



AMC Repo Clearing Limited

Second Annual Report

2022-23

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Corporate Information

Board of Directors	
Mr. Srinivasan Varadarajan	Public Interest Director
Mr. Krishnamurthy Vaidyanathan	Public Interest Director
Ms. Huzan Mistry	Public Interest Director
Mr. Alok Chandra Jena	Nominee Director
Mr. Kashinath Katakdhond	*Managing Director

(*Appointed w.e.f. April 17, 2023)

Key Managerial Personnel	
Mr. Kashinath Katakdhond	Managing Director
Mr. Rajendra Utpat	Chief Financial Officer
Mr. Shweta Bhatt	Head – Operation
Mr. Vedant Kamulkar	*Company Secretary & Compliance Officer

(*Appointed w.e.f. May 12, 2023)

Statutory Auditors
M.P. Chitale & Co. Chartered Accountants

Internal Auditors
Padmanabh Joshi & Co., Chartered Accountants

Secretarial Auditors
Hitesh J Gupta, Company Secretaries

Registrar and Share Transfer Agents
KFin Technologies Limited Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, Telangana Email ID: - venu.sp@kfintech.com

Registered Office
204, 205 & 206, The Empire Business Centre, 414, Empire Complex, Senapati Bapat Marg, Lower Parel(W) Mumbai 400013

Corporate Identity Number (CIN)
U65929MH2021PLC359108

Directors' Report

To,
The Members,
AMC Repo Clearing Limited

Your Directors have pleasure in presenting the Second Annual Report and Audited Financial Statements of the AMC Repo Clearing Limited ('ARCL' or 'the Company') for the year ended March 31, 2023.

1) State of the Company's affairs

Securities and Exchange Board of India (SEBI) has amended Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (SECC Regulations) to make provisions for setting up of Limited Purpose Clearing Corporation (LPCC) with the objective to develop the corporate bond market. In line with the amendments to SECC regulations, the Company was incorporated on April 17, 2021, for providing Central Counterparty (CCP) services to the triparty repo transactions in corporate debt securities. ARCL has been granted recognition as LPCC by SEBI under SECC Regulations. The Company had obtained the triparty repo product approval from SEBI vide mail dated August 13, 2021. The Company had obtained authorization from Reserve bank of India (RBI) under Payment and Settlement Systems Act, 2007 (PSS Act) vide letter dated February 28, 2023 to offer central counterparty services for repo transactions in corporate debt securities. RBI has also accorded approval to the Company to offer triparty agent services for triparty repo in corporate debt securities.

The Company has put in place the following arrangements in compliance to SECC Regulations and circulars issued by SEBI for LPCC:

- (i) The Company has entered into agreement with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) to offer the following services to the triparty repo transactions executed on the trading platforms of NSE and BSE:
 - a. Collateral selection
 - b. Repo Basket description
 - c. Repo tenor
 - d. Risk management
 - e. Clearing and settlement
- (ii) The Company has entered into outsourcing agreement with NSE Clearing Limited (NCL) and India Clearing Corporation Limited (ICCL) for leveraging their IT and operational infrastructure to carry out collateral, risk management, clearing and settlement services to the triparty repo transactions executed on their respective exchanges i.e. NCL for NSE transactions and ICCL for BSE transactions. There is no interoperability between NCL and ICCL for the triparty repo.
- (iii) ARCL has been registered with NSDL and CDSL as limited purpose Depository Participant (DP) and has entered into agreement with both depositories for opening of demat accounts to manage collateral under triparty repo.
- (iv) ARCL has empanelled HDFC Bank, ICICI Bank and Axis Bank as clearing banks and has opened the following accounts with each clearing bank:
 - Settlement account – will be used for effecting pay-in and pay-out of funds as per the fund's obligation of members.

- Margin account – will be used for collection and release of cash margin from/to members.
- General account – Will be used for collection of transaction charges and other levies.
- Core Settlement Guarantee Fund account – will be used for contribution and maintenance of Core SGF corpus.

ARCL will empanel more number of clearing banks depending on the growth in volume and also based on market requirement.

Indian Corporate Bond Market Overview:

This is discussed in detail under Management Discussion and Analysis forming part of the Annual Report.

2) Financial Results

(Figures in Rs. Thousands)

Particulars	As on March 31, 2023	As on March 31, 2022
Total Income	89,861	28,290
Less: Expenditure	39,343	40,100
Profit Before Tax	50,518	(11,810)
Add/Less: Tax Expenses / (Income)	12,049	(9)
Profit after Tax	38,469	(11,801)
Add: Other Comprehensive Income (Net)	-	
Balance carried to Balance Sheet	38,469	(11,801)

3) Dividend

Pursuant to regulation 22 (E) of SECC Regulations, for the first five years from the date of grant of recognition to ARCL as LPCC by SEBI, there shall be no distribution of dividend to the shareholders and the profits of ARCL shall be transferred to the Core Settlement Guarantee Fund as specified in regulation 37 of SECC Regulations.

Further, pursuant to DPSS, RBI letter dated October 07, 2022 approving in-principle the authorization of ARCL under PSS Act, has advised ARCL shall not distribute profits in any manner to its shareholders until its networth reaches minimum level of Rs. 300 crore.

During the year, the Board of Directors of the company has not recommended dividend for the Financial Year 2022-23.

4) Transfer to Reserves

Your Company has not transferred any amount to Reserves for the Financial Year 2022-23. However, in terms of Para 6(i)(c) of SEBI Circular dated December 21, 2020, LPCC shall transfer profit to the Core SGF in terms of Regulation 22E(1) above, within 30 days of adoption of financial statements by the shareholders in the Annual General Meeting.

5) Revision of Financial Statements

There was no revision in the Financial Statements of the financial year ended March 31, 2023.

6) Share Capital

During the year under review, the Company on January 06, 2023, has allotted 21,70,823 Equity Shares of Rs. 10/- on Private Placement basis. The Company has not issued share with differential voting rights nor sweat equity. As on March 31, 2023, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

The Authorized and paid-up Capital of Company as on March 31, 2023, is Rs. 150,00,00,000/- divided into 15,00,00,000/- Equity Shares of Rs. 10/- each.

As required under Certificate of Authorisation issued by RBI under PSS Act, the Company is required to take necessary steps for infusion of additional capital in phased manner to comply with the net worth requirement of Rs. 300,00,00,000/- within five years from the date of RBI's approval. The Company is exploring and meeting with potential investors to raise the paid-up share capital to Rs. 300,00,00,000/- with approval of Board of Directors of the Company and the shareholders of the Company.

(Net worth will consist of 'paid up equity capital, preference shares which are compulsorily convertible into equity capital, free reserves, balance in share premium account and capital reserves representing surplus arising out of sale proceeds of assets but not reserves created by revaluation of assets' adjusted for 'accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.)

7) Secretarial Standards

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') and approved by the Central Government under Section 118 (10) of the Companies Act, 2013 (the 'Act') for the Financial Year ended 2022-23.

8) Material changes and Commitment affecting the Financial Position of the Company

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of financial year of the Company to which the Financial Statements relate and the date of this Report.

9) Information Technology

Though ARCL is yet to commence its operations, it being a regulated entity, it has to ensure that it implements and follows all security norms as prescribed by the regulators. As per SEBI guidelines, ARCL has entered into arrangement to outsource the core IT infrastructure for carrying out clearing and settlement activities and related activities to other recognised clearing corporations viz. NSE Clearing Limited (NCL) and India Clearing Corporation Limited (ICCL). Both NCL and ICCL are recognized clearing corporations and accordingly they are compliant to the technical standards for systems, system capacity, business continuity, cyber security etc. as prescribed by SEBI. ARCL has limited scope for implementation of security standards only to the extent of confining to its communication with exchanges and clearing corporations. Accordingly, the Company has implemented security solutions in the following areas:

- Multiple device access – A network security solution where there is a comprehensive check on the probable threats that may arise, irrespective of the users accessing the applications from any location, device or internet service provider.
- The Company will have in possession sensitive data pertaining to the member participants. As part of the Business activities, these data will be exchanged with the respective clearing

corporations to whom our activities have been outsourced, on a regular basis during the day. This data will be exchanged through emails, SFTP or sharepoints. Security measures have been implemented to protect unauthorised data access and data leakage.

- From an internet security perspective, restrictions have been imposed on accessing webpages which are malicious and can pose security threats.
- Implementation of endpoint security to ensure that all the devices used by the Company for accessing the applications viz, Laptops, Desktops, mobile devices of employees, follow a definite level of compliance to standards.

ARCL has entered into an arrangement with Inniti Network Solutions LLP for implementing the above controls.

10) Human Resource

As of March 2023, ARCL has a total of six employees comprising of 4 KMPs and 2 others. The officials comprising of KMPs are Mr. Natarajan Ramasamy – CEO, Mr. Deepak Upadhyay – Head Risk, Ms. Shweta Bhatt – Head Operations and Mr. Rajendra Utpat – Chief Financial Officer.

11) Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The requirements under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, are not applicable since, number of employees in the company are below the required threshold limit. Accordingly, there was no requirement of the Constitution of Internal Complaints Committee. During the year under review, Company has not received any complaints on sexual harassment.

12) Particulars of Contracts and Arrangements with Related Parties:

All contracts / arrangements / transactions executed by the Company with the related parties during the financial year ended March 31, 2023, were in the ordinary course of business and on an arms' length and details of the same are provided in the notes to financial statements.

There are no transactions that are required to be reported in Form AOC-2 and as such do not form part of the Report.

13) Particulars of Loans, Guarantees or Investments:

No loan or guarantee is given to any person during the year. The investments made by the Company during the year are in accordance with the provisions of the Act. The particulars of Investments made during the financial year are set out in the Notes to Accounts which form part of this Annual Report.

14) Internal Financial Control:

In terms of Section 138 of the Act, the Company has appointed M/s. Padmanabh Joshi & Co., Chartered Accountants as Internal Auditor for the financial year 2022-23.

Internal Financial Controls - ARCL has maintained adequate internal financial controls as per the approved policies. These controls include:

- i) maker-checker in bank transactions and investments;

- ii) recording of transactions in a manner that facilitates preparation of financial statements as per the Generally Accepted Accounting Practices;
- iii) maintaining records that in reasonable detail, fairly and accurately reflect the transactions of ARCL;
- iv) ensuring that all expenditure and income are as per approval of the management; and
- v) providing reasonable assurance regarding the prevention and timely detection of unauthorized acquisition, use or disposition of company's assets that could have material impact on the financials statement of the company.

These financial controls were operating effectively as of March 31, 2023.

15) Subsidiaries, Joint Ventures and Associate Companies

The Company doesn't have any subsidiary or Joint Ventures or Associate Company.

16) Deposits

The Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

17) Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals Impacting the going concern status and company's operations in future

During the year under review, there were no significant or material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of your Company and its future operation.

18) Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016

During the year under review, no application has been made and no proceedings are pending under the Insolvency and Bankruptcy Code, 2016.

19) Extract of Annual Return

The extracts of the annual return as on March 31, 2023, in Form MGT-9 prepared in accordance with Section 92(3) of the Act is hosted on the website of the company in the following web address link:

<https://www.arclindia.com/>

20) Maintenance of Cost records

The provisions of Section 148 of the Companies Act, 2013 regarding maintenance of cost records do not apply to the Company.

21) One Time Settlement

During the year under review, there are no such transactions where there is difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

22) Directors and Key Managerial Personnel

As per the provisions of SECC Regulations, the Governing Board of every recognized clearing corporation shall include (a) Public Interest Directors; (b) Shareholder Directors; and (c) Managing Director.

As on March 31, 2023, following are the Directors of the Company:

1. Mr. Srinivasan Varadarajan – Public Interest Director
2. Mr. Krishnamurthy Vaidyanathan – Public Interest Director
3. Ms. Huzan Mistry – Public Interest Director
4. Mr. Alok C Jena – Shareholder Director

Ms. Huzan Mistry was appointed as Public Interest Director w.e.f. October 08, 2022, for a period of 3 years.

Mr. Kashinath Katakdhond and Mr. Alok C Jena are Directors under the category Nominee Director. Mr. Kashinath Katakdhond is also the Managing Director of the Company and accordingly, is not liable to retire by rotation during his tenure as Managing Director.

Pursuant to the above Regulation of SECC Regulations, the Shareholders at First Annual General Meeting held on November 22, 2022, had approved re-appointment of Mr. Alok C Jena (Chief General Manager – Accounts, NABARD) as Director on the Board of the Company under the ‘Nominee Director’ category, liable to retire by rotation, subject to the approval of SEBI. SEBI had acceded to the appointment of Mr. Alok C Jena as Shareholder Director as approved by the Shareholders.

Mr. Alok C Jena retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. The re-appointment of the Director is appropriate and in the best interest of the Company. The Board recommends his re-appointment to the Shareholders.

The composition of the Board is in conformity with the Act and regulatory guidelines, enjoining a specified combination of Executive, Non-Executive and Public Interest Directors. The Chairman of the Board is a Non- Executive Director.

Mr. Anand Sinha, Public Interest Director resigned from the board of the Company w.e.f. August 06, 2022. The Board acknowledged and placed on record its appreciation for the immensely valuable suggestions and insights provided by him during the deliberations at the meetings of the Board.

The Company had received approval from SEBI vide its letter dated March 27, 2023, for the appointment of Mr. Kashinath Katakdhond as Managing Director of the Company. Further RBI, vide its letter dated April 05, 2023, has taken note of the appointment of Mr. Kashinath Katakdhond as the Managing Director of the company. Accordingly, Mr. Kashinath Katakdhond joined the Company on April 17, 2023, as the Managing Director.

Mr. Natarajan Ramasamy, Chief Executive Officer (CEO) of the Company resigned w.e.f. June 30, 2023. The Board acknowledged and placed on record its sincere appreciation for services rendered by him during his tenure as CEO of the Company.

Mr. Ritesh Kadam, Company Secretary and the Compliance Officer of the Company resigned w.e.f. January 27, 2023. Mr. Rajendra Utpat was appointed as Chief Financial Officer of the Company w.e.f. February 02, 2023.

Post closure of the Financial Year 2022-23, Mr. Vedant Kamulkar has been appointed as Company Secretary and Compliance Officer of the Company w.e.f. May 12, 2023.

Pursuant to SECC Regulations, the Key Management Personnel of ARCL as of March 31, 2023, were:

Mr. Natarajan Ramasamy, Chief Executive Officer

Mr. Deepak Upadhyay, Head – Risk

Ms. Shweta Bhatt, Head – Operations

Mr. Rajendra Utpat, Chief Financial Officer

The Company has received the disclosures in the Form DIR-8 required under Section 164 of the Act and has noted that none of the directors have incurred any of the disqualifications on account of non-compliance with any of the provisions of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014. Further, there were no acts of omission/commission by the company itself, leading to the disqualification of its directors.

Further, the Board of Directors are of an opinion and declare that the Independent Director/Public Interest Director appointed during the year have requisite qualifications, knowledge, experience and expertise to act as an Independent Director of the Company and they hold highest standards of integrity.

23) Board Meetings

The Board met four times during the year on May 19, 2022, August 05, 2022, November 14, 2022, and February 02, 2023. The maximum gap between any two meetings was less than one hundred and twenty days.

For further details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this report.

Details of the composition of Committees of the Board, meetings held, attendance of the Directors at such Meetings and other relevant details are given in the Corporate Governance Report forming part of this Report.

24) Meeting of Independent Directors

During the year under review, a separate meeting of the Independent Directors was held on February 02, 2023, without the attendance of Non-Independent Directors and the Management of the Company to review the performance of the Non-Independent Directors, Chairperson, Statutory Committees and the Board as a whole, after assessing the quality, quantity and timeliness of flow of information between the Management and the Board which is necessary for the Board to effectively and reasonably perform its duties.

25) Fit and Proper Declaration given by the Directors

As per the provisions of Regulation 20 of the SECC Regulation, the recognised clearing corporation shall ensure that all its directors are fit and proper persons at all times. Accordingly, the Company has received the requisite declarations from all the directors of the Company.

