**DEMO WITH MR.GANDHI, MR.WILLIAMS**

The Committee may note that in view of the resignation of Mr. T. R. C. Nair, the Audit Committee is left with only two members. Therefore presence of both the Members of the Committee is required for conduct of the meeting.

**TO CONSIDER AND APPROVE THE MINUTES OF THE PREVIOUS HELD ON 30TH MAY,2016**

Minutes of the previous meeting of the Audit Committee held on 30th May 2016, are circulated herewith.

The same need to be approved by the Committee and signed by the Chairman.

**Presentation attached here.**

**TO CONSIDER THE SUMMMARY OF THE OBSERVATIONS OF INTERNAL AUDIT REPORTS AND RISK REPORTS FOR THE PERIOD FROM 1ST APRIL 2016 TO 15TH JUNE 2016**

The reports of the Internal Auditors, M/s. Shah Gupta & Co., Chartered Accountants, for the period from 1st April 2014 to 15th June 2014 are circulated.

The Committee is requested to review the same.

**TO NOTE THE SUMMARY OF RELATED PARTY TRANSACTIONS ENTERED DURING THE 1ST QUARTER ENDED 30TH JUNE 2016**

The summary of the transactions with Related Parties entered during the quarter ended 30th June 2014 are circulated. The Members may note that the transactions have been entered into as per the existing respective contracts and on Arm's Length basis.

The Members are requested to review and take note of the same.

**TO NOTE THE DETAILS OF THE MATERIAL INDIVIDUAL TRANSACTIONS ENTERED DURING THE 1ST QUARTER ENDED 30TH JUNE 2016**

**“RESOLVED THAT** pursuant to provisions of Sections 196, 197, 203 and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modifications or re-enactments thereof for the time being in force, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), applicable provisions of the Articles of Association of the Company and subject to such other approvals/ permissions as may be required in this regard, the consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. (DIN: ………….) as the Managing Director of the Company, for a period of 3 (three) years with effect from February 1, 2016;

**RESOLVED FURTHER THAT** the remuneration payable to Mr. shall not exceed 5% of the net profits of the Company calculated in the manner prescribed under Section 198 of the Companies Act, 2013 and the Board of Directors of the Company (includes Committee thereof) be and is hereby authorised to alter and/ or vary the remuneration payable to Mr. including the payment of commission as may be determined provided that the annual remuneration including the commission shall not exceed the limits mentioned below:

|  |  |
| --- | --- |
| **Salary** | |
| Basic |  |
| Special Allowance |  |
| Performance Linked variable pay |  |
| **Perquisites** | |
| LTA |  |
| Reimbursement of Medical Expenses |  |
| Children Education Allowance |  |
|  |  |

**RESOLVED FURTHER THAT** where in any financial year during the currency of his tenure, the Company has no profits or inadequate profits, Mr. shall be paid

remuneration as mentioned above as minimum remuneration for a period of three years w.e.f. February 1, 2016 subject however that such minimum remuneration shall not exceed the limits prescribed under Schedule V of the Companies Act, 2013 and that the following perquisites shall not be included in the computation of the ceiling on remuneration prescribed under Schedule V of the Companies Act, 2013;

i) Contribution to Provident Fund as per Rules of the Company;

ii) Contribution to Superannuation Fund as per Rules of Company;

iii) Payment of Gratuity as per Rules of the Company;

iv) Encashment of leave as per Rules of Company.

**RESOLVED FURTHER THAT** the term of office of Mr. as the Managing Director of the Company shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of the Directors and/or Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds and things as may be necessary, expedient or desirable to settle any questions or doubts that may arise in relation thereto, in order to give effect to this resolution and to seek such approvals from any authorities, as may be required in this rega

**ORDINARY RESOLUTION FOR ADOPTION OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH,2016**

To receive, consider and adopt the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2016 and the reports of the Directors’ and Auditor’s thereon;

#### Presentation attached herewith as Annexure

**STATUS REPORT ON THE DEVELOPMENTS IN THE DERIVATIVES MARKET**

1. The Board, at its meeting on November 29, 2002, had desired that a quarterly report be submitted to the Board on the developments in the derivatives market. The last update was given to the Board for August to November, 2013 in the Board meeting held on December 24, 2013. Accordingly, this memorandum presents a status report for the

period December, 2013 to February 2014 on the developments in the derivatives market.

2. **Turnover analysis in the Equity Derivatives Segment**

i. Turnover in the Equity Derivative (NSE, BSE and MCX-SX combined) segment during December 2013 to February 2014 was INR 112 lakh crore. Options constituted 82% of the total turnover during the period under review while Futures constituted 18% of the total turnover. Turnover in the equity derivatives segment was 13.94 times that of the turnover in the cash market segment during the period under review.

Index Options had a majority share of the total turnover during the period under review, accounting for 77% of the total turnover, followed by Stock Futures at 11%.

