



GOVERNMENT OF TAMIL NADU

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# TAMIL NADU GOVERNMENT GAZETTE

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## Part III—Section 2

Statutory Notifications and Orders issued by  
Heads of Departments.

NOTIFICATIONS BY HEADS OF DEPARTMENTS, ETC.

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**NOTIFICATIONS BY HEADS OF DEPARTMENTS, ETC.**

MADRAS STOCK EXCHANGE LIMITED.

Approved by the Board of Directors of Madras Stock Exchange Limited on 2nd September 2008 and approved by SEBI vide its letter No. MRD/DSA/177756/09 dated 23rd September 2009, the following Amendments have been made in the Bye-laws of the Madras Stock Exchange Limited. These Amendments to Bye-laws have been exempted from prior publication vide SEBI Order dated 22nd September 2009.

“CHAPTER - 6A TRADES DONE ON NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)

*Bye-laws applicable for trading by members of the MSE on the Automated Trading System (ATS) of NSE under proviso (i) to Section 13 of Securities Contracts (Regulation) Act, 1956.*

No. SRO C-4/2009.

**Preamble:**

The proviso (i) to Section 13 of the Securities Contracts (Regulation) Act, 1956, inserted by Securities Laws (Amendment) Act, 2004 with effect from 12th October, 2004 enables contracts in securities to be entered into between members of two or more Stock Exchange(s) subject to such terms and conditions as may be stipulated by respective Stock Exchange(s) with prior approval of Securities and Exchange Board of India (SEBI).

In order to facilitate members of the Madras Stock Exchange Ltd (MSE) to trade in the securities listed and permitted on the National Stock Exchange of India Ltd. (NSE) and also to provide nationwide access to the securities listed on MSE, arrangement is made between NSE & MSE by entering into an Agreement between the Exchanges with SEBI approval.

The provisions contained in this chapter shall apply to all matters connected with or arising out of the transactions carried out by the Members of MSE on the trading platform of NSE under the arrangement (hereinafter referred to as the arrangement), entered into with NSE under the proviso (i) to Section 13 of the Securities Contracts (Regulation) Act, 1956.

**1. Access to the Trading platform of NSE:**

Members of MSE, subject to eligibility criteria prescribed by the Board/Executive Committee, and on such terms and conditions as may be prescribed in this regard, be permitted to access the trading platform of NSE with whom MSE has arrangement pursuant to Section 13 of SCRA. Such facility shall be available during the continuance of the said arrangement with NSE and will cease on termination of the arrangement.

**2. Status of Members:**

Members of MSE will continue to be the members of MSE only and no separate admission for the purpose of the arrangement envisaged under this Chapter on NSE is envisaged. Any person who is not a member of MSE or a member who has been declared a defaulter or who is prohibited from trading on MSE for any reasons whatsoever or otherwise does not meet the Criteria for determining a ‘fit and proper person’ as specified in Schedule-II of Regulation 7 of SEBI (Intermediaries) Regulations, 2008 shall not be permitted to access the trading platform of NSE.

**3. Applicable Segments:**

The eligibility of the members to access the trading platform of NSE shall be restricted to the applicable segments as may be permitted by NSE and approved by SEBI under the arrangement. Members desirous to trade on NSE under this Chapter should obtain SEBI registration as Member of MSE in the relevant segments of trading.

**4. Issue of Contract Notes:**

Members will issue MSE contract notes for trades done on NSE and shall be subject to the Rules, Bye-laws and Regulations of MSE. However, such trades will be identified distinctly and issued in such format as may be prescribed to ensure proper information to investors.

**5. Investor Grievance & Arbitration:**

Complaints or investor grievances against the Trading Members arising out of or in relation to transactions under this chapter shall be dealt with in accordance with the investor grievances redressal procedure prescribed under the Bye-laws and Regulations of MSE.

Disputes between MSE trading members inter se and between MSE trading members and their clients, arising out of or in relation to the transactions executed & settled under this chapter shall be resolved through arbitration procedure/mechanism available under the Bye-laws and Regulations of MSE. However, the substantive law to be applied by the Arbitrator/s for resolving the Disputes through such arbitration mechanism shall be the Rules, Bye-laws and Regulations of NSE under which such transaction is executed and settled. In other words the procedure for appointment of Arbitrator, procedure to be followed by Arbitrator etc. shall be the procedure contained under MSE Bye-laws and the applicable law for resolving of such disputes shall be of NSE Bye-laws relating to trading, execution, risk management and settlement etc. If there is any dispute between a member of MSE and a member of NSE or with a member of another Exchange with which NSE may have similar arrangement, the same shall be resolved under NSE Bye-laws and Regulations.