26) Declaration By Independent Directors

Each PID has given a declaration of independence as required under the applicable laws as well as confirmation that he/ she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his/her duties with an objective independent judgement and without any external influence and that he/she is independent of management and a confirmation that he/she has read and understood the Company's code of conduct, as applicable to the Board of Directors of the Company and that he/she affirms compliance with the said code of conduct during the financial year 2022-23. The enrollment of all PIDs in the Databank being maintained by the Indian Institute of Corporate Affairs to qualify as an Independent Director has been completed and they have all furnished the declaration affirming their compliance with the relevant provisions of Companies (Appointment & Qualification of Directors) Rules along with the Declaration of Independence given as per section 149(6) of the Act.

Based on the confirmation/declaration received from the independent directors, that he/she was not aware of any circumstances that are contrary to the declarations submitted by him/her, the Board acknowledged the veracity of such confirmation and takes the same on record.

In the opinion of the Board, all the aforesaid Independent Directors possess the requisite expertise and experience and they hold the highest standards of integrity.

27) Company's Policy on Directors' Appointment and Remuneration including criteria for determining qualifications, positive attributes & independence of Directors

Pursuant to the requirements of the Act, the Company has a framed policy on the appointment of Directors and Key Management Personnel (including Senior Management Personnel) i.e. Nomination and remuneration Policy. The Nomination and Remuneration Policy of the Company is given in **Annexure-A** and is also available at the website of the Company at <http://www.arclindia.com/spages/Disclosures/NominationandRemunerationPolicy.pdf>

28) Risk Management Policy

The Company has an enterprise-wide risk assessment and review mechanism which inter-alia consists of risk identification, assessment and categorisation of risks taking into account the impact and likelihood of risks and putting in place adequate controls and mitigation plans which has helped in reducing the overall risk exposure for the Company and also the impact thereof.

In terms of SEBI requirements, the Clearing Corporation is required to constitute a Risk Management Committee, inter alia, to formulate a detailed risk management policy. The Risk Management Committee has formulated, amended risk management policy from time to time and monitors its implementation. In this direction, the Company has a Risk Management Committee, a subcommittee of the Board, which meets periodically to review the efficacy and adequacy of the Company's risk management exercise and the controls and mitigation plans put in place to reduce the overall impact of the various inherent risks.

29) Directors Responsibility Statement

Your Directors confirm that –

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of ARCL at the end of the financial year i.e. March 31, 2023 and of the profits of ARCL for that year;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of ARCL and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis;
- (v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and were operating effectively.

30) Board Evaluation

As per the provisions of the Act, the Nomination & Remuneration Committee (NRC) shall specify the manner for effective evaluation of the performance of Board, its Committees and individual directors to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance. Accordingly, the annual evaluation on the performance of the Board, that of its Committee(s) and individual Directors was carried on and Board expressed its satisfaction as to their performance for the Financial Year 2022-23.

This exercise was carried out through a structured questionnaire prepared separately for Board, committees, and individual Directors. The questionnaire for Board evaluation was prepared taking into consideration various aspects of the Board's functioning such as adequacy of the composition and role of the Board, Board meeting and reporting process, the effectiveness of strategies, risk management systems, external relationships, ethics, and governance framework. Committee performance was evaluated on the basis of its composition, effectiveness in carrying out its mandate, relevance of its recommendations, and allocation of adequate time to fulfil its mandate.

31) Report on Corporate Governance

The Company is committed to maintaining the highest standards of corporate governance and adhere to corporate governance requirements.

ARCL is a public limited company, whose securities are not listed on any of the stock exchanges. As per Regulation 33 of the SECC Regulations, the disclosure requirements and corporate governance norms as specified for listed companies are mutatis mutandis applicable to a recognised clearing corporation.

ARCL has always been involved in good governance practices and endeavors continuously to improve upon the same. A report on corporate governance for the financial year 2022-23 is furnished as part of the Annual Report for the information of all its stakeholders as **Annexure B**.

32) Committee of Board

Details of the composition of Committees of the Board, meetings held, attendance of the Directors at such Meetings and other relevant details are given in the Corporate Governance Report forming part of this Report.

33) Management Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review is presented in a separate section forming part of the Annual Report.

34) Vigil Mechanism

The Company is committed to adhere to the highest standards of ethical, moral, and legal conduct of business operations. To maintain these standards, ARCL encourages employees who have concerns about suspected misconduct, to come forward and express these concerns without fear of punishment or unfair treatment.

The Whistle Blower Policy is available on the Company's website at <https://www.arclindia.com/spages/Disclosures/WhistleBlowerPolicy.pdf>

35) Statutory Auditors

M/s M. P. Chitale & Co., Chartered Accountants [Firm Regn. No. 101851W] were appointed as the Statutory Auditors of the Company at the First Annual General Meeting held on November 22, 2022, to hold office for one term of 5 years until the conclusion of Sixth Annual General Meeting. The Statutory Auditors conducted the Statutory Audit of the Company for the financial year ended March 31, 2023.

The Statutory Auditors' Report for the Financial Year 2022-23 does not contain any qualification, reservation or adverse remarks.

Also, no frauds were reported by the Auditors in their report on the Financial Statements of the Company under Section 143(12) of the Act.

36) Secretarial Auditor

In accordance with Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Hitesh J. Gupta, Practicing Company Secretaries were appointed as Secretarial Auditors to conduct the Secretarial Audit of the Company for the financial year 2022-23. Your Company has provided all assistance and information to the Secretarial Auditors for conducting their audit. The Report of Secretarial Auditors in the prescribed Form MR-3 does not contain any audit observation. The Secretarial Audit Report for the year ended March 31, 2023 is annexed as **Annexure C** herewith and forms part of this report.

37) Particulars of Employees

As on March 31, 2023, there were 6 employees on the payroll of ARCL. A Statement of Particulars of Employees covered under the provisions of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed herewith as **Annexure D**. The ratio of compensation paid to each key management personnel, vis-a-vis. median of compensation paid to all employees of ARCL is enclosed herewith as **Annexure E**.

38) Conservation of Energy, Technology Absorption and Foreign Exchange Earnings / Outgo

A) CONSERVATION OF ENERGY

- i) The steps taken to our impact on conservation of energy – Although the Company is not engaged in manufacturing activities, as a responsible corporate citizen, we continue to pursue and adopt appropriate energy conservation measures. The Company also takes significant measures to reduce energy consumption by using energy efficient computers and by purchasing energy efficient equipment. The Company purchases PCs, laptops etc. that meet environmental standards, wherever possible.
- ii) The Steps taken by the Company for utilizing alternate sources of energy: - Not Applicable
- iii) The capital investment on energy conservation equipment's: - The Company constantly evaluates new developments and invests into latest energy efficient technology.

B) TECHNOLOGY ABSORPTION

The technology absorption is not applicable to the Company since the Company is in the financial services sector.

C) Particulars of Foreign Currency Earnings and outgo

Particulars	March 31, 2023
Foreign exchange earned in terms of actual inflow	NIL
Foreign exchange outgo in terms of actual outflow	NIL

39) Acknowledgement

Your Directors would like to express their sincere appreciation to its Members, Government authorities and vendors for their cooperation and support and look forward to their continued support in future.

Your Directors also place on record their deep sense of appreciation for the committed services by the employees of the Company.

For and on behalf of the Board of Directors

**Date: August 02, 2023
Place: Mumbai**

**Sd/-
Srinivasan Varadarajan
Director
DIN: 00033882**

**Sd/-
Kashinath Katakdhond
Managing Director
DIN: 07716501**

Annexure A - Nomination and Remuneration policy

1) Introduction

AMC Repo Clearing Limited (hereinafter referred to as “ARCL” or “the company”) is governed by the Companies Act, 2013 (hereinafter referred to as “Act”) and rules notified thereunder; the Securities Contracts (Regulation) Act, 1956 read with rules notified thereunder and the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred to as “SECC Regulations”) including disclosure requirements and corporate governance norms as specified for listed companies to the extent applicable to stock exchanges/clearing corporations.

ARCL has adopted this Policy (the “Policy”) on Nomination and Remuneration Policy pursuant to the applicable provisions of the Act including rules thereof, applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the “Listing Regulations, 2015”] and applicable provisions of SECC Regulations, collectively referred to as “Applicable Law”.

This Policy applies for nomination of and remuneration to the Directors and Key Managerial Personnel of ARCL.

2) Objective of this Policy are:

The Policy has been framed keeping in view the following objectives/purposes:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully and to ensure long term sustainability of managerial persons and create competitive advantage; and
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration payable to Key Managerial Personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals and aligns with the long term interests of the company and its shareholders.

3) Constitution of the Nomination and Remuneration Committee

The Board has constituted the “Nomination and Remuneration Committee” of the Board.

4) General

This Policy is divided in three parts: -

Part – A: Terms of Reference for the Nomination and Remuneration Committee;

Part – B: Nomination of Directors and KMPs; and

Part – C: Remuneration for Directors and KMPs

Part A – Terms of Reference for Nomination and Remuneration Committee

ARCL is required to constitute NRC to inter-alia determine the compensation of key management personnel in terms of compensation policy framed in accordance with the norms specified therein. The following are the terms of reference of NRC:-

- a. Identification of persons who are qualified to become Directors and recommend to the Board their appointment and removal.
- b. Selecting the Managing Director.
- c. Framing & reviewing the performance review policy to carry out evaluation of every director's performance, including that of Public Interest Director (PID).
- d. Devising a policy on diversity of board of directors
- e. Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- f. Recommending whether to extend the term of appointment of the PID.
- g. Identifying a Key Management Personnel, other than personnel as specifically provided in its definition under SECC Regulations, 2018.
- h. Determining the tenure of a key management personnel, other than a director, to be posted in a regulatory department.

Part – B: Nomination of Directors and KMPs

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director of the Company and recommend to the Board his / her appointment. A person to be appointed as Director or KMP should possess adequate qualification, expertise and experience for the position he / she is considered.

Composition of the Governing Board:

As per the SECC Regulations the governing board of the company shall include:

- I) Shareholder Director (SHD)
- II) Public Interest Director (PID)
- III) Managing Director (MD)

The chairperson of the governing board shall be elected by the governing board from amongst the PIDs. The number of PIDs shall not be less than the number of SHDs on the governing board of the company. The managing director shall be included in the category of shareholder directors.

Appointment of Public Interest Director:

Public Interest Director means an independent director representing the interests of investors in securities market and who is not having any association, directly or indirectly, which in the opinion of the Board, is in conflict with his role.

- 1) The committee shall recommend a person to be appointed as Public Director to the Board of Director
- 2) The committee shall ensure that PID are selected from diverse field of work. While deciding to propose a particular person as a public interest director, the stock exchange/ clearing corporation shall also take into account the following factors:

- a) Qualification in the area of law, finance, accounting, economics, management, administration or any other area relevant to the financial markets.
- b) At least one person shall be inducted having experience and background in finance / accounts who may preferably be inducted in the audit committee.
- c) Persons currently holding positions of trust and responsibility in reputed organisations or person who have retired from such positions.
- d) Persons who are likely to have interested positions in commercial contracts and financial affairs of stock exchanges, may preferably be excluded. Persons who are regular traders/ speculators in the market or are director in the board of the promoter entity of the Stock Exchange or Clearing Corporation, shall be excluded.
- e) No trading member or clearing member or their associates and agents, irrespective of the stock exchange / clearing corporation of which they are members, shall be on the governing board of any recognised stock exchange or recognised clearing corporation.

Independent directors of the associates of Public Financial Institution or Bank in public sector, who are clearing member and/or trading member and where the majority shareholding is that of such public financial institution or bank in the public sector, shall not be deemed to be a clearing member and / or trading member.

- 3) The names of persons to be appointed as PID shall first be approved by the governing board, before submitting the same to SEBI for approval. The Shareholders approval shall not be necessary for appointment of PID.
- 4) A minimum of two names shall be submitted to SEBI for each vacancy of PID.
- 5) The maximum age limit for PID shall be 70 years.
- 6) Public interest directors shall be nominated for a term of three years, extendable by another term of three years, subject to performance review.

The PIDs shall comply with the code of ethics and code of conduct as prescribed by the company.

Appointment of Shareholder Director:

As per the SECC Regulations, the representative of the issuers of debt securities may be appointed on the governing board of the recognized limited purpose clearing corporation on a rotational basis and such a director shall be deemed to be a shareholder director.

Explanation. — For the purpose of this sub-regulation, representative of issuers of debt securities during a financial year shall be one amongst the top three issuers, which are public sector undertakings, based on their issue size in the preceding financial year.

- 1) The company shall identify the top three issuers of debt securities during a financial year and subsequently approach them for nomination of shareholder director.
- 2) The committee shall recommend a person to be appointed as Shareholder Director to the Board of Director
- 3) The names of persons to be appointed as shareholder directors shall first be approved by the governing board, followed by shareholders' approval before submitting the same to SEBI for approval.
- 4) The Shareholder Director shall be appointed every year on a rotational basis.*
- 5) The appointment and re-appointment of all shareholder directors shall be with the prior approval of SEBI.

**Representative from the top three Public Sector Undertakings (PSU) issuers shall be appointed as a shareholder director on the governing Board of ARCL on a rotational basis for a maximum period of three years. Further, exercise of identifying the top three PSU issuers shall be carried out by ARCL every year and the incumbent shareholder director will continue to remain on the governing board till PSU he/she represents remains in the top three issuers list or till the expiry of the tenure of 3 years, whichever is earlier.*

Appointment of Managing Director:

As per the SECC Regulations, the governing board of every recognised clearing corporation shall include the Managing Director.

- 1) The MD shall be selected through open advertisement in all editions of at least one national daily from amongst persons qualified in the fields of capital market/ finance/ management and possessing sufficient experience.
- 2) Nomination and Remuneration Committee (NRC) shall be responsible for selection of Managing Director.
- 3) NRC shall determine the qualification, manner of appointment, terms and conditions of appointment and other procedural formalities associated with the selection/ appointment of the MD.
- 4) At the time of seeking approval of SEBI for the appointment of the managing director, the stock exchange/ clearing corporation shall seek approval for the compensation of the managing director from the SEBI.
- 5) At least two names for the post of MD, without any order of preference, shall be forwarded to SEBI for approval.
- 6) Term of appointment of MD should not exceed five years. A person may be appointed as the Managing Director by the company for a maximum of two terms not exceeding five years each, subject to a maximum age limit of 65 years.
- 7) Age limit for appointment of MD is upto 65 years of age.

Appointment of KMP's:

Any selection, appointment/ re-appointment and tenure of a KMP of the Company shall be governed by the provisions of the applicable laws.

The tenure of KMP's in a regulatory department would be till he/ she ceases to be the employee of the Company. However, the same shall be reviewed every 3 years unless any other tenure is specifically decided by the Committee.

Retirement / Resignation / Removal of Director/KMP's:

Directors and KMP's shall retire/cease to hold office as per the provisions of the applicable laws and the prevailing policy of the Company or in terms of which such appointment was made.

Owing to disqualifications for any reasons mentioned in the Act or rules made thereunder or under any other Act, Rules and Regulations as may be applicable and subject to the prevailing HR Policy of the Company, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director/KMP, subject to the provisions and compliance of the said Act, rules and regulations.

The Board will have the discretion to extend the term of a KMP, even after his/her attaining the age of superannuation, for the benefit of the Company.

Part-C: Remuneration to Directors and KMPs

As per the provisions of Applicable Laws, the Nomination and Remuneration committee is required to recommend to the Board a policy relating to the remuneration for the Directors and Key Managerial Personnel.

1) Factors Determining Remuneration

- a) financial condition / health of the company including revenues, net profits and other relevant financial parameters, if any
- b) average levels of compensation payable to employees in similar ranks, in the industry and industry standards
- c) shall not contain any provisions regarding incentives to take excessive risks over the short term,
- d) Role and responsibilities of the Director / KMP / Employees
- e) Performance of the KMP
- f) Attract and retain KMP / Employees and motivate them to achieve results with integrity and fairness, etc.

