

EXTRACT OF MINUTES 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

Amendment pertaining to Arbitration in the Byelaws of NSEIL

The Board was informed that 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. SEBI vide their letters dated August 07, 2023, 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.

The Board was further informed that 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consideration of the IGRC or in arbitration (sole, panel, or appellate arbitration) shall be disposed of as per the superseded circulars and within the timelines specified in such circulars.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 were required to be carried out.

The Board was apprised that 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).

The Board was briefed that considering the said SEBI letters and discussions in this regard, it was proposed to carry out amendment to the NSE Byelaws to incorporate the directions issued by SEBI vide its letters dated August 07, 2023, as detailed in the agenda note circulated to the Board.

The Board approved the proposed amendments to the NSE Byelaws to incorporate the directions issued by SEBI vide its letters dated August 07, 2023.

Relevant changes in Chapter XII and Chapter XIII of the Exchange Byelaws with respect to member default

The Board was informed that SEBI had issued guidelines vide circular no. SEBI/HO/MRD/MRDPoD-3/P/C/R/2023/81 dated May 30, 2023, pertaining to Comprehensive guidelines for Investor Protection Fund and Investor Services Fund at Stock Exchanges and Depositories. The Exchange was required to make necessary amendments to the relevant Byelaws, Rules, and Regulations for the implementation of the above circulars. Also, relevant modifications were required in Chapter XII and XIII of Exchange Byelaws. The Board recalled that at its meeting held on November 01, 2023, and February 10, 2024, the said modifications were approved by the Board.

The Board was apprised in addition to the amendments approved by Board at its meeting held on November 01, 2023, and February 10, 2024, the Byelaws required further amendments. The specific changes in Byelaws and revised Exchange Byelaws were also enclosed along with the agenda item note.

The Board was thereafter informed that the said changes have been discussed and approved by the ROC at its meeting on February 09, 2024, and April 22, 2024, and the ROC has recommended the same to the Board for its consideration and approval. The Board recalled that current changes to the Byelaws were carried out on the version of the Byelaws which was approved by the Board at its meeting dated February 10, 2024.

The Board was also informed that the proposed amendments to the aforesaid clauses of the Exchange Byelaws will bring the provisions of said SEBI circular to the notice of the market participants (including investors).

The Board, based on the recommendation of ROC, approved the proposed amendments to the Chapter XII and XIII of Exchange Byelaws.