Index Futures and Stock Options accounted for 6% and 5% of the total turnover, respectively. Trading in stock futures and options is presently available in 135 stocks.

iii. Of the total turnover in Equity Derivative Segment (NSE, BSE and MCX-SX), NSE had a market share of 77.58% while BSE accounted for 22.17% of the total turnover. Share of MCX-SX is negligible. It may be noted that BSE has introduced Liquidity Enhancement Schemes on its Equity Derivative platform.

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On NSE, during the period under review, it is observed that Index Options

contributed around 71% to the total equity derivates turnover followed by Stock Futures at 14%. Index Futures and Stock Options contributed 8% and 7% respectively, to the turnover. In addition to Nifty, Bank Nifty is also an actively traded Index product on NSE.

vi. On BSE, 98% of the turnover in the Equity Derivative Segment was contributed by Index Options, and the rest accounting for less than 1% each. On MCX-SX, Index Options and Index Futures accounted for majority turnover, constituting 84% and 15%, respectively, of the total turnover. Stock Futures accounted for less than 1% of the total turnover.

vii. Table 4 below gives the turnover based on premium value in Index Options and Stock options on NSE and BSE. It is observed that premium value is merely about 0.79%-1.68% of notional value on NSE and 0.13%-2.36% on BSE. Values of MCXSX are not included as the values are negligible.

**TRADING IN USD-INR IN THE CURRENCY DERIVATIVES SEGMENT**

i. During the period under review, the RBI reference rate for USD/INR moved from 62.39 on November 29, 2013 to 62.072 on February 28, 2014, a marginal appreciation of Rupee by 0.52%. During the period under review, the rupee touched a low of 62.98 to the dollar on January 23, 2014.

ii. Trading in the currency derivatives segment was concentrated in USDINR futures and options. Of the total USD-INR turnover, futures and options accounted for 82% and 18%, respectively.

iii. During the period under review, NSE had a total market share of 55% in USDINR, followed by MCX-SX at 24%, BSE at 15% and USE at 6% (refer table 6).

Details of volume and turnover of NSE, MCX-SX, BSE and USE is given in table6 below.

During the period under review, there has not been a significant change in total market Open Interest. The average market OI during the period under review was USD 1.65 billion, and market OI as on February 28, 2014 was USD 1.38 billion

**INTEREST RATE DERIVATES SEGMENT**

i. SEBI vide Circular dated December 05, 2013 permitted Stock Exchanges to launch cash settled Interest Rate Futures on 10-year Government of India Security

BSE was permitted to recommence trading in Currency Derivatives Segment. On November 29, 2013. BSE accounted for 25% of the total turnover in February 2014, and recorded a turnover more than that of MCX-SX in February 2014 (refer to table 7).

**MANAGEMENT, ADMINSTRATION AND CORPORATE GOVERNANCE**

The Indian Parliament has passed the historic CompaniesBill, 2013 (‘the Bill / 2013 Act’) on 8 August 2013. TheBill will now require to be assented by the Presidentof India before becoming law. It would come intoforce from date(s) as may benotified by the CentralGovernment. The 2013 Act replaces the Companies Act1956 (1956 Act).The Bill, when enacted, will allow the country to havea modern legislation for regulation of corporate sectorin India. The Bill, amongst other aspects provides for business friendly corporate regulation / pro-businessinitiatives, e-governance initiatives, good corporategovernance,Corporate Social Responsibility (CSR),enhanced disclosure norms, enhanced accountability of management, stricter enforcement, audit accountability,protection for minority shareholders, investor protection and activism and better framework for insolvency regulation and institutional structure.

The objective behind the 2013 Act is lesser Government approvals and enhanced self-regulations coupled with emphasis on corporate democracy.The 2013 Act delinksthe procedural aspects from the substantive law and provides greater flexibility in rulemaking to enable adaptation to the changing economic and technical environment. There are several procedural aspects that would be prescribed by the Rules to be framed by the Central Government. The prescribed Rules are yet to be announced. In this document we have used the expression "prescribed" or "as prescribed"or "as may be prescribed" to mean that Central

Government will prescribe the Rules for implementing the substantive provisions of the 2013 Act.

The key highlights of the 2013 Act are summarized below. A detailed analysis will follow separately.

**OUR DETAILED ANALYSIS IN RESPECT OF THE SAILENT PROVISIONS WOULD FOLLOW**

The 2013 Act is expected to facilitate business-friendly corporate regulation, improve corporate governance norms, enhance accountability on the part of corporate and auditors, raise levels of transparency and protect interests of investors, particularly small investors.

**TO CONSIDER THE SUMMARY OF OBSERVATIONS OF INTERNAL AUDIT REPORTS AND RISK REPORTS FOR THE PERIOD FROM 1ST APRIL TO 15TH JUNE 2016**

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The Committee is requested to review the same.