2) Compensation Structure

The Board of Directors of the Company shall decide the remuneration of Executive / Non-Executive Directors and KMP on the basis of recommendation of the Committee subject to the overall limits provided under Act and rules made thereunder, including any amendments, modifications and re-enactments thereto and in compliance with the provisions of applicable laws.

A) Directors

Public Interest Director and Shareholder Director:

The PIDs and SHDs shall be paid for Board Meetings and any Committee Meetings attended by them. The board of the company, in its meeting held on 09th December 2021, had approved the following sitting fees to the directors for the board and committee meetings:

For Board Meeting	: Rs.1,00,000 per meeting
For Committee Meeting	: Rs.50,000 per meeting

The above fee structure shall continue to be followed by the company. Any change in sitting fees will be recommended by the Committee and approved by the Board, if made within the limits prescribed under the Companies Act, 2013 for payment of sitting fees.

The Board considers the following factors while approving the change in the sitting fees to the Board/Committee members:

- (a) Contribution expected from Directors considering size and complexity of organization;
- (b) Comparison with the peers/ Industry benchmarking; and
- (c) Regulatory guidelines as applicable etc.

The Non-Executive Directors are also entitled to reimbursement of expenses for attending the Board and other Committee meetings including travelling, boarding and lodging expenses, shall be paid by the Company.

B) Key Managerial Personnel

The Committee shall recommend the remuneration of other KMP's to the Board for its approval, taking into consideration the following factors:

- a) Value added from time to time / their contribution to the Organization growth.
- b) Financial condition / health of the Clearing Corporation.
- c) Comparability to the industry standards
- d) Revenues, net profit of the Clearing Corporation;
 - average levels of compensation payable to employees in similar ranks
 - periodic review
- e) Ensure that the variable component of the remuneration of other KMP's is basis the Performance rating as per the matrix adopted by the Company which under any circumstances does not exceed one third of the fixed remuneration.
 - 50% of the variable component of the remuneration is paid only after the audited annual accounts for the year are approved by the Board of Directors and also subject to such payment being approved by the Board; and
 - the balance 50% of the variable pay will be paid on a deferred basis after three years. The payment of the entire variable component is subject to the provisions of 'malus' and/or 'clawback' provisions, as defined hereinafter.
- f) No incentives are provided for excessive risks in the short term.

ESOPs and other equity linked instruments in the clearing corporation shall not be offered or provided as a part of the compensation to the key management personnel.

Any financial disincentive specified by SEBI and/or any other regulatory/statutory authority shall be applicable to KMP's.

Any change in the remuneration of the KMP's shall be recommended by the Committee to the Board for its approval.

Malus and Clawback Provisions:

A malus arrangement permits the clearing corporation to prevent vesting of all or part of the amount of a deferred variable component.

A clawback is a contractual agreement between the employee and the clearing corporation in which the employee agrees to return previously paid or vested variable component to the clearing corporation under certain circumstances.

The aforesaid clauses shall be triggered under the following circumstances:

- a. Fraud
- b. Impersonation
- c. Gross negligence which have caused or may cause significant financial loss or reputational harm to the Company
- d. Mifeseance
- e. Any act amounting to criminal breach of trust
- f. Conviction for an offence involving moral turpitude
- g. Breach of confidentiality in trade secret
- h. Ethical misconduct
- i. Fraudulent financial reporting

- j. Overstating or misstating financial indicators or of the performance criteria either at the Company level or individual level with a view to get increased variable pay
- k. Non-compliance or insubordination in adhering to regulatory/policy guidelines
- l. Such other circumstances as the Committee and/or Board may decide.

General parameters to consider increase in the remuneration:

The salary increment budget would be ascertained by the Committee / Board every year, based on following parameters:

- 1. Company performance during the Financial Year;
- 2. Employee appraisal rating scale provided by HR;
- 3. Consumer Price Index.

C) Remuneration of other Employees of the Company:

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

ESOPs and other equity linked instruments in the clearing corporation shall not be offered or provided as a part of the compensation to the employees.

Note: In the event of any conflict between the provisions of this Policy and of the SECC Regulations, 2018, the Companies Act, 2013 and rules made thereunder and the Listing Regulations, 2015, the provisions of the SECC Regulations, 2018, the Companies Act, 2013 and rules made thereunder and the Listing Regulations, 2015 shall prevail over this Policy.

POLICY REVIEW:

This Policy shall be reviewed by the Nomination and Remuneration Committee as and when required or at least once in 2 years and changes made therein, if any, shall be approved by the Board.

Annexure 1 to Nomination and Remuneration Policy_Definitions

'Act' means the Companies Act 2013 and includes the Rules framed thereunder, as may be amended from time to time.

'Board' means the Board of Directors of the Company.

'Committee' means the Nomination and Remuneration Committee of the Company as constituted/ reconstituted by the Board of Directors of the Company, in accordance with the provisions of applicable Laws.

'Directors' means Directors of the Company.

'Fixed Remuneration' includes fixed wages, contribution to Provident fund and allowances/ benefits.

'Independent Director' means a Director referred in the provisions of applicable Laws.

Key Managerial Personnel' (the "KMP") as defined in Regulation 2 (1) (j) of the SECC Regulations "Key Management Personnel" includes a person serving as head of any department or in such senior executive position that stands higher in hierarchy to the head(s) of the department(s) in the recognised stock exchange, or any person who directly reports to Chief Executive Officer or to the Director on the governing board of the recognised stock exchange, or any person up to two levels below the Chief Executive Officer or Managing Director, or any other person as may be identified by its Nomination and Remuneration Committee.

Note: KMP's includes the Senior Management Personnel of the Clearing Corporation. (as defined in the Listing Regulations, 2015)

'Public Interest Director' means an Independent Director, representing the interests of investors in securities market and who is not having any association, directly or indirectly, which in the opinion of the SEBI, is in conflict with his role.

'Remuneration' means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

'Regulatory Department' refers to the following departments of the Company:

- Risk Management
- Membership
- Compliance

'SEBI' means the Securities and Exchange Board of India

Words and expressions used and not defined in this Policy but defined in the Companies Act or any rules framed thereunder or the Securities and Exchange Board of India Act, 1992 and Rules and Regulations framed thereunder or in the Listing Regulations, 2015 or the Indian Accounting Standards shall have the meanings assigned to them in these acts/regulations/Rules/Standards.

Annexure B - Report on Corporate Governance

1) BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance is the application of best management practices, compliance of law and commitment to values and ethical business conduct to achieve the Company's objective of enhancing shareholder value and effective discharge of its social responsibility. AMC Repo Clearing Limited ("ARCL" or "the Company" or "Clearing Corporation") is a Company incorporated under the Companies Act, 2013 (the Act). The Securities and Exchange Board of India (SEBI) vide letter dated January 16, 2023, has renewed recognition to the Company as Limited Purpose Clearing Corporation for a period of one year commencing from January 17, 2023 and ending on January 16, 2024. The Company has obtained the triparty repo product approval from SEBI vide mail dated August 13, 2021. The Company has been authorized by RBI under Payment and Settlement Systems Act, 2007 ('PSS') vide its letter dated February 28, 2023 with perpetual validity to provide "Central Counterparty" (CCP) services for clearing and settlement of repo transactions in corporate debt securities that are dealt with or traded by recognised stock exchanges subject to the terms and conditions detailed in the Certificate of Authorisation. Further the Company has obtained approval from the Financial Market Regulation Department (FMRD) to act as triparty repo agent and offer triparty repos vide letter dated December 02, 2022.

ARCL has focused on good governance practices and endeavors to improve the same in the corporate landscape. ARCL has rigorously stood by the core principles of corporate governance and considers integrity, transparency, fairness, accountability and adherence to the law as the pillars of its business practices. For the information of its stakeholders, ARCL is furnishing the Report on Corporate Governance for the financial year ended March 31, 2023.

2) Board of Director

A) Composition of the Board

As on March 31, 2023, the Board consists of 4 Directors of which one is Shareholder Director and three are Independent /Public Interest Directors. The appointment of Board of directors is based on meritocracy in the context of skills, diverse experience, independence and knowledge, which the Board as a whole requires to be effective, keeping in mind SEBI prescribed norms such as qualification (in the area of law, finance, accounting, economics, management, administration or any other area relevant to the financial markets), at least one person having experience and background in finance /accounts who may preferably be inducted in the audit committee, persons currently holding positions of trust and responsibility in reputed organizations or persons who have retired from such positions. Accordingly, the Directors are chosen from among eminent persons or experts in the field of law, finance, accounting, taxation, information technology, economics, commerce, management, etc. None of the Directors of the Company hold any shares in the Company and are not inter-se related to each other.

The composition of the Board and Directorship / Committee positions of the Directors in other companies are as follows:

Name and DIN	Date of Appointment	Position / Category	Directorships in other Indian Public Limited Companies*	No. of Board Committees in which Chairman / Member#	
				Member	Chairman
Mr. Srinivasan Varadarajan (DIN 00033882)	December 9, 2021	Chairman - Public Interest Director (Non-executive Independent Director)	(INDIA DEBT RESOLUTION COMPANY LIMITED INSTITUTIONAL INVESTOR ADVISORY SERVICES INDIA LIMITED UNION BANK OF INDIA LIMITED)	(INDIA DEBT RESOLUTION COMPANY LIMITED – Member of Audit Committee INSTITUTIONAL INVESTOR ADVISORY SERVICES INDIA LIMITED – Member of Audit Committee)	- - (UNION BANK OF INDIA – Non-Executive Chairman)
Mr. Vaidyanathan Krishnamurthy (DIN 00693204)	December 9, 2021	Public Interest Director (Non-executive Independent Director)	-	-	-
Ms. Huzan Mistry * (DIN 09208069)	October 8, 2022	Public Interest Director (Non-executive Independent Director)	NSE Academy Limited	-	-
Mr. Alok C Jena (DIN 09327319)	December 9, 2021	Shareholder Director (Non-executive Director)	-	-	-

*Appointed as Additional Directors (Non-Executive & Independent) on the Board of the Company with effect from October 08, 2022 and as Independent Director of the Company under 'Public Interest Director' category as per SECC Regulations for a period of 3 (three) year effective from November 22, 2022.

The Company has received approval from SEBI vide its letter dated March 27, 2023, for appointment of Mr. Kashinath Katakdhond as Managing Director. Further, RBI, vide its letter dated April 05, 2023, has taken note of the appointment of Mr. Kashinath Katakdhond as the Managing Director of the Company. Accordingly, Mr. Kashinath Katakdhond was appointed as Managing Director of the Company w.e.f. April 17, 2023, in compliance with the regulation 25 SECC Regulations.

B) Board Skill Matrix

The Board of Directors of ARCL comprises of qualified members who bring in the required skills, expertise and competence that allows them to make an effective contribution to the deliberations at the meetings of the Board and its Committees.

The Board members are committed to ensuring that the ARCL Board is in compliance with the highest standards of corporate governance.

The skills/expertise/competencies/positive attributes, etc. that are identified for appointment of a candidate as Director to function effectively, in the context of the business and sector of the Company are:

- Qualifications - law, finance, accounting, economics, management, administration, or any other area relevant to the financial markets.
- Experience - capital and financial Market, financial and Management skill, management of the finance function of an enterprise, accounting, economics, financial reporting process, financial securities, commodity market, derivatives market, futures market, equity market, debt market, index, SME Market, etc.
- Knowledge - understanding and knowledge of the entity and applicable regulatory norms, constructive and analytical decision-making abilities, understanding of the risk attached with the business structure, understanding of the role, responsibilities, and obligations, etc.
- Technology - Technical/Professional skills in relation of Company's business, analysing technological trends, innovation, creative ideas for business, research, and innovation, digitisation and allied knowledge in the field of science and technology.
- Leadership - demonstrable leadership skills, leadership experience with regard to managing a company including practical understanding, risk management, processes, strategic planning, guiding and leading management teams to make decisions, facilitation skills, strong interpersonal and communications.
- Governance - corporate governance, compliance, transparency, board governance, accountability to stakeholders, corporate ethics, and values, strengthening regulatory functions, protecting shareholder interests, law and other areas relevant to business/sector and industry in which company operates.

Basis the above-mentioned skill matrix, the skills which are currently available with the Board have been mapped below:

Skills	Mr. Srinivasan Varadarajan	Mr. Vaidyanathan Krishnamurthy	Ms. Huzan Mistry	Mr. Alok C Jena
Qualifications	✓	✓	✓	✓
Experience	✓	✓	✓	✓

Skills	Mr. Srinivasan Varadarajan	Mr. Vaidyanathan Krishnamurthy	Ms. Huzan Mistry	Mr. Alok C Jena
Knowledge	✓	✓	✓	✓
Technology	✓	✓	✓	✓
Leadership	✓	✓	✓	✓
Governance	✓	✓	✓	✓

Board Diversity

ARCL has eminent persons from diverse fields to serve as Directors on its Board. Pursuant to the SEBI Listing Regulations, ARCL has ensured the diversity of the Board in terms of experience, knowledge, perspective, background, gender, age, and culture.

Chairman of Board

During the year Mr. Anand Sinha resigned from his directorship w.e.f. August 06, 2022. The Governing Board of ARCL had elected Mr. Srinivasan Varadarajan, Independent and Public Interest Director as Chairman of the Governing Board of ARCL to hold office as Chairman of the Governing Board for a period effective from the date of approval from SEBI till the expiry of his term as Public Interest Director on the Governing Board of ARCL. Further, SEBI vide its letter dated December 19, 2022, has approved appointment of Mr. Srinivasan Varadarajan as Chairman of the Board.

The role and responsibilities of the Chairman are as under:

- Leading, chairing and overseeing the performance of the Board and playing a pivotal role in the creation of the conditions necessary for overall Board and individual director effectiveness, both inside and outside the boardroom;
- Promoting and overseeing the highest standards of corporate governance within the Board;
- Leading the Board in discussions on proposals put forward by the management team including on strategy, risk management, governance, capital, financial reporting and business activity;
- Setting an agenda for the Board, which is focused on strategic matters, forward looking and evaluates and oversees the ARCL's businesses;
- Being a sounding board and mentor to the management team;
- Representing ARCL with external parties; and
- Fostering an open, inclusive discussion which challenges executives, where appropriate.

However,

- 1) The Chairman does not interfere in the day-to-day functioning of the Company and limits his role to decision making on policy issues and to issues as the Governing Board may decide.
- 2) The Chairman abstains from influencing the employees of the Company in conducting their day-to-day activities.
- 3) The Chairman does not be directly involved in the function of appointment and promotion of employees unless specifically so decided by the Governing Board.

Managing Director

The Company had received approval from SEBI vide its letter dated March 27, 2023, for the appointment of Mr. Kashinath Katakdhond as Managing Director of the Company. Further RBI, vide its letter dated April 05, 2023, has taken note of the appointment of Mr. Kashinath Katakdhond as the Managing Director of the Company. Accordingly, Mr. Kashinath Katakdhond joined the Company on April 17, 2023 as the Managing Director.

Board Evaluation

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board along with Nomination and Remuneration committee has laid down the evaluation criteria for performance of the Chairman, the Board, the Committees and individual directors excluding the Director being evaluated. Accordingly, the annual evaluation on the performance of the Board, that of its Committee(s) and individual Directors was carried on and Board expressed its satisfaction as to their performance for the Financial Year 2022-23.

C) Attendance of each Director at the Board Meetings and at the Annual General Meeting ('AGM')

During the financial year 2022-23, the Board met four times on May 19, 2022, August 05, 2022, November 14, 2022 and February 02, 2023. The Board met at least once in every calendar quarter and the gap between two Board Meetings did not exceed 120 days. The quorum for every Meeting of Board was met as per the Act and the Listing Regulations.