#### **6. Clearing & Settlement:**

For all transactions done by the members on the trading platform of NSE the transactions shall be netted at MSE level and settled accordingly. The members of MSE would make the pay-in of funds and securities to MSE. Similarly, the payout of funds and securities shall be through MSE. MSE shall prescribe the time schedules for the pay-in and pay-out of funds and securities and such schedules could be however within the framework suggested by NSE and different from the settlement schedules on NSE.

#### **7. Default & Disciplinary proceedings to apply:**

The members shall be subject to the default and disciplinary proceedings of the MSE in respect of all the transactions and dealings done on the trading platform of NSE under this arrangement, for non-fulfillment of any of the obligations, dues, liabilities and claims arising out of such transactions and also for non compliance of any of the Rules, Bye-laws, Regulations, Circulars and terms and conditions subject to which access for trading was allowed on NSE.

Disciplinary action in respect of the transactions done on NSE and all other matters arising therefrom shall be such to avoid regulatory arbitrage and for this purpose MSE may adopt and enforce the methodology and penalty structure of NSE as may be mutually agreed upon between the MSE and NSE.

#### **8. Settlement Guarantee Fund:**

In the event of failure of a member to meet his settlement obligation to MSE in respect of the transactions done on NSE, under this arrangement, and/or on his being declared a defaulter, the Relevant Authority may utilize the settlement guarantee fund and other moneys lying to the credit of the member to fulfill the obligations of the member in the same manner as provided in the Rules, Bye Laws and Regulations of MSE and for that purpose the transactions done on NSE shall be treated as having been done on the floor of MSE. In terms of the agreement executed between NSE and MSE pursuant to the proviso (i) of Section 13 of the Securities Contracts (Regulation) Act, 1956, the SGF of MSE for Capital Market Segment and Futures and Options Segment as the case may be shall be utilised first in meeting the defaults of the MSE members. In case of insufficiency, the SGF set up by National Securities Clearing Corporation Limited for the respective segments shall be utilised.

The Settlement Guarantee Fund shall be maintained and utilised as under:

(a) MSE shall utilise the existing SGF for trades executed on NSE platform. However, as regards the MSE member's contribution in SGF, the contribution received from those MSE members who would be participating in NSE trading would only be taken into account and the contribution of the MSE members who would not be participating in NSE trading would be kept separately.

(b) Out of the total SGF amount, funds would be earmarked and maintained separately for CM and F & O segments and the MSE member's contribution and deposits would also be allocated to the segments in which the MSE members participate.

(c) Where the MSE members participate both in NSE and MSE trading, MSE would collect additional Base Minimum Capital from such members and allocate the same to different segments.

(d) MSE would also set up a separate SGF before commencement of trading in MSE, to which the contribution of the MSE members who are not participating in NSE platform would be transferred.

#### **9. Investor Protection Fund:**

In the event of any of the members being declared defaulter or is expelled under the provisions of the Rules, Byelaws and Regulations of the MSE for non-fulfillment of any of the obligations, dues, liabilities and claims arising out of the transactions done on NSE under the arrangement, the Investor Protection Fund for Capital Market Segment and Futures and Options Segment as the case may be maintained by MSE shall be utilized to compensate all genuine and bonafide claims of investors in accordance with the rules for settlement of such claims and for that purpose the transactions done on NSE shall be treated as having been one on the floor of MSE.

Settlement of Investor claims arising out of the transactions done on NSE under the arrangement shall be in accordance with the procedure prescribed hereunder:

(a) The compensation payable to an investor against genuine and bonafide claims arising out of the transactions done on NSE under the arrangement shall be on par with the compensation that would be payable to an investor trading through any other NSE member directly.

(b) Investor Protection Fund for Capital Market Segment and Futures and Options Segment as the case may be, maintained by MSE to the extent of limits stipulated under MSE Rules, Bye-Laws shall first be utilized to compensate each genuine and bonafide claim of investors in accordance with the rules for settlement of such claims.

(c) MSE's Investor protection Fund shall have a corpus of Rs. 50,00,000/- (Rupees Fifty Lakhs) per segment and this corpus shall be raised to Rs. 1,50,00,000/- (Rupees One crore fifty lakhs) per segment over a period of two years from commencement of trading on NSE under the arrangement.