This have to be changed

**TO NOTE THE SUMMARY OF RELATED PARTY TRANSACTIONS ENTERED DURING THE 1ST QUARTER ENDED 30TH JUNE 2016**

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The Members are requested to review and take note of the same.

**AWS GLOBAL INFRASTRUCTURE SECURITY**

AWS operates the global cloud infrastructure that you use to provision a variety of basic computing resources such as processing and storage. The AWS global infrastructure includes the facilities, network, hardware, and operational software (e.g., host OS, virtualization software, etc.) that support the provisioning and use of these resources. The AWS global infrastructure is designed and managed according to security best practices as well as a variety of security compliance standards. As an AWS customer, you can be assured that you’re building web architectures on top of some of the most secure computing infrastructure in the world.

**AWS COMPLIANCE PROGRAM**

Amazon Web Services Compliance enables customers to understand the robust controls in place at AWS to maintain security and data protection in the cloud. As systems are built on top of AWS cloud infrastructure, compliance responsibilities will be shared. By tying together governance-focused, audit-friendly service features with applicable compliance or audit standards, AWS Compliance enablers build on traditional programs; helping customers to establish and operate in an AWS security control environment. The IT infrastructure that AWS provides to its customers is designed and managed in alignment with security best practices and a variety of IT security standards, including:

 SOC 1/SSAE 16/ISAE 3402 (formerly SAS 70)

 SOC 2

 SOC 3

 FISMA, DIACAP, and FedRAMP

 DOD CSM Levels 1-5

 PCI DSS Level 1

 ISO 9001 / ISO 27001

 ITAR

 FIPS 140-2

 MTCS Level 3

In addition, the flexibility and control that the AWS platform provides allows customers to deploy solutions that meet several industry-specific standards, including:

 Criminal Justice Information Services (CJIS)

 Cloud Security Alliance (CSA)

 Family Educational Rights and Privacy Act (FERPA)

 Health Insurance Portability and Accountability Act (HIPAA)

 Motion Picture Association of America (MPAA)

AWS provides a wide range of information regarding its IT control environment to customers through white papers, reports, certifications, accreditations, and other third-party attestations. More information is available in the Risk and Compliance whitepaper available on the website: http://aws.amazon.com/compliance/. Amazon Web Services **– Overview of Security Processes** August 2015

**PHYSICAL AND ENVIRONMENTAL SECURITY**

AWS’s data centers are state of the art, utilizing innovative architectural and engineering approaches. Amazon has many years of experience in designing, constructing, and operating large-scale data centers. This experience has been applied to the AWS platform and infrastructure. AWS data centers are housed in nondescript facilities. Physical access is strictly controlled both at the perimeter and at building ingress points by professional security staff utilizing video surveillance, intrusion detection systems, and other electronic means. Authorized staff must pass two-factor authentication a minimum of two times to access data center floors. All visitors and contractors are required to present identification and are signed in and continually escorted by authorized staff.

AWS only provides data center access and information to employees and contractors who have a legitimate business need for such privileges. When an employee no longer has a business need for these privileges, his or her access is immediately revoked, even if they continue to be an employee of Amazon or Amazon Web Services. All physical access to data centers by AWS employees is logged and audited routinely.

**FIRE DETECTION AND SUPPRESSION**

Automatic fire detection and suppression equipment has been installed to reduce risk. The fire detection system utilizes smoke detection sensors in all data center environments, mechanical and electrical infrastructure spaces, chiller rooms and generator equipment rooms. These areas are protected by either wet-pipe, double-interlocked pre-action, or gaseous sprinkler systems.

**POWER**

The data center electrical power systems are designed to be fully redundant and maintainable without impact to operations, 24 hours a day, and seven days a week. Uninterruptible Power Supply (UPS) units provide back-up power in the event of an electrical failure for critical and essential loads in the facility. Data centers use generators to provide back-up power for the entire facility.

**CLIMATE AND TEMPERATURE**

Climate control is required to maintain a constant operating temperature for servers and other hardware, which prevents overheating and reduces the possibility of service outages. Data centers are conditioned to maintain atmospheric conditions at optimal levels. Personnel and systems monitor and control temperature and humidity at appropriate levels.

**MANAGEMENT**

AWS monitors electrical, mechanical, and life support systems and equipment so that any issues are immediately identified. Preventative maintenance is performed to maintain the continued operability of equipment.

**STORAGE DEVICE DECOMMISSIONING**

When a storage device has reached the end of its useful life, AWS procedures include a decommissioning process that is designed to prevent customer data from being exposed to unauthorized individuals. AWS uses the techniques detailed in DoD 5220.22-M (“National Industrial Security Program Operating Manual “) or NIST 800-88 (“Guidelines for Media Sanitization”) to destroy data as part of the decommissioning process. All decommissioned magnetic storage devices are degaussed and physically destroyed in accordance with industry-standard practices. Amazon Web Services **– Overview of Security Processes** August 2015