The details of the attendance of the Directors at the meetings are as follows:

Name	Number of Board Meetings attended	Attendance at AGM held on November 22, 2022
Mr. Anand Sinha	1 out of 1	NA
Mr. Srinivasan Varadarajan	4 out of 4	Yes
Mr. Krishnamurthy Vaidyanathan	4 out of 4	Yes
Ms. Huzan Mistry	2 out of 2	Yes
Mr. Alok C Jena	4 out of 4	No

The Members are informed that considering the size of the Board of Directors of the Company, Board members are briefed about the operations, governance, compliances at meetings and strategy discussion. However, with the commencement of operations, separate orientation programmes will be organised so as to familiarize themselves with the various functions being carried out by the Company.

D) Independent Directors/ Public Interest Directors (PID)

Independent Directors on the Board of ARCL are not less than 21 years in age and do not hold any shares in ARCL. The Company as a policy inducts only those persons as Independent

Directors who have integrity, experience and expertise, foresight, managerial qualities, and ability to read and understand financial statements.

The tenure of Independent Directors is in line with the directives issued by SEBI from time to time.

The Company takes all possible efforts to enable the Independent Directors to perform their functions effectively. However, as per SEBI requirement, the elected directors shall not interfere in the day- to- day management of the Company and focus on the informed and balanced decision making especially on issues of strategy, performance, risk management, resources, key appointments and standard of conducts. The Company always strives to strike a balance between both the above requirements without compromising on compliance of such requirements. In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015) and are independent of the management.

During the year, pursuant to amendments to Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 – Provisions relating to Limited Purpose Clearing Corporation, Mr. Anand Sinha has resigned from the directorship of the Company as the permissible age for appointment/ continuation as Non-executive Chairperson has changed from 75 years to 70 years.

E) Code of Conduct:

A code of conduct for Directors and Key Management Personnel of the Company is framed. Directors and Key Management Personnel have affirmed compliance with the Code of Conduct. As per the requirement of SEBI (LODR) Regulations, 2015.

As per the requirement of the SEBI (LODR) Regulations, 2015, the code of conduct, has been hosted on the website of the Company at <http://arclindia.com/otherdisclosure>

F) Remuneration to Director

The Company pays a sitting fee to its Non-executive Directors. The terms and conditions of appointment of Independent Directors/Public Interest Directors and Shareholder Directors are governed by the provisions of the Act and Rules laid down thereunder, SECC Regulations, SEBI (LODR) Regulations, 2015 and the circulars issued thereunder by SEBI.

The sitting fees paid to the Non-Executive Directors for attending the meetings of the Board and its Committees during the year FY 2022-23 is given below: -

Name	Board Meeting	Board Committee	Total
Mr. Anand Sinha*	1,00,000	1,50,000	2,50,000
Mr. Srinivasan Varadarajan	4,00,000	3,00,000	7,00,000
Mr. Krishnamurthy Vaidyanathan	4,00,000	4,00,000	8,00,000
Ms. Huzan Mistry**	2,00,000	3,00,000	5,00,000
Mr. Alok C Jena	4,00,000	2,00,000	6,00,000

* Resigned from the Board of the Company with effect from August 06, 2022.

***Appointed as Additional Director (Non-Executive & Independent) with effect from October 08, 2022.*

3) Committees of Board

(A) Audit Committee: -

The Board of Directors at their meeting held on March 23, 2022 have constituted Audit Committee in accordance with the requirement of Section 177 of the Act and SEBI (LODR) Regulations, 2015. The Audit committee consists of Ms. Huzan Mistry, Mr. Krishnamurthy Vaidyanathan, and Mr. Alok C Jena as its member with Ms. Huzan Mistry as its Chairperson. The terms of reference of Audit Committee are as per the provisions contained in the Act and SEBI (LODR) Regulations, 2015. The Committee met four time during the year i.e. May 19, 2022, August 05, 2022, November 11, 2022 and February 02, 2023 respectively.

The details of the attendance of members of Audit Committee at their meetings held on the above dates are given hereunder: -

Name	Number of meetings attended
Mr. Anand Sinha	1 out of 1
Mr. Alok C Jena	4 out of 4
Mr. Krishnamurthy Vaidyanathan	3 out of 4
Ms. Huzan Mistry	2 out of 2

Terms of reference of the Audit Committee inter alia include the following:

- a) The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- b) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- c) Examination of the financial statement and the auditors' report thereon with particular reference to:
 - i) matters required to be included in the director's responsibility statement to be included in the board's report;
 - ii) changes, if any, in accounting policies and practices and reasons for the same;
 - iii) major accounting entries involving estimates based on the exercise of judgment by management;
 - iv) significant adjustments made in the financial statements arising out of audit findings;
 - v) compliance with listing and other legal requirements relating to financial statements;
 - vi) disclosure of any related party transactions;
 - vii) modified opinion(s) in the draft audit report;
- d) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- e) Approval or any subsequent modification of transactions of the company with related parties;
- f) Scrutiny of inter-corporate loans and investments (if any);
- g) Valuation of undertakings or assets of the company, wherever it is necessary;
- h) Evaluation of internal financial controls, risk management systems and risk-based auditing;
- i) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- j) formulation and review of Compliance policy and ensuring adherence with the same;
- k) Monitoring the end use of funds raised through public offers, right issue, preferential

issue and reviewing the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and making appropriate recommendations to the board to take up steps in this matter;

- l) Oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- m) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- n) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- o) discussion with internal auditors of any significant findings and follow up there on;
- p) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- q) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- r) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- s) to review the functioning of the whistle blower mechanism;
- t) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(B) Nomination and Remuneration Committee: -

As per SECC Regulations, the Nomination & Remuneration Committee (NRC) shall consist of Public Interest Directors and shall be chaired by a Public Interest Director. However, Independent External Person(s) may be part of the Committee for the limited purpose of recommendation relating to selection of Managing Director; wherein the number of PIDs shall not be less than the Independent External Persons.

Further, as per requirements of the Act, the Company is required to constitute NRC consisting of three or more non-executive directors out of which not less than one-half shall be independent directors. The Chairman of NRC shall be different from Chairman of the Board. The NRC was constituted by the Board for the purpose of discharging its functions required under both the Act and under SEBI requirements.

The NRC has laid down the policy for compensation of employees including Key Management Personnel in terms of the compensation norms prescribed by the SEBI. The NRC has also laid down performance evaluation criteria for the Board of Directors, individual directors (including independent directors) and Committees of the Board of Directors.

NRC comprises three Directors viz., Ms. Huzan Mistry, Mr. Srinivasan Varadarajan and Mr. Krishnamurthy Vaidyanathan as its members with Ms. Huzan Mistry as its Chairperson. The Committee met four times during the year i.e. May 19, 2022, August 05, 2022, October 12, 2022 and February 02, 2023 respectively.

The details of the attendance of members of NRC at their meetings held on the above dates are given hereunder: -

Name	Number of meetings attended
Mr. Srinivasan Varadarajan	4 out of 4
Mr. Anand Sinha	2 out of 2
Mr. Krishnamurthy Vaidyanathan	3 out of 4
Ms. Huzan Mistry	2 out of 2

The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Act, SEBI (LODR) Regulations, 2015 and the SECC Regulations.

The brief terms of reference of NRC are as follows:

A) Terms of reference as per the Act: -

The NRC shall -

- i. identify persons who are qualified to become directors;
- ii. recommend to the Board appointment and removal of Directors in accordance with policy and criteria laid down;
- iii. recommend to the Board appointment and removal of personnel in Senior Management in accordance with Policy and criteria laid down;
- iv. specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- v. formulate the criteria for determining qualifications, positive attributes and independence of a director
- vi. recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees

B) Terms of reference as per SECC Regulations: -

The NRC shall -

- i. Identifying a Key management personnel, other than personnel as specifically provided in its definition under SECC Regulations, 2018
- ii. Laying down the policy for compensation of key management personnel in terms of the compensation norms prescribed by SEBI.
- iii. Determining the compensation of KMPs in terms of the compensation policy
- iv. Determining the tenure of a key management personnel, other than a director, to be posted in a regulatory department.
- v. Selecting the Managing Director.
- vi. Framing & reviewing the performance review policy to carry out evaluation of every director's performance, including that of Public Interest Director (PID).
- vii. Recommending whether to extend the term of appointment of the PID.
- viii. Besides the above, it will also discharge the function as Nomination & Remuneration Committee under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as amended from time to time.

(C) Risk Management Committee (RMC): -

In terms of SEBI requirements, the Clearing Corporation is required to constitute a Risk Management Committee inter alia to formulate a detailed risk management policy. The Risk Management Committee shall comprise of the Public Interest Directors (PID) and independent

external persons (IEP) and shall report to the Governing Board. The number of PIDs shall not be less than the number independent external persons.

The RMC was formed by the Board of Directors on April 15, 2022. The Committee consist of Ms. Huzan Mistry (PID) (Chairperson), Mr. Vaidyanathan Krishnamurthy (PID), Mr. Srinivasan Varadarajan (PID), Mr. Rahul Ghosh (IEP) and Mr. Siddhartha Roy (IEP). The Committee met two time during the year i.e. December 30, 2022 and February 02, 2023 respectively. Chairperson will be appointed in the meeting of the committee.

The details of the attendance of members of RMC at their meetings held on the above dates are given hereunder: -

Name	Number of meetings attended
Mr. Srinivasan Varadarajan	2 out of 2
Mr. Krishnamurthy Vaidyanathan	2 out of 2
Ms. Huzan Mistry	2 out of 2
Mr. Siddhartha Roy	2 out of 2
Mr. Rahul Ghosh	2 out of 2

The brief terms of reference of RMC are as follows: -

- To formulate a detailed Risk Management Policy which shall be approved by the Governing Board. Such detailed Risk Management Policy shall, inter-alia, include:
 - A framework for identification of internal and external risks specifically faced by the CC, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
 - Measures for risk mitigation including systems and processes for internal control of identified risks;
 - Business continuity plan
- To review the Risk Management Framework & Risk Mitigation Measures from time to time.
- To monitor and review Enterprise-wide Risk Management Plan and lay down procedures to inform Board members about the risk assessment and minimisation procedures.
- The Head of the Risk Management department shall report to the Risk Management Committee and to the Managing Director of the Clearing Corporation.
- The Committee shall monitor implementation of the Risk Management Policy and keep the SEBI and the Governing Board informed about its implementation and deviation, if any.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the CC;
- To monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of Risk Management Systems;
- To periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

(D) Stakeholders Relationship Committee (SRC): -

In terms of regulations 20 of SEBI (LODR) Regulations, 2015, ARCL is required to constitute a Stakeholders Relationship Committee inter alia to look into various aspects of interest of shareholders and other security holders.

The Stakeholders Relationship Committee was constituted by the Board of Directors on April 15, 2022. The committee was constituted with Ms. Huzan Mistry (PID), Mr. Alok C Jena (Shareholder Director) and Managing Director.

The brief terms of reference of Stakeholders Relationship Committee are as follows:

- Resolving the grievances of the security holders of the CC including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the CC in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the CC

No complaints were received from investors during the financial year 2022-23.

No SRC meeting was held during the financial year 2022-23.

4) Management Discussion and Analysis

The Annual Report has a detailed report on Management Discussion and Analysis.

5) CEO/CFO Certification

The CEO and CFO certification of the financial statements for the financial year 2022-23 is enclosed at the end of the report.

6) General Body Meetings

a) location and time, where last three annual general meetings held; The First Annual General Meeting (AGM) was held on November 22, 2022.

b) whether any special resolutions passed in the previous three annual general meetings; Following Special resolutions were passed in the previous Annual General Meeting:

- i. Approval of issue of shares on private placement basis.
- ii. Alterations of the Articles of Association of the Company.

The Company did not pass any resolution through postal ballot in the last year. The requirement of passing any resolution by postal ballot is not applicable to ARCL as the number of shareholders of ARCL is less than 200.

7) Means of Communication

ARCL has been granted recognition by SEBI vide letter dated January 16, 2023 for one year effective from January 17, 2023. ARCL will adhere to the means of communication as specified by SEBI.

8) General Shareholder Information

a) **Annual General Meeting:** - The Second Annual General of ARCL will be held on Friday, September 15, 2023, at 04.30 p.m. through Video Conferencing or Other Audio Visual Means. The deemed venue for the 02nd Annual General Meeting shall be the Registered Office of the Company. For further details, please refer to the Notice convening this AGM.

b) **Financial Year:** - The Financial Year of ARCL is 01st April to 31st March.

c) **Dividend Payment date:** Not Applicable. As per Regulation 22E of SECC Regulations, 2018 Company cannot declare dividend for first five years from the date of grant of recognition by the Board. Also, as per the in-principle authorization received from RBI vide its letter dated October 07, 2022, ARCL shall not distribute profits in any manner to its shareholders until the networth criteria of INR 300 Crores is achieved.

d) **Registrar and Transfer Agent:** The address for communication and contact details of the Registrar and Transfer Agent are as under:

KFin Technologies Limited

Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, Telangana. Tel No.:- 91 40 6716 1602

e) **Share Transfer system:** The Equity Shares of ARCL are in dematerialized form.

f) **Distribution of shareholding:**

Sr. No	Category (No. of shares)	Shareholders		Shares held	
		No. of holders	% of Total	No. of Shares	% of Total
1	1-5000	1	0.0008	1,200	0.0008
2	10001-20000	5	0.0730	1,09,789	0.0730
3	50001-100000	4	0.1962	3,05,400	0.1962
4	100001 & Above	28	99.7300	14,95,83,611	99.7200
Total		38	100	150,00,00,000	100

g) **Dematerialization of shares:** The Company's shares are fully dematerialised.

h) **Plant Location:** None

i) **Address for correspondence:** 204, 205 & 206, The Empire Business Centre, 414, Empire Complex, Senapati Bapat Marg, Lower Parel(W) Mumbai 400013.

j) Email ID: vedantk@arclindia.com

9) OTHER DISCLOSURE:

a) Basis of related party transactions

All transactions executed by the Company with the related parties during the financial year ended March 31, 2023 were in the ordinary course of business and on an arms' length and details of the same are provided in the notes to financial statements.

b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by SEBI or any other statutory authority on any matter related to capital markets during the last three years:

None

c) Vigil mechanism / Whistle Blower Policy

The Company is committed to adhere to the highest standards of ethical, moral, and legal conduct of business operations. To maintain these standards, AMC Repo encourages employees who have concerns about suspected misconduct, to come forward and express these concerns without fear of punishment or unfair treatment.

Below mentioned are the guidelines for Vigil Mechanism: -

1. Employee should first try to resolve complaints with their Reporting Authority.
2. If the employee prefers, he/ she may elect to file a verbal or written complaint with the HR / Management.
3. A detailed description of the offensive conduct should be provided along with facts/ evidence that can be shared.
4. Disciplinary action may be required to ensure an effective resolution and compliance with this policy.
5. Any communication in respect of alleged wrongful conduct should be addressed to the Chairman of the Audit Committee of the Company.

d) Compliance with the mandatory and non-mandatory requirements:

ARCL has rigorously stood by the core principles of corporate governance and considers integrity, transparency, fairness, accountability and adherence to the law as the pillars of its business practices.

<http://www.arclindia.com/spages/Disclosures/PolicyonMaterialityandDealingwithRPT.pdf>

e) Loans and Advances:

During the period under review the company has not given any loans and advances.

f) Subsidiary Companies

As on March 31, 2023, ARCL has no subsidiary.

g) Disclosure of Accounting Treatment in the preparation of Financial Statements

ARCL follows the guidelines of Accounting Standards laid down by the Central Government under the provisions of Section 133 of the Companies Act, 2013 in the preparation of its financial statements.

- h) As required under Clause 10(i) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018, ARCL obtained a certificate from a Company Secretary in practice that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.**

The same is given as an Annexure to the Board's Report.

