

EXTRACT OF AGENDA OF THE 204th MEETING OF THE BOARD OF DIRECTORS OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED HELD ON FRIDAY, MAY 03, 2024, FROM 2.00 PM TO 07:30 PM AT THE CONFERENCE ROOM, GROUND FLOOR, 'A' WING, EXCHANGE PLAZA, BANDRA-KURLA COMPLEX, BANDRA (EAST), MUMBAI- 400 051

To consider and approve amendment pertaining to Arbitration in the Byelaws of NSEIL

NSE had forwarded amendments pertaining to arbitration in the NSE Byelaws to SEBI for approval vide its letters of May 24, 2022, and July 03, 2023. These amendments were necessitated due to issuance of circulars in the subject matter by SEBI during the period September 2021 to March 2023. Vide their letters dated August 07, 2023, SEBI returned these amendments advising NSE to review and make necessary changes in its Byelaws in view of the procedure of Online Dispute Resolution Mechanism as outlined in SEBI Circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 (“ODR Circular”) dated July 31, 2023.

Post internal review, it was observed that in accordance with paragraph 50(c) of the ODR Circular, the matters, or references under consideration of the IGRC or in arbitration (sole, panel, or appellate arbitration) shall be disposed of as per the superseded circulars and within the timelines specified in such circulars. Therefore, the dispute resolution framework existing prior to the ODR Circular would continue to apply to matters received before August 16, 2023, i.e., the date of implementation of the ODR Circular. Thus, the changes pertaining to SEBI circulars on arbitration issued prior to the ODR Circular are required to be carried out.

FURTHER STEPS

NSE vide email dated November 03, 2023, had sought clarity from SEBI in this regard. In a meeting held with SEBI on March 13, 2024, NSE was suggested to amend its Byelaws in accordance with applicable SEBI circulars and specify that Chapter XI of the Byelaws will be applicable only to the disputes that have commenced before August 16, 2023 (effective date of ODR Circular).

CURRENT PROPOSAL

Considering the said SEBI letters and the discussion with respect to the same, the following necessary amendment is proposed in the NSE Byelaws:

Sr. No	Provisions of Byelaws	Existing Provisions	Proposed Amendments
1	Chapter XI	Clause 20 of the NSE Byelaws states: Interpretation (20) The Byelaws contained in this Chapter shall be read in conjunction with the provisions of any Circular, guideline, norm, instruction (by whatsoever name they may be called) issued by SEBI in this regard, as well as any other law in force.	Clause 20(a) may be inserted as below: Interpretation (20) ----- <i>(a) All claims, differences, or disputes under consideration of the GRC or in relation to which arbitration/ appellate arbitration proceedings have been commenced on or before August 16, 2023, shall be resolved as per the applicable framework prescribed under Chapter XI and XIII of the Byelaws.</i>

The Board may kindly consider the same in order to incorporate the directions issued by SEBI vide its letters dated August 07, 2023.

To approve relevant changes in Chapter XII and Chapter XIII of the Exchange Byelaws with respect to member default

SEBI has issued various guidelines over the period through circulars and letters on Investor Protection Fund and Investor Services Fund at Stock Exchanges and Depositories. The Exchange is required to make necessary amendments in Chapter XII and XIII of the Byelaws for the implementation of the above guidelines.

The Board vide its meeting dated November 1, 2023, and February 10, 2024, had approved certain amendments in the Exchange Byelaws. In addition to the said amendment, the Byelaws require further necessary amendments. The Board may approve the proposed amendments in the Byelaws of the Exchange.

The Board is requested to note that the current changes to the Byelaws are carried out on the version of the Byelaws which was approved by the Board vide meeting dated February 10, 2024.