(d) The compensation payable by MSE under its rules of settlement, so far as it relates to the transactions done on NSE under the arrangement, shall stand increased to Rs. 1 Lakh per investor by end of first year of operations, Rs. 2 Lakhs per investor by end of second year and to Rs. 3 Lakhs by end of third year of operations, from the date of commencement of trading on NSE under the arrangement.

(e) The compensation payable beyond the limits set out by MSE would be met by Investor Protection Fund Trust of NSE.

(f) For the purposes of payment of compensation out of IPFT MSE would adopt process similar to that of NSE for evaluation of investor claims for determining admissibility or otherwise. Where the claims to be settled are beyond the limits as per MSE Rules & Bye-laws, MSE would send all such claims along with the necessary documents as may be defined by NSE along with its recommendations to NSE. NSE IPFT would evaluate the claim for admissibility or otherwise as per NSE's norms and on the claim being admitted, compensation would be paid to the investors in accordance with the norms stated hereinabove.

#### **10. Trading of MSE listed Securities on NSE:**

Securities listed on MSE may be allowed to be traded on NSE along with NSE's own listed securities or in a separate segment subject to the entry and other conditions including compliance standards as may be prescribed in this regard in mutual consultation between MSE and NSE.

#### **11. Applicability of the Rules and Regulations of NSE:**

All transactions done on the Trading platform of NSE under the arrangement shall be subject to the Rules, Bye-laws, Regulations, Circulars, practices and procedures as prevalent on NSE. Members trading under the arrangement shall be bound by and comply with the Rules, Bye-laws, Regulations and Circulars regarding trading, clearing and settlement, risk management etc. in respect of the transactions and all matters arising out of such transactions entered into by them on the trading platform of NSE. No member shall raise any objection on the ground that the same are not in conformity with the Rules, Bye-laws, Regulations, practices and procedures prevalent on MSE:

Provided, however, that the applicability of the Rules, Byelaws, Regulations, Circulars, Practices and Procedures as prevalent on NSE shall be subject to the terms and conditions and to the extent as provided in the Agreement as may be entered into between MSE and NSE and in this Chapter :

Provided further that except as provided above, the members shall be subject to the Rules, Byelaws & Regulations of MSE.

#### **12. Other terms and conditions:**

The terms and conditions of the agreement entered into between MSE and NSE with prior approval of Securities and Exchange Board of India shall constitute a binding agreement on the part of the members who avail the facility to trade on the platform of NSE under the arrangement, for compliance of the said terms and conditions or any change or modification thereof, in respect of the transactions done on NSE and all matters arising there from."

## SECURITIES AND EXCHANGE BOARD OF INDIA

## Order

**Under Section 9(4) of the Securities Contracts (Regulation) Act, 1956 in the matter of the Rules and Bye-laws of Madras Stock Exchange Limited.**

No. SRO C-5/2009.

1.0 SEBI *vide* letter dated March 30, 2009 granted approval to the draft formal agreement between National Stock Exchange of India Ltd. (NSE) and Madras Stock Exchange Ltd., (MSE) subject to certain conditions. The agreement for a trading arrangement between NSE and MSE in terms of proviso (i) to section 13 of the Securities Contracts (Regulation) Act, 1956 was executed on April 27, 2009.

2.0 MSE, has *vide* letter dated April 27, 2009, proposed to incorporate a separate chapter, Chapter 6A in its existing Bye-laws, by way of amendment to facilitate the above arrangement. Further, *vide* letter dated April 29, 2009, MSE also sought exemption from the condition of previous publication of the said proposed amendments. MSE has submitted revised Bye-laws *vide* its letter dated June 15, 2009.

3.0 Subsequently, MSE *vide* its letter dated August 17, 2009, has submitted an addendum to agreement between NSE and MSE. SEBI, *vide* letter dated August 27, 2009, has conveyed its approval to the addendum subject to certain suggestions as mentioned in the letter.

4.0 MSE, *vide* its letter dated July 15, 2009, has once again revised the proposed Bye-laws and also submitted the full set of revised Bye-laws. MSE, *vide* its letter dated August 28, 2009, has further made modifications to clause 5 of its proposed Bye-laws,

5.0 I have considered the request of MSE with respect to dispensing with the requirement of prior publication. I am satisfied that the proposed Bye-laws of MSE are required to be brought into force immediately in the interest of trade.