- i) The Board has accepted recommendations of its committees, made during FY 2022-23, which are mandatorily required to be accepted.**
- j) ARCL has no subsidiary, the details of the total fees for all services payable by ARCL to the statutory auditor are given below: -**

Particulars	Amount
Audit Fees	INR 3,56,780/-
Certification Matters	INR 10,000/-
Total	INR 3,66,780/-

- k) As of March 31, 2023, no complaint was filed during FY under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and hence no complaint was disposed-off and pending as at the end of FY 2023.**

l) CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE NORMS

- i) As required under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, ARCL has obtained Corporate Governance compliance certificate from a Practicing Company Secretary. The same is given as an Annexure to the Board's Report.**
- ii) As required under Clause 10(i) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018, ARCL obtained a certificate from a Company Secretary in practice that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The same is given as an Annexure to the Board's Report.**
- m) The Board has accepted recommendations of its committees, made during FY 2022-23, which are mandatorily required to be accepted.**
- n) A declaration signed by Company Secretary & Compliance officer of the Company stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of board of directors and senior management is attached herewith and forms part of the Corporate Governance Report.**



Annexure C - SECRETARIAL AUDIT REPORT

FORM NO. MR-3

Secretarial Audit Report

For the Financial Year ended March 31st, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule

No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
AMC REPO CLEARING LIMITED
204, 205 & 206, The Empire Business Centre,414,
Empire Complex, Senapati Bapat Marg, Lower Parel(W)
Mumbai - 400013

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AMC REPO CLEARING LIMITED (CIN - U65929MH2021PLC359108)** (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period for the Financial Year ended 31st March, 2023 ("period under review") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended 31st March, 2023 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018;
 - b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;



- c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulation 1993 regarding the Act and dealing with client;
- d. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company during the period under review);**
- e. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable to the Company during the period under review);**
- f. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not Applicable to the Company during the period under review);**
- g. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the period under review);**
- h. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the period under review);**
- i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the period under review);**
- j. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the period under review);**

Having regard to the compliance system prevailing in the Company, I further report that on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the same.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Companies Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. as mentioned above.

I further report that

The Board of Directors of the Company is in accordance with the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018. The changes in the composition of the Board of Directors took place during the period under review were carried out in compliance with the applicable provisions.

Adequate Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.



All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable rules, laws, regulations and guidelines.

I further report that during the review period, the following events have occurred:

- i. The Company had filed PN03 application with Department of Economic Affairs ('DEA') for allotment of shares to Baroda BNP Paribas Asset Management India Private Limited and Invesco Asset Management (India) Private Limited, the parent company of both these companies being situated in Hong Kong, thereby sharing land border with India. The DEA has approved the PN03 application vide its letter dated July 26, 2022.
- ii. The Board nominated Ms. Padma Raghunathan (DIN: 07248423) and Ms. Huzan Mistry (DIN: 09208069) as woman director under Public Interest Director category of the Company for approval to SEBI for a term of three years in terms of Chapter V of Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2018, accordingly the Company received approval from SEBI vide its letter dated October 06, 2022 for appointment of Ms. Huzan Mistry as woman director w.e.f. October 08, 2022.
- iii. Resignation of Mr. Ananth Kamath as Chief Financial Officer of the Company w.e.f. August 12, 2022.
- iv. Resignation of Mr. Anand Sinha as Chairman of the Company w.e.f. August 06, 2022.
- v. The Board at its meeting held on August 05, 2022 approved the offer and issue upto 21,70,823 Equity Shares of Face Value of Rs. 10 each on private placement basis for cash amounting to Rs. 2,17,08,230 to Baroda BNP Paribas Asset Management India Private Limited, Invesco Asset Management (India) Private Limited, Indiabulls Asset Management Co. Ltd and HDFC Asset Management Co. Ltd.
- vi. The Board at its meeting held on November 14, 2022 nominated Mr. Srinivasan Varadarajan as the Chairperson of Governing Board in accordance with Regulation 23(2) of Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2018 and the same is approved by SEBI on December 19, 2022.
- vii. Members of the Company at the Annual General Meeting held on November 22, 2022 approved the alteration of Articles of Association of the Company and appointed Ms. Huzan Mistry as Independent Director on the Board of the Company for a period of three years effective from October 08, 2022.
- viii. Allotment of 21,70,823 Equity Shares of face value of INR 10 each aggregating to INR 2,17,08,230 on Private Placement basis to Baroda BNP Paribas Asset Management India Private Limited, Invesco Asset Management (India) Private Limited, Indiabulls Asset Management Co. Ltd and HDFC Asset Management Co. Ltd.



- ix. SEBI vide its letter dated January 16, 2023 has renewed the recognition of the Company as Limited Purpose Clearing Corporation for a period of one year commencing on January 17, 2023 and ending on January 16, 2024.
- x. Resignation of Mr. Ritesh Rajendra Kadam as Company Secretary & Compliance Officer of the Company w.e.f. January 27, 2023.
- xi. Appointment of Mr. Rajendra Utpat as Chief Financial Officer & Key Managerial Personnel of the Company w.e.f. February 02, 2023.
- xii. The Board nominated Mr. Indra Chourasia and Mr. Kashinath Katakdhond as Managing Director of the Company for approval to SEBI for a period of 5 years. The Company has received the approval from SEBI vide its letter dated March 27, 2023 for appointment of Mr. Kashinath Katakdhond as Managing Director of the Company.

Sd/-

Hitesh J. Gupta

Practicing Company Secretary

M No. A33684

CP No.12722

UDIN: A033684E000297805

Date: May 12, 2023

Place: Mumbai

Note: This report is to be read with my letter of even date which is annexed as '**Annexure - A**' and forms an integral part of this report.



Annexure – A to Secretarial Audit Report

**To,
The Members,
AMC REPO CLEARING LIMITED
204, 205 & 206, The Empire Business Centre,414,
Empire Complex, Senapati Bapat Marg, Lower Parel(W)
Mumbai - 400013**

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Sd/-
Hitesh J. Gupta
Practicing Company Secretary
M No. A33684
CP No.12722
UDIN: A033684E000297805
Date: May 12, 2023
Place: Mumbai**

Annexure D

STATEMENT PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 AND RULE 5(2) AND 5(3) THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED MARCH 31, 2023

A) Details of Top Ten Employees in terms of remuneration drawn: -

Sr. No	Employee Name	Designation	Gross Remuneration paid	Educational Qualifications	Experience (yrs)	Date of Joining	Age	Previous Employment and Designation
1	Mr. Natarajan Ramasamy#	Chief Executive Officer	96,00,000 [^]	CFA, FRM Diploma in Business Finance, M.Sc (Ag)	37 years	May 26, 2021	62	Head-Risk Analysis & Operations NSE Clearing Limited
2	Mr. Deepak Upadhyay#	Head – Risk (Vice President)	41,09,997 [^]	B.Sc., CFA, FRM	20 years	October 29, 2021	42	Junior VP Clearing Corporation of India Limited
3	Ms. Shweta Bhatt*#	Head – Operations (Senior Manager)	4,23,387 [^]	PGDBM, M.Com	17 years	January 19, 2023	39	Senior Manager M Clear
4	Mr. Rajendra Utpat#	Chief Financial Officer (Senior Manager)	9,40,000 [^]	B. Com, CA, CPA, MBA, Diploma in IFRS	18 years	August 01, 2022	48	Senior Manager Accounts Indian Commodity Exchange Ltd
5	Mr. Vivek Visariya@	Senior Executive Officer - Operations	1,66,695	PGDM, BBI	3 years	December 08, 2022	25	Management Trainee M Clear
6	Mr. Hari Shrinivasan Iyer	Accounts & Finance	3,30,000	B. Com	31 years	December 08, 2021	58	Accountant Shilpa Global Pvt Ltd

*Joined Company w.e.f. January 19, 2023

@Joined Company w.e.f. December 08, 2022

[^] This includes fixed as well as variable pay

Note:

- 1) None of the employees mentioned above is a relative of any Director.
- 2) Employees, whose names are marked with # are Key Management Personnel under Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (SECC Regulations).

3) None of the above employees is holding any equity share in the company within the meaning of clause (iii) of sub-rule 2 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

B) DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23:

Not Applicable.

The Company currently has 3 Independent Directors (Public Interest Director) and 1 Non-Executive Director (Shareholder Director). The Company paid only sitting fees to the Independent Director and Non-Executive Director and no remuneration was paid to them.

ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Sr. No.	Name of Employee	Designation	Percentage increase in remuneration
1.	Mr. Ritesh Kadam (Till January 27, 2023)	Company Secretary	7.50%
2.	Mr. Ananth Kamath (Till August 12, 2022)	Chief Financial Officer	12.00%

iii) The percentage increase in the median remuneration of employees in the financial year:
7.50%

iv) The number of permanent employees on the rolls of company:

As on March 31, 2023, there are 6 employees on the rolls of the Company.

v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Nil

Note: KMPs under Companies Act, 2013 and KMPs under SECC Regulations are considered as managerial personnel.

vi) Affirmation that the remuneration is as per the remuneration policy of the Company;

The remuneration is as per the remuneration policy of the Company.

Annexure E

INFORMATION REQUIRED UNDER REGULATION 27(5) & (6) OF THE SECURITIES CONTRACTS (REGULATION) (STOCK EXCHANGES AND CLEARING CORPORATIONS) REGULATIONS, 2018

Sr. No	KMP Name	KMP Compensation	Median of compensation of all employees	Ratio of median of compensation of all employees against KMP compensation
1	Mr. Natarajan Ramasamy	96,00,000	20,69,323	4.64
2	Mr. Deepak Upadhyay	41,09,997	20,69,323	1.98
3	Mr. Rajendra Utpat	9,40,000	20,69,323	0.45
4	Ms. Shweta Bhatt	4,23,387	20,69,323	0.20



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
AMC Repo Clearing Limited
204, 205 & 206, The Empire Business
Centre, 414, Empire Complex
Senapati Bapat Marg, Lower Parel (W)
Mumbai - 400013

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of AMC Repo Clearing Limited having CIN U65929MH2021PLC359108 and having registered office at 204, 205 & 206, The Empire Business Centre, 414, Empire Complex, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment in the Company
1	Mr. Srinivasan Varadarajan	00033882	09/12/2021
2	Mr. Krishnamurthy Vaidyanathan	00693204	09/12/2021
3	Ms. Huzan Mistry	09208069	08/10/2022
4	Mr. Alok Chandra Jena	09327319	09/12/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Purwar & Purwar Associates LLP
[Unique Identification No. L2023MH013700]
[PR: 3174/2023]

Sd/-
Pradeep Kumar Purwar
Designated Partner
DPIN: 01179697
CoP. No.: 5918
FCS No.: 5769
UDIN: F005769E00027600

Date: May 12, 2023

Place: Thane

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND KEY
MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

I hereby confirm that the Company has obtained from all the members of the Board and Key Management Personnel, affirmation that they have complied with the code of conduct for the Financial Year 2022-23.

For the purpose of this declaration, KMP's includes the Senior Management Personnel as defined in the SEBI Listing Regulations, 2015.

Date: May 12, 2023
Place: Thane

Sd/-
Name: Vedant Kamulkar
Company Secretary & Compliance officer

CEO – CFO Certification

To
The Board of Directors,
AMC Repo Clearing Limited
204, 205 & 206, The Empire Business Centre, 414,
Empire Complex, Senapati Bapat Marg, Lower Parel (W), Mumbai 400013

Dear Sir/ Madam,

Pursuant to the requirement of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby certified that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materiality untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2023, which are fraudulent, illegal and violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee that:
 - (i) There were no significant changes in internal control over financial reporting during the year ended March 31, 2023;
 - (ii) There were no significant changes in accounting policies during the year ended March 31, 2023;
 - (iii) There were no instances of significant fraud of which we have become aware and there are no instances of involvement of the management or any employee having as significant role in the Company's internal control system over financial reporting.

For AMC Repo Clearing Limited

For AMC Repo Clearing Limited

**Sd/-
Kashinath Katakdhond
Managing Director**

**Sd/-
Rajendra Utpat
Chief Financial Officer**

Date: May 12, 2023

Place: Mumbai



CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
AMC Repo Clearing Limited
204, 205 & 206, The Empire Business
Centre, 414, Empire Complex,
Senapati Bapat Marg, Lower Parel (W),
Mumbai 400013

1. This certificate is issued in accordance with the terms of our engagement letter dated 27th April, 2023.
2. We, Purwar & Purwar Associates LLP, Company Secretaries in Practice, have examined the compliance of conditions of Corporate Governance by **AMC Repo Clearing Limited** ('the Company'), to the extent applicable, for the year ended on 31st March 2023, as stipulated by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('LODR Regulations 2015').

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the LODR Regulations 2015.

Auditors' responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

6. Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in LODR Regulations 2015 to the extent applicable to the Company during the year ended 31st March, 2023.



7. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Purwar & Purwar Associates LLP
[Unique Identification No. L2023MH013700]
[PR: 3174/2023]

Sd/-
Pradeep Kumar Purwar
Designated Partner
DPIN: 01179697
CoP. No.: 5918
FCS No.: 5769
UDIN: F005769E000727589

Date: May 12, 2023
Place: Thane

Management Discussion and Analysis

GLOBAL ECONOMY: In recent years, the global economy has faced significant challenges such as the COVID-19 pandemic and Russia's invasion of Ukraine, resulting in unforeseen consequences. Major economies experienced high levels of inflation due to surging commodity prices and supply disruptions. Central banks, including the Federal Reserve, responded by tightening monetary policy, albeit at a slower pace initially and accelerated increase later, to combat inflation. However, the rapid increase in interest rates has put stress on the financial system, leading to concerns about financial stability. Recent failures of banks in the United States and the loss of confidence in Credit Suisse have shaken financial markets, causing depositors and investors to reassess the safety of their holdings and move away from vulnerable institutions and investments. On a positive note, the impact of the Russia-Ukraine conflict on energy prices is subsiding, Brent crude is trading below USD 80 per barrel for most part of second half of FY 2022-23, leading to a downward pressure on inflation. Additionally, global food prices and other commodity prices have eased, and the reopening of the Chinese economy and inflation normalization in most countries have contributed to global growth. The global economy is projected to grow by 2.8% in 2023 and 3.0% in 2024, with advanced economies expected to grow at 1.3% and 1.4% respectively. Emerging markets and developing economies grew by 4.0% in 2022 and are projected to grow by 3.9% and 4.2% in 2023 and 2024. Low-income developing countries are expected to achieve a GDP growth rate of 5.1% during FY 2023-24. Global inflation is forecasted at 7.0% in 2023, while the growth in world trade volume is expected to decline from 5.1% in 2022 to 2.4% in 2023 due to reduced global demand and the impact of the pandemic and the Ukraine conflict. The financial sector in many countries remains vulnerable to the rise in real interest rates in the coming months. Global financial conditions tightened in mid-March 2023, with US and German 2-year yields reaching their highest levels since 2007 and 2008 respectively. The US stock market, particularly the S&P500, rallied on expectations of less aggressive actions from the US Federal Reserve. European stock markets outperformed the US market due to diminishing concerns about a recession. Emerging market equities performed similarly to developed markets. Bond yields in the UK and Germany tracked the US market, while Japanese bond yields remained range bound. Bond yields in emerging markets exhibited two-way movements, influenced by both domestic monetary tightening and global cues. In the currency market, the US dollar traded lower in March due to concerns about financial stability.

Indian Macroeconomic Overview

India's real GDP growth for the FY 2022-23 is projected to be 7% according to the National Statistical Office (NSO) in its second advance estimates. The agriculture sector saw a growth of 3.3%, with record food grain production. However, the manufacturing sector contracted, resulting in sluggish industrial activity. The service sector performed well, growing at 9.3% due to contact-intensive services and construction activity. The Reserve Bank of India (RBI) projects a real GDP growth of 6.5% for the FY 2023-24.

Multiple institutions have provided growth projections and assessments for India's economy. The Asian Development Bank (ADB) forecasts a moderate GDP growth rate of 6.4% in 2023, followed by a rise to 6.7% in 2024, driven by private consumption and investment supported by government initiatives. Deloitte emphasizes the need for increased investment to achieve sustainable growth and expects India to grow at a moderate pace of 6.0%-6.5% in FY 2023-24. The World Bank anticipates India's growth at 5.9% in FY 2023-24, with potential for a favourable decade despite global

uncertainties. Moody's has raised its growth projection for 2023 to 5.5% due to higher capital expenditure and strong economic momentum. These assessments highlight various factors shaping India's growth trajectory and provide a range of growth estimates for the coming years.

