Cumulative Preference Shares (RNCPS-II) for the financial year ended March 31, 2020.

With the permission of members, the resolution is taken as read.

Objective and Implication of the resolution is that in terms of requirements of the Companies Act, 2013, the dividend is required to be declared by the shareholders at the AGM, on the recommendation of the Board. Accordingly, the resolution for the declaration of the dividend @ 8.5% p.a. for the financial year ended March 31, 2020 on the Redeemable Non-Convertible Cumulative Preference shares (RNCPS-II) is placed before the shareholders for approval.

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

Mr. Dibyendu Adhikari, representative of State Bank of India, Member

I propose the said resolution.

Mr. Sreekanth I.V, representative of The Federal Bank Ltd, Member

I second the same.

Mr. R. Gandhi, Chairman

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



Those who are in favour, please raise your hands.

Those who are not in favour, please raise your hands.

There being no opposition, I now declare that the resolution is passed unanimously as an Ordinary Resolution.

The third agenda item is to declare dividend on Equity Shares, for the financial year ended March 31, 2020.

With the permission of members, the resolution is taken as read.

Objective and Implication of the resolution is that in terms of requirements of the Companies Act, 2013, the dividend is required to be declared by the shareholders at the Annual General Meeting, on recommendation of the Board. The Board has recommended dividend @ 30% i.e. Rs. 3 per share. Accordingly, the resolution is placed before the shareholders for declaration of dividend on equity shares of the Company.

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

Mr. Prabhjot Singh, representative of IFCI Limited, Member

I propose the said resolution.

Mr. Vinod Mahajan, representative of ICICI Lombard General Insurance Company Ltd, Member

I second the same.

Mr. R. Gandhi, Chairman

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

Those who are in favour, please raise your hands.

Those who are not in favour, please raise your hands.



There being no opposition, I now declare that the resolution is passed unanimously as an Ordinary Resolution.

The fourth agenda item is to appoint a Director in place of Mr. B. Prasanna (holding DIN: 02257744), who retires by rotation and being eligible, offers himself for re-appointment.

With the permission of members, the resolution is taken as read.

Objective and Implication of the resolution is that Mr. B. Prasanna was appointed as Nominee Director liable to retire by rotation by shareholders at the 11th Extra-Ordinary General meeting held on June 29, 2017 and being eligible, was re-appointed upon retirement by rotation at the Annual General Meeting held on July 24, 2018. Pursuant to the provisions of Section 152 of the Companies Act, 2013, he is liable to retire by rotation at this Annual General Meeting. Further, in terms of CCP Directions, the first term of the Nominee Director may be extended by another term, subject to a satisfactory performance, review and approval of RBI. In this regard, based on the proposal received from ICICI Bank Ltd (Core Promoter shareholder) for re-nomination and continuation of the appointment of Mr. B. Prasanna on the Board of CCIL as a Nominee Director and satisfactory performance review, the Board at its meeting held on January 21, 2020 accorded its in-principle approval for the re-appointment of Mr. B. Prasanna as a Nominee Director in terms of the provisions of the Companies Act, 2013 and applicable provisions of the RBI CCP Directions, for a second term from the date of this Annual General meeting till November 4, 2022, subject to RBI approval. Based on the approval of RBI and recommendation of the Board of Directors, Mr. B. Prasanna, nominee director (representative of ICICI Bank Ltd), whose office is liable to retire by rotation, is proposed to be re-appointed for a second term of three years as a nominee director of the Company in terms of provisions of Section 152 of the Companies Act, 2013 and Directions for Central Counterparties issued by RBI.

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



Mr. Jubin Goyal, representative of ICICI Bank Ltd, Member

I propose the said resolution.

Mr. Amit Kumar Sinha, representative of Union Bank of India, Member

I second the same.

Mr. R. Gandhi, Chairman

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

Those who are in favour, please raise your hands.

Those who are not in favour, please raise your hands.

There being no opposition, I now declare that the resolution is passed unanimously as an Ordinary Resolution.

Now we proceed with the Special business of the AGM, the fifth and last agenda item is appointment of Mr. Ashish Parthasarthy (holding DIN: 08209972) as a Nominee Director of the Company.

With the permission of members, the resolution is taken as read.

Objective and Implication of the resolution is that in terms of the provisions of the Companies Act, 2013, Mr. Ashish Parthasarthy, representative of HDFC Bank Ltd was appointed as an Additional Director by the Board at its meeting held on May 22, 2020 and he holds office upto the date of this AGM. The Company has received a notice in writing from HDFC Bank Ltd, proposing the candidature of Mr. Ashish Parthasarthy, for the office of Directorship in terms of the provisions of Companies Act, 2013. Accordingly, the resolution is placed before the shareholders for its approval.

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



Mr. Aditya Khandelwal representative of Axis Bank Ltd, Member

I propose the said resolution.

Mr. Amit Telange, representative of Kotak Mahindra Life Insurance Company Limited, Member

I second the same.

Mr. R. Gandhi, Chairman

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

Those who are in favour, please raise your hands.

Those who are not in favour, please raise your hands.

There being no opposition, I now declare that the resolution is passed unanimously as an Ordinary Resolution.

Mr. Pankaj Srivastava, Company Secretary

Thank you, Sir.

I now request Mr. R. Gandhi to take the chair again and continue with the proceedings of the Meeting.

With that, all the items as per the notice of the AGM are completed.

Mr. R. Gandhi, Chairman

I now declare the proceedings of this AGM of The Clearing Corporation of India Limited as concluded. I would like to thank the Members, Directors and Auditors for participating in the AGM.

Vote of Thanks



Mr. Vinod Mahajan representative of ICICI Lombard General Insurance Company Ltd, Member

On behalf of the members, I congratulate Chairman, Managing Director and the Board of Directors and entire team of CCIL for successful completion of financial year and good performance of the Company.

Mr. Pankaj Srivastava, Company Secretary

Thank you, Chairman Sir.

Thank you everybody for participating in the AGM.

----(End of Meeting)----