6.0 Accordingly, in exercise of the powers conferred under Section 9(4) of the Securities Contracts (Regulation) Act, 1956, I hereby direct, that the Bye-laws of MSE as submitted by them *vide* letter dated July 15, 2009 after incorporating the modifications as proposed *vide* their letter dated August 28, 2009, be amended immediately to implement the above stated trading arrangement between MSE and NSE and the condition of previous publication of the said Bye-laws be dispensed with.

7.0 However, MSE shall publish the Bye-laws as approved by SEBI in the *Gazette of India* and also in the *Official Gazette of the State of Tamil Nadu* as required under Section 9(4) of the Securities Contracts (Regulation) Act, 1956.

Mumbai,  
22nd September 2009.

C.B. BHAVE,  
Chairman,  
Securities and Exchange Board of India.

R.K. PILLAI,  
Executive Director.

## TAMIL NADU LABOUR WELFARE BOARD, CHENNAI-600 006

**Amendments to the Tamil Nadu Labour Welfare Board Service Regulations, 1989.**

(கடிதம் எண் ஈ1/22910/06)

No. SRO C-6/2009.

In exercise of the powers conferred by sub-sections (1) and (2) of Section 42 of the Tamil Nadu Labour Welfare Fund Act, 1972 (Tamil Nadu Act 36 of 1972), the Tamil Nadu Labour Welfare Board hereby makes the following amendments to the Tamil Nadu Labour Welfare Board Service Regulations, 1989.

2. The amendments hereby made shall deemed to have come into force with effect from on and from the 23rd August 1996.

## AMENDMENTS

In the said Regulations,—

(1) in regulation 13, under the heading "II. Tamil Nadu Labour Welfare Board Subordinate Service," after the entry "8. Typist and Steno Typist", the entry "8-A, Proof Reader" shall be inserted;

(2) in regulation 18, under the heading "I. Tamil Nadu Labour Welfare Board Subordinate Services", for the entry "4. Assistant: By promotion from among the holders of the post of Junior Assistant/Steno-Typist/Typist.", the entry "4. Assistant: By promotion from among the holders of the posts of Junior Assistant/Steno-Typist/Typist/Proof Reader.", shall be substituted;

(3) in Annexure-B, under the heading "II. Tamil Nadu Labour Welfare Board Subordinate Service", after the entry "6. Typists and Steno Typists: Special Test on (D.O.M.)", the following entry shall be added, namely:—

"7. Proof Reader: Special Test on District Office Manual.";

(4) in Annexure-C, under the heading "II. Tamil Nadu Labour Welfare Board Subordinate Service" after Sl. No. 8 and the corresponding entries thereto, the following entries shall be inserted respectively, namely:—

"8-A. Proof Reader: Rs. 975-25-1150-30-1600";

(5) in Annexure-D,—

(i) in the Recruitment Rules for the post of Assistant, under Tamil Nadu Labour Welfare Board Subordinate Service, for item 1 against the entry "(iii) Mode of recruitment.", the following item shall be substituted, namely:—

"1. By promotion from among the holders of the posts of Junior Assistant, Typist, Steno-Typist and Proof Reader, who have put in not less than 5 years of service.";

(ii) after the Recruitment Rules for the post of Typist, under Tamil Nadu Labour Welfare Board Subordinate Service the following Recruitment Rules shall be inserted, namely:—

"RECRUITMENT RULES

*Tamil Nadu Labour Welfare Board Subordinate Service*

- |   |   |  |
|---|---|--|
| (i) Name of the post                                    | : | Proof Reader   |
| (ii) Scale of pay                                       | : | 975-25-1150-30-1600  |
| (iii) Mode of recruitment                               | : | By direct recruitment  |
| (iv) Qualification for direct recruitment               | : | (1) Must possess minimum General Educational qualification;<br>(2) Must have passed the Government Technical Exam in Proof Readers Work by the Lower Grade; and<br>(3) Knowledge to read and write in Tamil. |
| (v) Authority competent to select by direct recruitment | : | Secretary  |
| (vi) Appointing Authority                               | : | Secretary  |
| (vii) Disciplinary Authority                            | : | 1. Administrative Officer-for minor punishments (i.e., censure, fine, recovery from pay, withholding of increment and suspension.)<br>2. Secretary for major punishments.                                    |
| (viii) Appellate Authority                              | : | 1. Secretary<br>2. Board."   |

T. PRABHAKARA RAO,  
Principal Secretary to Government.

சென்னை-600 006,  
2009 ஆகஸ்ட் 16.

**க. பலராமன்,**  
செயலாளர்,  
தமிழ்நாடு தொழிலாளர் நல வாரியம்,  
தேனாம்பேட்டை.