CPI inflation remained elevated, driven by volatile vegetable prices and input cost pass-through. However, it moderated towards the end of the financial year due to falling international commodity prices and government measures. Merchandise exports grew by 6% to \$447.46 billion, while imports increased by 16.5% to \$714 billion in FY 2022-23. The Indian rupee depreciated against the US dollar due to global uncertainties and portfolio outflows. Despite previous quarters of sluggish growth, India is expected to be a major growth driver in 2023, supported by domestic demand and government expenditure.

The government's focus on capital expenditure, increased manufacturing capacity utilization, credit growth, and moderation in commodity prices are expected to boost manufacturing and investment activity. High-frequency indicators, such as PMIs, indicate sustained expansion in both manufacturing and services. However, unemployment remains a concern, standing at 8.11% in April 2023. While government initiatives support India's growth, external challenges such as global economic slowdown and monetary tightening in advanced economies may impact the country's growth.

The Indian rupee has shown stability due to strong macroeconomic fundamentals and the resilience of the Indian economy. Retail inflation (CPI) for 2023 was slightly above the RBI's upper tolerance band but eased to an 18-month low of 4.7% YoY in April 2023, with core inflation also decreasing the effects of global economic slowdown and the Russia-Ukraine conflict have influenced India's economic performance, with real GDP growth estimated at 6.8% for FY 2022-23 and projected at 6.5% for FY 2023-24 by the RBI.

Policy rate was raised to 6.50% from 4% by RBI MPC in gradual rate hike since May 2022 to tame inflation which has been of 6.50% to 7.79% in most of FY 2022-23 but has of late started to fall and in April CPI print was at 4.7%. Hence in April MPC there was no increase in policy rate. RBI in its April MPC policy minutes have projected CPI inflation for FY 2023-24 as Q1 at 5.1 per cent, Q2 at 5.4 per cent, Q3 at 5.4 per cent and Q4 at 5.2 per cent. Upside risk to this projection might be due to below normal monsoons and Oil prices staying above USD 85/Barrel for major period of FY 2023-24.

According to the Reserve Bank of India (RBI), both businesses and consumers in India are optimistic about the future outlook. However, there are concerns regarding external demand due to slowing global trade and output. Protracted geopolitical tensions, tight global financial conditions, and volatility in global financial markets also pose risks to the economic outlook. Considering these factors, the RBI projects the real GDP growth for the financial year 2023-24 to be 6.5%. The growth rates for each quarter are projected as follows: Q1: 7.8%, Q2: 6.2%, Q3: 6.1%, and Q4: 5.9%. However, there are downside risks to this projection, including higher oil prices, a global recession, and below-normal monsoon rainfall.

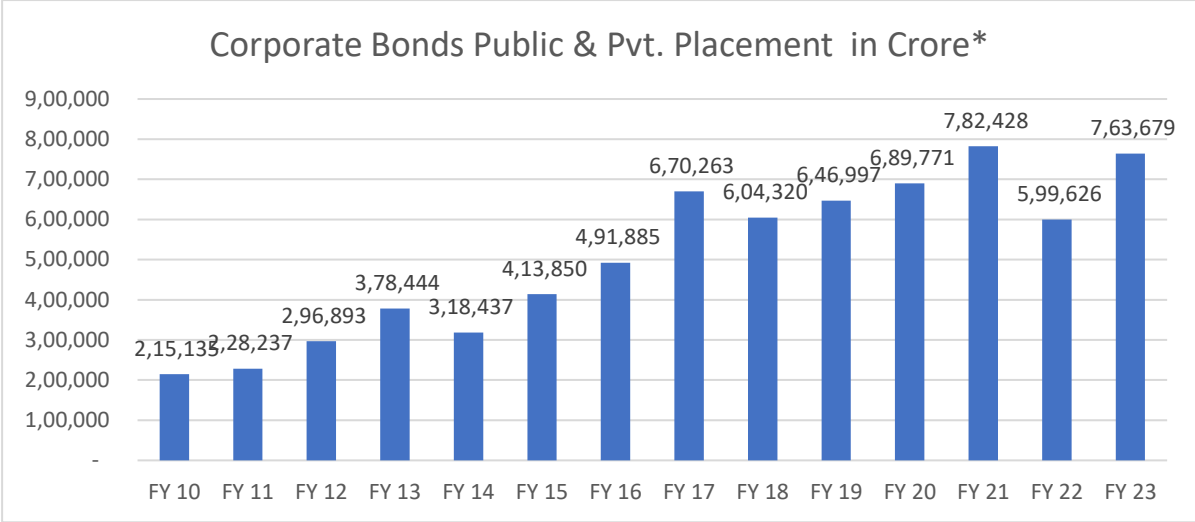
With outlook for inflation in coming year FY 2023-24 moderating but still expected to remain above 5% Central bank is not expected to hike the policy repo rate from current level of 6.5%. Central bank is expected to keep rate at current levels till end of 2023 and might start a gradual rate cut cycle at the start of year 2024. 10 Year yields have already moved lower by almost 50 basis point to 7% but short-term yields are still higher and yield curve is almost flat. 10-year yields are expected to trade in

a range of 6.75% to 7.25 % in FY 2023-24 with an upside risk on account of Oil prices moving significantly higher.

Corporate Bond market in India:

Primary issuance:

Figure 1:

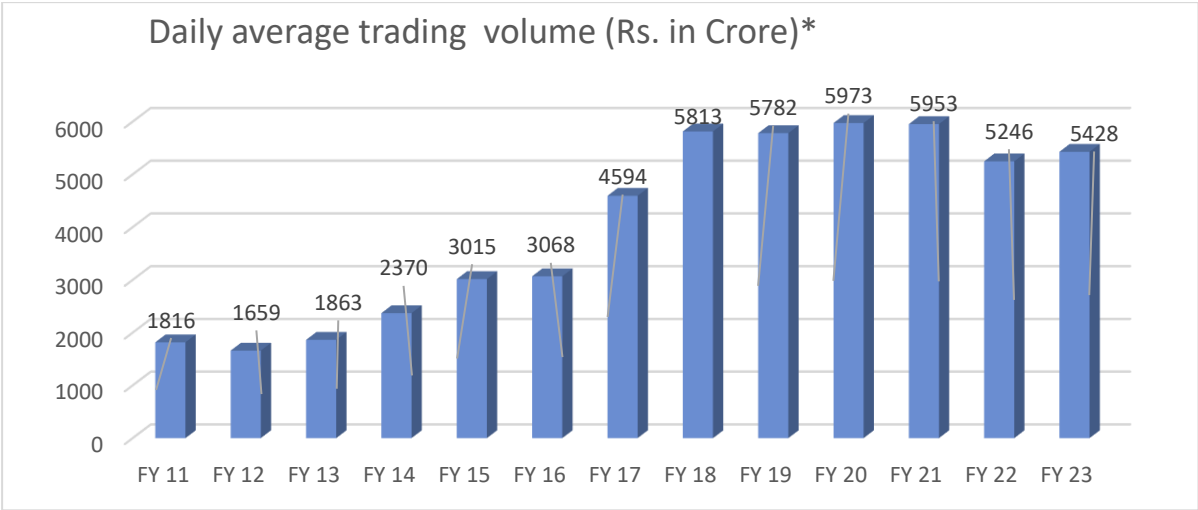


***Source SEBI Website*

The private placement which represents more than 90% of the total issuances has registered CAGR of 12 % since 2008-2009 when the reporting of OTC trades on the exchange platforms and settlement of OTC trades through clearing corporations of exchanges were mandated by the regulators till FY 2020-21. Corporate bond issuance has been increasing year on year from 2010 as per the figure 1 data, with few periods of flat growth and a period of sharp decline in FY 2021-22 when issuances decreased by 23% over issuance of FY 2020-21. The reason for this can be attributed to lower capacity utilization post COVID induced lockdowns and uncertainty regarding future demand and hence capacity creation. Bond issuances have almost increased to levels of FY 2020-21 in FY 2022-23. As global funding cost is turning higher due to higher rates in other geographies as well as risk aversion from global financial institutions and Indian economy is expected to grow better than the most of major global economies in FY 2023-24. Hence FY 2023-24 might witness increase in Fund raise through corporates bonds from domestic markets.

Secondary Market:

Figure 2:



** Source SEBI website

On comparison of daily average trading volumes in secondary market for corporate bonds with outstanding value of corporate bonds which is very small, 0.20% as compared to outstanding corporate bonds. A liquid secondary corporate bond market will help in increasing the activity in the primary market also, by attracting more investments and better price discovery.

Corporate Bond Repo Trade:

Period	Average daily Corporate bond repo Volumes in Crores
2020-21	692
2021-22	1013
2022-23	492

Average daily traded volumes in corporate bond repo OTC market are very low and are liquid for top rated issuers only. Inability to raise funds vide repo in corporate bonds is one the major reasons hindering the development of secondary corporate bond markets. A vibrant corporate bond repo market will help increase liquidity in the secondary market for corporate bonds.

Comparing the development of repo in government securities market, the average daily volume in repo in government securities [both triparty repo (TREPS) and market repo (CROMS)] for the FY 2022-23 is around Rs. 3,48,623 Crore which is approximately 2.35 percent of the outstanding government (State, GOI Securities & TBILLS) securities. Whereas the daily volume in repo in corporate bonds for the FY 2022-23 is around Rs 492 crore which represents 0.01 percent of outstanding corporate bonds. Hence there exists a good potential for development of corporate bond repo market.

ARCL Triparty Repo in Corporate Debt Securities was launched by the Hon’ble Finance Minister Smt. Nirmala Sitharaman on July 28, 2023. ARCL will be offering the clearing and guaranteed settlement services for Triparty Repo with Corporate debt securities as underlying collaterals. Currently, there are seven Clearing Members which are Trust Financial Consultancy Services Private Limited, East India

Securities Limited, Axis Bank Limited, State Bank of India, ICICI Securities Primary Dealership Limited, Derivium Tradition Securities India Private Limited and AK Stockmart Private Limited and five Participants (Direct Clients) which are Aditya Birla Sun Life Mutual Fund, HDFC Mutual Fund, Kotak Mutual Fund, Nippon India Mutual Fund and SBI Mutual Fund. On the first day there was INR 480 Crore trade. The major risks that the clearing corporation would face, is the credit risk of the issuers i.e. default in coupon payment and/or redemption payment on the due dates by the issuer of the underlying collateral against which the borrowing is done by members of the clearing corporation and simultaneously the member also defaults in repayment obligation on the repayment of borrowing done through repo market. The clearing corporation addresses these issues by prescribing various prudential limits for members for their borrowing and lending and in respect of collateral for borrowing. In addition to that, the company has setup Core Settlement Guarantee Fund (Core SGF) as per the guidelines issued by SEBI through various circulars. The core SGF will be used to meet any eventual loss as per the default waterfall mechanism as defined by SEBI.

INDEPENDENT AUDITOR’S REPORT

**To the Members of
AMC REPO CLEARING LIMITED**

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **AMC REPO CLEARING LIMITED (“the Company”)**, which comprises the balance sheet as at March 31, 2023, the statement of Profit and Loss and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit and its cashflow for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 35 of the financial statements, which inter-alia states that the Company is required to get itself registered under section 45-IA of the Reserve Bank of India Act, 1934. However, it has not obtained this registration. Our opinion is not modified in respect of this matter.



Key Audit Matters

Key audit matters (“KAM”) are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Other Information

The Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report, but does not include the standalone financial statements and our auditors’ report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibility for the standalone financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement,



whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, in our opinion, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material



uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.;
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.



- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.



- v. The Company has not declared or paid any dividend during the financial year.
There is no non-compliance with section 123 of the Companies Act, 2013.

For M. P. Chitale & Co
Chartered Accountants
Firm Reg. No. 101851W



Santosh More
Partner

M. No. 114236

Place: Mumbai

Date: May 12, 2023

UDIN: 23114236BGYKOX1301



“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2023:

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- 1) In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies between the books records and the physical records have been noticed.
 - (c) The Company does not own any immovable property. Therefore, this sub-clause is not applicable;
 - (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Therefore, reporting under this sub-clause is not applicable;
 - (e) According to the representation received from the Company, there are no proceedings which have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;
- 2)
 - (a) The Company is engaged in the business of offering clearing and settlement services for all trades executed on triparty repo in corporate debt securities. Accordingly, it does not hold any physical inventories. Consequently, the reporting regarding inventories under clause 3(ii) (a)of CARO is not applicable to the Company.
 - (b) According to the books of accounts and other records verified by us, the Company has never been sanctioned any working capital limits during any point of time of the audit period from any bank or financial institution. So reporting under clause 3(ii)(b) of the Order is not applicable;



- 3) According to information and explanations given to us, the Company has not made any investment in, or provided any guarantee or security or granted any loans or advances in the nature of loans, either secured or unsecured, to companies, firms, limited Liability partnership or any other parties. Consequently, the reporting under clause 3(iii) of the Order is not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 of the Companies Act, 2013 In respect of loans, investments, guarantees and securities.
- 5) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. Hence, reporting under clause 3(vi) of the Order is not applicable to the Company.
- 7) In respect of statutory dues:
 - (a) According to information and explanations given to us and on the basis of our examination of the books of accounts, and records, the Company has been generally regular in depositing undisputed statutory dues including Goods and Services tax, Provident Fund, Employees State Insurance, Income-Tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the records of the company and information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2023 for a period of more than six months from the date on when they become payable.
 - (b) According to the information and explanation given to us, there are no statutory dues referred to in sub clause (a) of this clause outstanding on account of any dispute.



- 8) According to the information and explanations given to us and the records of the Company examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);
- 9) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender. According to the information and explanations given to us and on the basis of audit procedures performed by us, we report that the company has not been declared as the willful defaulter by any bank or financial institution or government or any government authority. The Company has not taken any loan either from financial institutions or from the government or from any other lender and has not issued any debentures. Therefore, reporting under sub clause (b), (c), (d) and (e) is not applicable in case of the Company.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised money by way of initial public offer. The company has made private placement of shares during the year and it has complied with the requirements of section 42 and section 62 of the Companies Act, 2013 and the funds raised have been used for the purposes for which they were raised.
- 11) (a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the records maintained by the Company, there are no whistle blower complaints received during the year by the company. Therefore, no such complaints are required to be considered by the auditor;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.



- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) (a) According to the information and explanations given by the management, the Company has established the internal audit system commensurate with the size and nature of its business;
- (b) We have considered the report of the internal auditor for the period under audit while preparing our report.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) (a) In our opinion, considering the definition of “principal business” provided by the Reserve Bank of India (“RBI”) vide press release 1998-99/1269 dated April 8, 1999, which is further clarified in a response to an FAQ as given by the RBI, the company is required to get itself registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). However, it has not obtained this registration and the reason for the same is explained by the Company in note 35 attached to the financial statements.
- (b) Based on the audit procedures performed by us, we are of the opinion that the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;
- (c) in our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, reporting under this sub clause is not applicable to the Company;
- 17) The Company has not incurred any cash losses during the financial year under reporting. However, as reported in the first audited financial statement of the Company, it had incurred a cash loss amounting to Rupees 11,525 thousand during the preceding financial reporting period.



- 18) There is no resignation of statutory auditors during the year; Therefore, in our opinion, reporting under clause 3(xviii) of the Order is not applicable to the Company;
- 19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- 20) In our opinion, the provisions of section 135 of the Act regarding Corporate Social Responsibilities are not applicable to the Company. Therefore, reporting under sub clause (a) and (b) of clause 3(xx) of the Order is not applicable to the Company;
- 21) The Company does not have any subsidiary or an associate Company. On the basis of audit procedures performed by us and the records produced by the Company, in our opinion the requirement of preparation of Consolidated Financial Statements ("CFS") as prescribed under section 129(3) of the Act is not applicable to the Company. Therefore, in our opinion, reporting under this clause is not applicable in case of the Company;

For M. P. Chitale & Co
Chartered Accountants
Firm Reg. No. 101851W



Santosh More
Partner

M. No. 114236

Place: Mumbai

Date: May 12, 2023

UDIN: 23114236BGYKOX1301



“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of AMC REPO CLEARING LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

To the Members of
AMC REPO CLEARING LIMITED.

We have audited the internal financial controls over financial reporting of AMC REPO CLEARING LIMITED (“the Company”) as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of



the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For M. P. Chitale & Co
Chartered Accountants
Firm Reg. No. 101851W



Santosh More
Partner

M. No. 114236

Place: Mumbai

Date: May 12, 2023

UDIN: 23114236BGYKOX1301



AMC Repo Clearing Limited
CIN U65929MH2021PLC359108
Audited Balance Sheet as at March 31,2023

			(Figures in Rs. thousands)	
Particulars	Note No.	As at 31.03.2023	As at 31.03.2022	
<u>I. Equity and Liabilities</u>				
Shareholders' Funds				
Share Capital	2	15,00,000	14,78,292	
Reserves and Surplus	3	26,669	(11,801)	
Non Current Liabilities				
Provision for Gratuity payable		536	-	
Current Liabilities				
Trade Payables				
A) Total outstanding dues of micro and small enterprises	4	30	93	
B) Total outstanding dues of creditors other than micro and small enterprises		333	1,766	
Other Current Liabilities	5	526	1,124	
Short Term Provisions	6	15,947	-	
TOTAL		15,44,041	14,69,474	
<u>ii. ASSETS</u>				
Non-current Assets				
Property Plant and Equipment		175	376	
Intangible Assets	7	88	238	
Capital Work - in - progress		-	-	
Intangible assets under development		-	-	
Non Current Investments				
Deferred Tax Asset (Net)	8	871	9	
Other Non-Current Assets	9	1,051	911	
Current Assets				
Current Investments	10	14,74,757	14,24,341	
Cash and cash equivalents	11	3,808	23,569	
Short term Loans and Advances	12	3,850	1,772	
Other Current Assets	13	59,442	18,257	
TOTAL		15,44,041	14,69,474	

See accompanying notes to financials statements.

The accompanying notes form an integral part of the Financial statements

As per our attached report of even date

For M.P. CHITALE & CO

Firm Registration Number : 101851W

Chartered Accountants

Sd/-

Santosh More

Partner

Membership Number: 114236

For and on behalf of the board of

AMC REPO CLEARING LIMITED

Sd/-

Srinivasan Varadarajan

Director

DIN:00033882

Sd/-

Kashinath Katakdhond

Managing Director

DIN:07716501

Sd/-

Natarajan Ramasamy

Chief Executive Officer

Sd/-

Rajendra Utpat

Chief Financial Officer

Place: Mumbai

Date: May 12,2023

Sd/-

Vedant Kamulkar

Company Secretary

AMC Repo Clearing Limited
CIN U65929MH2021PLC359108
Statement of Profit & Loss for the year ended March 31,2023

Particulars	Note No.	(Figures in Rs. thousands)	
		Year ended March 31, 2023 Audited	Year ended March 31, 2022 Audited
Revenue:			
Revenue from Operations		-	-
Other Income	14	89,861	28,290
Total Revenue		89,861	28,290
Expense			
Employee Benefits expense	15	19,855	12,620
Premium Amortisation		8,821	
Depreciation and amortization expense	7	413	285
Other expenses	16	10,254	27,194
Total Expenses		39,343	40,100
Profit before Exceptional, Extraordinary items & Tax		50,518	(11,810)
Exceptional Items		-	-
Profit before Extraordinary items & Tax		50,518	(11,810)
Extraordinary items		-	-
Profit before Tax		50,518	(11,810)
Tax Expense:			
Current Tax		12,830	-
Deferred Tax Charge / (Credit)		(861)	(9)
Prior period tax		80	
Profit/(Loss) for the period from continuing operations		38,469	(11,801)
Profit/ (Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations			
Profit/(Loss) from discontinuing operations (after tax)		-	-
Profit for the period		38,469	(11,801)
Earnings per share			
Basic		0.26	-0.08
Diluted		0.26	-0.08

See accompanying notes to financials statements.

The accompanying notes form an integral part of the Financial statements

As per our attached report of even date
For M.P. CHITALE & CO
Firm Registration Number : 101851W
Chartered Accountants

Sd/-
Santosh More
Partner
Membership Number: 114236

Place: Mumbai
Date: May 12,2023

For and on behalf of the board of
AMC REPO CLEARING LIMITED

Sd/-
Srinivasan Varadarajan
Director
DIN:00033882

Sd/-
Natarajan Ramasamy
Chief Executive Officer

Sd/-
Vedant Kamulkar
Company Secretary

Sd/-
Kashinath Katakdhond
Managing Director
DIN:07716501

Sd/-
Rajendra Utpat
Chief Financial Officer

AMC Repo Clearing Limited CIN U65929MH2021PLC359108 CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023		
Particulars	(Figures in Rs. Thousands)	
	Year ended 31.03.2023	Year ended 31.03.2022
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxation	50,518	(11,810)
Adjustments for:		
Depreciation on Property Plant & Equipment (PPE)	(413)	(285)
Premium Amortisation	(8,821)	
Interest received / accrued	(89,861)	(28,290)
Operating Profit / (Loss) before Working Capital changes	(30,109)	(39,815)
Adjustments for:		
(Increase) / Decrease in Trade Receivables	-	-
(Increase) / Decrease in Inventories	-	-
Increase / (Decrease) in Other Current Liabilities	(599)	1,124
Increase / (Decrease) in Short Term Provisions	15,947	-
(Increase) / Decrease in Short Term Loans & Advances	(2,078)	(1,772)
(Increase) / Decrease in Other Non Current Assets	(29,772)	(16,349)
Increase / (Decrease) in Other Non Current Liabilities	536	-
Increase / (Decrease) in Trade Payables	(14,405)	1,859
Cash generated from Operations	(60,480)	(54,953)
Income Tax Paid	(11,553)	(2,819)
Net Cash Inflow from / (outflow) from Operating Activities	(72,032)	(57,771)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets & capital advances	(62)	(900)
Proceed / (Repayment) of Non Current Investment		-
Investments	(59,237)	(14,24,341)
Net Cash used in Investing Activities	(59,299)	(14,25,241)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	21,708	14,78,292
Share Application money		-
Interest received / (payment)	89,861	28,290
Proceeds / (Repayments) of borrowings (net)		-
Net Cash used in financing activities	1,11,569	15,06,581
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(19,762)	23,569
Cash and cash equivalents at the beginning of the year	23,569	-
Cash and cash equivalents at the end of the year (see Note 1)	3,808	23,569
NOTES:		
1) Cash and cash equivalents comprise of:		
Cash in hand	-	0
Cash at Bank	3,808	23,569
Fixed Deposits		-
	3,808	23,569
See accompanying notes to financials statements.		
The accompanying notes form an integral part of the Financial statements		
Notes: 1. Cash Flow Statement has been prepared under indirect method as set out in the Accounting Standard - 3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.		
As per our attached report of even date For M.P. CHITALE & CO Firm Registration Number : 101851W Chartered Accountants	For and on behalf of the board of AMC REPO CLEARING LIMITED	
Sd/- Santosh More Partner Membership Number:114236	Sd/- Srinivasan Varadarajan Director DIN:00033882	Sd/- Kashinath Katakdhond Managing Director DIN:07716501
	Sd/- Natarajan Ramasamy Chief Executive Officer	Sd/- Rajendra Utpat Chief Financial Officer
Place: Mumbai Date: May 12,2023	Sd/- Vedant Kamulkar Company Secretary	

AMC Repo Clearing Limited
CIN U65929MH2021PLC359108

Notes forming part of the Balance sheet as at 31st March 2023 and Profit and Loss Account for the year ended on that date

NOTE 1 : COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

Background

AMC Repo Clearing Ltd (“the Company”) has been incorporated on 17th April 2021. It has registered office at 204, 205 & 206, The Empire Business Centre, 414, Empire Complex, Senapati Bapat Marg, Lower Parel(W) Mumbai - 400013 and its CIN is U65929MH2021PLC359108. The Company is to act as a Central Counter Party (CCP) offering clearing and settlement services for all trades executed on triparty repo in corporate debt securities with robust risk management along with guarantee mechanism.

i) Basis of Preparation of Accounts:

These financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘Act’).

The accounts have been prepared on historical cost basis using the accrual basis of accounting. The preparation of financial statements as per this policy requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets / inputs for processing and their realisation in cash and cash equivalents, the Company has ascertained its normal operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

ii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the company, and that there is reasonable certainty of collection, and it can be reliably estimated. Revenue from services rendered is recognized on an accrual basis as and when the services are rendered.

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

AMC Repo Clearing Limited
CIN U65929MH2021PLC359108

Notes forming part of the Balance sheet as at 31st March 2023 and Profit and Loss Account for the year ended on that date

iii) Property, plant and equipment:

Tangible Property, plant and equipment are stated at the cost of acquisition less accumulated depreciation. Cost includes incidental expenses incurred during the acquisition/ installation, and excludes taxes and duties for which credit has been claimed.

Intangible assets are recorded at the consideration paid for acquisition of such asset and are carried at cost less accumulated amortisation and impairment.

iv) Depreciation:

Depreciation on tangible property, plant and equipment is provided on pro-rata basis using the Written Down Value (WDV) basis over the useful life as specified in Schedule II of Companies Act, 2013.

The useful life considered by the Company for different asset categories is as follows :

Assets type	Useful Lives (in years)
Laptop & desktops	3
Server & networks	6
Furniture	10
Office equipment	5
Software	3

v) Impairments

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, management estimates the recoverable amount. Recoverable amount is higher of an asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss to the extent carrying amount exceeds recoverable amount. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or many have decreased.

AMC Repo Clearing Limited
CIN U65929MH2021PLC359108

Notes forming part of the Balance sheet as at 31st March 2023 and Profit and Loss Account for the year ended on that date

vi) Employee Benefits

Short-term employee benefits including salaries, wages, bonus and other benefits are recognised as expenses at the actual value as per contractual terms & charged to the profit and Loss Account for the year in which the related service is rendered. The employees are eligible for leave as per leave policy of the company. The un-utilised leave can be carried forward and utilised during the course of employment. No encashment is allowed of unutilised leave for the current year.

vii) Accounting for Taxes

Tax expenses comprises of current tax expense and deferred tax charge or credit. Provision for Current Taxation is based on the taxable profits if any of the Company computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax on timing difference between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the reporting date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

viii) Investments

Long term investments are stated at cost, and provision for diminution is made when in the management's opinion there is a decline, other than temporary, in the carrying value of such investments. Current investments are valued at lower of cost and net realizable value.

ix) Provision and Contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed. Contingent assets are not recognised in the financial statements.

AMC Repo Clearing Limited
CIN U65929MH2021PLC359108

Notes forming part of the Balance sheet as at 31st March 2023 and Profit and Loss Account for the year ended on that date

x) Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

xi) Miscellaneous Expenditure Including Share Issue Expenses

Preliminary and other miscellaneous expenses and share issue expenses are written off as and when incurred in accordance with the requirements of accounting standard 26.

xii) Goods and Services Tax (GST)

The Goods and Services Tax, namely CGST, SGST and IGST, hereinafter referred to as GST, was levied on the sale of products and services rendered by the Company and as per the provisions of the applicable GST Act. The Input tax Credit was claimed in respect of eligible expenses and shall be adjusted against the GST payable as per the provisions of the applicable GST Act. The unutilised input credit under the GST provisions as on the Balance Sheet date was disclosed as other current asset in the Balance Sheet.

xiii) Cash and Cash Equivalents

Cash is defined to include cash on hand and demand deposits with banks. Cash Equivalents are defined as short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Further, bank balances include balances held as margin money or security against borrowings , guarantees & other commitments.

AMC Repo Clearing Limited
CIN U65929MH2021PLC359108

Notes forming part of the Balance sheet as at 31st March 2023 and Profit and Loss Account for the year ended on that date

Note 2

Share Capital	(Figures in Rs. thousands)	
Particulars	31.03.2023	31.03.2022
<u>Authorised:</u>		
15,00,00,000 Equity Shares of Rs.10/- each fully paid up.	15,00,000	15,00,000
	15,00,000	15,00,000
<u>Issued, Subscribed and Paid-up:</u>		
15,00,00,000 Equity Shares of Rs.10/- each fully paid up. (Previous year 14,78,29,177 Equity Shares of Rs.10/- each fully paid up.)	15,00,000	14,78,292
	15,00,000	14,78,292

i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particular	31.03.2023		31.03.2022	
	No. of Shares	Amount in '000'	No. of Shares	Amount in '000'
At the beginning of the period	14,78,29,177	14,78,292	-	-
Add: Equity shares issued during the year	21,70,823	21,708	14,78,29,177	14,78,292
Less: Shares bought back during the year	-	-	-	-
Outstanding at the end of the period	15,00,00,000	15,00,000	14,78,29,177	14,78,292

ii) Terms and Rights attached to equity shares

The Company has only one class of equity shares having a par value of 10/- each. Each holder of equity share is entitled to one vote per share. The distribution will be in proportion to the number of equity shares held by the shareholders.

AMC Repo Clearing Limited
CIN U65929MH2021PLC359108

Notes forming part of the Balance sheet as at 31st March 2023 and Profit and Loss Account for the year ended on that date

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

iv) Details of shareholders holding more than 5% shares in the Company:				
Name	31.03.2023		31.03.2022	
	No.	% holding	No.	% holding
HDFC ASSET MANAGEMENT COMPANY LIMITED	2,25,00,000	15.00%	2,21,74,376	15.00%
ICICI PRUDENTIAL ASSET MANAGEMENT COMPANY LIMITED.	2,14,71,482	14.31%	2,14,71,482	14.52%
SBI FUNDS MANAGEMENT LIMITED	1,99,60,682	13.37%	1,99,60,682	13.50%
ADITYA BIRLA SUN LIFE AMC LIMITED	1,68,45,294	11.23%	1,68,45,293	11.40%
KOTAK MAHINDRA ASSET MANAGEMENT CO LIMITED	1,25,25,600	8.35%	1,25,25,600	8.47%
IDFC ASSET MANAGEMENT COMPANY LIMITED	1,02,43,895	6.29%	1,02,43,895	6.93%
NIPPON LIFE INDIA ASSET MANAGEMENT LIMITED	92,58,783	6.17%	92,58,783	6.26%
AXIS ASSET MANAGEMENT COMPANY LIMITED	90,30,696	6.02%	90,30,696	6.11%

iii) Details of promoter's shareholders holding in the Company:

Name	31.03.2023		31.03.2022	
	No.	% holding	No.	No.
HDFC ASSET MANAGEMENT COMPANY LIMITED	2,25,00,000	15.0%	2,21,74,376	15.00%
ICICI PRUDENTIAL ASSET MANAGEMENT COMPANY LIMITED	2,14,71,482	14.3%	2,14,71,482	14.52%
SBI FUNDS MANAGEMENT LIMITED	1,99,60,682	13.3%	1,99,60,682	13.50%
ADITYA BIRLA SUN LIFE AMC LIMITED	1,68,45,294	11.2%	1,68,45,293	11.40%
KOTAK MAHINDRA ASSET MANAGEMENT CO LIMITED	1,25,25,600	8.4%	1,25,25,600	8.47%
IDFC ASSET MANAGEMENT COMPANY LIMITED	1,02,43,895	6.8%	1,02,43,895	6.93%

AMC Repo Clearing Limited
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Notes forming part of the Balance sheet as at 31st March 2023 and Profit and Loss Account for the year ended on that date

Name	31.03.2023		31.03.2022	
	No.	% holding	No.	% holding
AXIS ASSET MANAGEMENT COMPANY LIMITED	90,30,696	6.0%	90,30,696	6.11%
UTI ASSET MANAGEMENT COMPANY LIMITED	59,38,800	4.0%	59,38,800	4.02%
DSP INVESTMENT MANAGERS PRIVATE LIMITED	37,34,496	2.5%	37,34,496	2.53%
L&T INVESTMENT MANAGEMENT LIMITED	33,81,396	2.3%	33,81,396	2.29%
EDELWEISS ASSET MANAGEMENT LIMITED	31,81,083	2.1%	31,81,082	2.15%
TATA ASSET MANAGEMENT PRIVATE LIMITED	29,74,800	2.0%	29,74,800	2.01%
LIC MUTUAL FUND ASSET MANAGEMENT LIMITED	14,21,796	0.9%	14,21,796	0.96%
MIRAE ASSET INVESTMENT MANAGERS INDIA PRIVATE LIMITED	6,60,900	0.4%	6,60,900	0.45%
HSBC ASSET MANAGEMENT (INDIA) PVT LIMITED	6,46,393	0.4%	6,46,393	0.44%
BARODA BNP PARIBAS ASSET MANAGEMENT INDIA PRIVATE	8,70,500	0.6%	5,99,100	0.41%
CANARA ROBECO ASSET MANAGEMENT COMPANY LIMITED	5,69,496	0.4%	5,69,496	0.39%
SUNDARAM ASSET MANAGEMENT COMPANY LIMITED	5,79,096	0.4%	5,19,300	0.35%
MAHINDRA MANULIFE INVESTMENT MANAGEMENT PRIVATE LIMITED	3,54,600	0.2%	3,54,600	0.24%
JM FINANCIAL ASSET MANAGEMENT LIMITED	3,26,583	0.2%	3,26,583	0.22%
IDBI ASSET MANAGEMENT LIMITED	2,09,796	0.1%	2,09,796	0.14%
PGIM INDIA ASSET MANAGEMENT PRIVATE LIMITED	1,81,200	0.1%	1,81,200	0.12%
UNION ASSET MANAGEMENT COMPANY PRIVATE LIMITED	1,70,883	0.1%	1,70,883	0.12%
PPFAS ASSET MANAGEMENT PRIVATE LIMITED	1,09,683	0.1%	1,09,683	0.07%
BOI AXA INVESTMENT MANAGERS PVT LIMITED	1,07,496	0.1%	1,07,496	0.07%
MOTILAL OSWAL ASSET MANAGEMENT	99,300	0.1%	99,300	0.07%
TRUST ASSET MANAGEMENT PVT LIMITED	77,400	0.1%	77,400	0.05%

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Notes forming part of the Balance sheet as at 31st March 2023 and Profit and Loss Account for the year ended on that date

Name	31.03.2023		31.03.2022	
	No.	% holding	No.	% holding
QUANTUM ASSET MANAGEMENT CO PRIVATE LIMITED	67,200	0.0%	67,200	0.05%
IIFL ASSET MANAGEMENT LIMITED	61,500	0.0%	61,500	0.04%
PRINCIPAL ASSET MANAGEMENT PRIVATE LIMITED (Trf to Sundaram Assets Management Company Ltd)			59,796	0.04%
ESCORTS ASSET MANAGEMENT LIMITED	25,596	0.0%	25,596	0.02%
ITI ASSET MANAGEMENT LIMITED	15,000	0.0%	15,000	0.01%
NAVI AMC LIMITED	11,893	0.0%	11,893	0.01%
WHITEOAK CAPITAL ASSET MANAGEMENT LIMITED	8,700	0.0%	8,700	0.01%
TAURUS ASSET MANAGEMENT COMPANY LIMITED	1,200	0.0%	1,200	0.00%
FRANKLIN TEMPLETON ASSET MANAGEMENT(INDIA) PRIVATE LIMITED	8,02,983	0.5%	8,02,983	0.54%
INVESCO ASSET MANAGEMENT (INDIA) PRIVATE LIMITED	15,25,199	1.0%		
INDIABULLS ASSET MANAGEMENT COMPANY LIMITED	48,600	0.0%		
RADHIKA GUPTA (Trf to EDELWEISS ASSET MANAGEMENT LIMITED)			1	0.00%
VENKATESH N S (Trf to ADITYA BIRLA SUN LIFE AMC LIMITED)			1	0.00%
Total	15,00,00,000	100%	14,78,29,177	100%

AMC Repo Clearing Limited
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Notes forming part of the Balance sheet as at 31st March 2023 and Profit and Loss Account for the year ended on that date

Note 3 Reserves and Surplus

(Figures in Rs. thousands)

Particulars	31.03.2023	31.03.2022
Securities Premium Account		
Balance at the beginning of the period		-
Add: Further issue during the year		-
Balance at the end of the period		-
Surplus in Statement of Profit and Loss		
Balance at the beginning of the period	(11,801)	-
Add: Adjustments during the year		
Add: Transfer fom Statement of Profit & Loss	38,470	(11,801)
Less: Appropriations to Core Settlement Guarantee fund	26,669	(11,801)
Balance at the end of the period	(11,801)	(11,801)
Contribution to Core Settlement Guarantee Fund		
Add -Appropriation from Profit &Loss Account	38,470	
Balance at the end of the period	38,470	-
Total Reserve and Surplus	26,669	(11,801)

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Notes forming part of the Balance sheet as at 31st March 2023 and Profit and Loss Account for the year ended on that date

(Figures in Rs. Thousands)

Note 4	Trade Payable	As at 31.03.2023					As at 31.03.2022				
		Outstanding for the following periods from due date of payment					Outstanding for the following periods from due date of payment				
		Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years
	I) MSME	30.05				30.05	92.70	-	-	-	92.70
	II) Others	333.26				333.26	1,766.45	-	-	-	1,766.45
	III) Disputed Dues - MSME					-	-	-	-	-	-
	IV) Disputed Dues - Others					-	-	-	-	-	-

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Notes forming part of the Balance sheet as at 31st March 2023 and Profit and Loss Account for the year ended on that date

(Figures in Rs. thousands)

Note 5 Other Current Liabilities

Particulars	31.03.2023	31.03.2022
Professional Tax	20	1
TDS on Professional Fees	83	293
TDS on Salary	393	665
TDS on Rent	30	30
GST	-	135
	526	1,124

Note 6 Short Term Provision

Particulars	31.03.2023	31.03.2022
Provision for Employee Benefits		
KMP Performance Incentive payable	2,249	-
Provision for Leave Encashment	551	-
Provsion for Expenses	317	-
Income tax Provsion AY 2023-24	12,830	-
	15,947	-

Note 8 Deferred Tax Asset (Net)

Particulars	31.03.2023	31.03.2022
Deferred Tax Asset / (Liability)		
On Account of Depreciation	31	9
On account of expenses	840	-
Net Deferred Tax Asset	871	9

Note 9 Other Non Current Assets

Particulars	31.03.2023	31.03.2022
Security deposit	1,051	911
	-	-
	1,051	911

Note 10 Current Investments

Particulars	31.03.2023	31.03.2022
Investment in Government or trust securities (Quoted)		
Investment in Tbill & G-sec at Cost (FMV as on 31st March 2023 is INR13,40,653.64 & Previous Year FMP was INR Rs. 48,850.57)	13,21,257	48,741
Other Investments (Unquoted)		
Fixed Deposits with Banks	1,53,500	13,75,600
	14,74,757	14,24,341

Note 11 Cash and Bank Balance

Particulars	31.03.2023	31.03.2022
Cash and Cash Equivalents		
Balances with Banks	3,808	23,569
Cash on Hand	-	0
	3,808	23,569

Note 12 Short Term Loans & Advances

Particulars	31.03.2023	31.03.2022
Goods & Service Tax Input Tax Credit	3,377	1,298
Prepaid Expenses	473	442
Other advances and recoverable amounts	-	32
	3,850	1,772

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Notes forming part of the Balance sheet as at 31st March 2023 and Profit and Loss Account for the year ended on that date

Note 7 : Property, plant and equipment and Intangible assets

(Figures in Rs. Thousands)

Particulars	Rate	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 1st April 2022	Additions	Deletion/ Adjustments	As at 31st March 2023	As at 1st April 2022	For the year	Deletion/ Adjustments	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
Property, plant and equipment											
Computer & Accessories	63.16%	553	62		615	177	262		439	175	376
Intangible Assets					347	108	151	-	259	88	238
Intangible - Software	63.16%	347									
TOTAL		900	62	-	962	285	413	-	698	263	614
Previous year figures			900	-	900	-	285	-	285	614	-

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Notes forming part of the Balance sheet as at 31st March 2023 and Profit and Loss Account for the year ended on that date

(Figures in Rs. thousands)

Note 13 Other Current Assets

Particulars	31.03.2023	31.03.2022
Accrued Interest	45,070	15,438
TDS AY 2022-23	-	2,819
TDS A.Y 2023-24	1,499	
Advance Income Tax F.Y.2022-23	12,872	
	59,442	18,257

Note 14 Other Income

Particulars	31.03.2023	31.03.2022
Interest Income		
Interest on FD	14,990	28,187
Discount amortisation on T-Bill	27,691	103
Interest From Govt Securities	47,070	-
Other Misc Income	111	
	89,861	28,290

Note 15 Employee Benefit Expenses

Particulars	31.03.2023	31.03.2022
Salaries and Wages	18,624	12,615
Gratuity	536	
Leave Encashment	675	
Staff Welfare Expenses	19	6
	19,855	12,620

Note 16 Other Expenses

Particulars	31.03.2023	31.03.2022
Priliminary Expenses		15,189
Advertising Expenses	281	71
Director Sitting Fees	2,850	1,100
GST Expense	-	159
DPM- Software Application Fees	-	86
Printing Stationery	34	64
Processing & Custody fees	158	40
Legal and Professional Fees	1,736	8,463
Professional Tax	3	3
Travelling Charges	15	23
Website design & Maintanance charges	96	150
Rent	3,564	1,342
Technical Related Expenses	955	274
ROC filling Fees	13	-
Application fees RBI	10	-
Miscellaneous Charges	172	121
<u>Audtiors' Remuneration:</u>		
Audit Fees	357	100
Others	10	10
	10,254	27,194

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Notes forming part of the Balance sheet as at 31st March 2023 and Profit and Loss Account for the year ended on that date

17. Earnings Per Share (EPS)

Earnings per share are calculated by dividing the profit/ (loss) attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the period. The numbers used in calculating the basic and diluted earnings per Equity Share are as follows:

Particulars	31.03.2023	31.03.2022
	(Amount in '000')	
Net Profit/(Loss) for calculation of Basic and Diluted EPS	38,470	(11,801)
Weighted average number of equity shares outstanding during the period	14,83,34,711	14,78,29,177
Basic and Diluted Earnings per share (Face Value - Rs. 10 each)	0.26	(0.08)

18. Details of Dues to micro and small enterprises as defined under the MSMED Act, 2006

Trade Payable and Liabilities for expenses include Rs.30,048/- (Previous Year Rs. 92,700/-) due to any small scale industrial undertaking none of the said dues are outstanding for more than 15 days. The said information regarding small scale industrial undertaking has been determined to the extent such parties have been identified on basis of information available with the company.

19. Segment Reporting

The Company is operating under one geographical segment and one business segments. Therefore, segment reporting on geographical and business basis are not applicable.

20. In the opinion of the directors and to the best of their knowledge and belief, the value on realization of Current Assets, Loans and Advances, in the ordinary course of business, would not be less than the amount at which they are stated in the balance sheet and provision for all known liabilities is adequate.

21. Transactions in Foreign currencies

Particulars	31.03.2023	31.03.2022
Expenses in Foreign Currency	NIL	NIL
Earning in Foreign Exchange	NIL	NIL

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Notes forming part of the Balance sheet as at 31st March 2023 and Profit and Loss Account for the year ended on that date

22. Details of movement in provisions and contingencies

Particular	Opening Balance 01.04.2022	Addition during the year	Settlement during the year	Closing Balance 31.03.2023
	Amount in '000'			
Provision for Employee Benefits	-	3,336.66	-	3,336.66
Provision for Expenses	2033.45	317.25	2033.45	317.25
Provision for Income Tax	-	12,909.61	79.95	12,829.66

Particular	Opening Balance 01.04.2021	Addition during the year	Settlement during the year	Closing Balance 31.03.2022
	Amount in '000'			
Provision for Expenses	-	2033.45	-	2033.45

23. Related Party Disclosures

i) Parties that exercise Control

Name of the Party	Relationship	w.e.f date
Anand Sarveshwar Sinha till 06-Aug-2022	Chairman, Public Interest Director	9-Dec-2021
Srinivasan Varadarajan	Public Interest Director	9-Dec-2021
Krishnamurthy Vaidyanathan	Public Interest Director	9-Dec-2021
Alok Chandra Jena	Shareholder Director	9-Dec-2021
Huzan Mistry	Public Interest Director	8-Oct-2022
Natarajan Ramaswamy	CEO, Key Managerial Personnel	23-Mar-2022
Ritesh Rajendra Kadam till 27-Jan-2023	Company Secretary (KMP)	9-Dec-2021
Ananth Kamath till 12 -Aug-2022	CFO (KMP)	31-Mar-2022
Rajendra Utpat	CFO (KMP)	02-Feb-2023

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Notes forming part of the Balance sheet as at 31st March 2023 and Profit and Loss Account for the year ended on that date

ii) Transactions with Related Parties

Particulars	Amount in '000'			
	Transactions for F.Y 2022-23	Balance As On 31.03.2023	Transactions for F.Y 2021-22	Balance As On 31.03.2022
Remuneration to KMP				
Natarajan Ramasamy	9,600	NIL	237	NIL
Ritesh Kadam till 27-Jan 23	1,112	NIL	464	NIL
Ananth Kamath till 12 Aug 22	199	NIL	2	NIL
Rajendra Utpat w.e.f 02-Feb 23	246	NIL	0	NIL

Particulars	Amount in '000'			
	Transactions for F.Y 2022-23	Balance As On 31.03.2023	Transactions for F.Y 2021-22	Balance As On 31.03.2022
Director Sitting Fees				
Anand Sarveshwar Sinha till 06-Aug 22	250	NIL	300	NIL
Srinivasan Varadarajan	800	NIL	300	NIL
Krishnamurthy Vaidyanathan	600	NIL	300	NIL
Alok Chandra Jena	700	NIL	200	NIL
Huzan Mistry w.e.f 08- Oct 22	500	NIL	0	NIL

24. Contingent liabilities and commitments:

Particular	Amount in "000"	
	31.03.2023	31.03.2022
(i) Contingent liabilities:		
(a) Claims against the company not acknowledged as debt;	NIL	NIL
(b) Guarantees;	NIL	NIL
(c) Other money for which the company is contingently liable	NIL	NIL
(ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;	NIL	NIL
(b) Uncalled liability on shares and other investments partly paid	NIL	NIL
(c) Other commitments: Rental payment	2,433	5,643

25 Ratios		31.03.2023			31.03.2022		Variation	Reasons for variation of >25%
	Particular	Numerator / Denominator	Amount in '000'(Rs.)	Ratio	Amount in '000'(Rs.)	Ratio		
a	Current Ratio	<u>Current Assets</u> Current Liabilities	<u>67,099</u> 16,836	3.99	<u>43,598</u> 2,983	14.61	-73%	Improvement in current ratio due to better management of assets
b	Return on Capital Employed	<u>Earning Before Interest & Tax</u> Capitall Employed	<u>50,518</u> 15,26,669	3.3%	<u>(11,810)</u> 14,66,491	0.64%	419%	Increase in Treasury Income resulted in this improvement
c	Return on Equity	<u>Net Profit after tax</u> Shareholder's Equity	<u>38,469</u> 15,26,669	2.5%	<u>(11,810)</u> 14,66,491	0.64%	296%	Increase in Treasury Income resulted in this improvement
d	Net Profit Ratio	<u>Net Profit</u> Turnover	<u>38,469</u> -		<u>(11,801)</u> -	Not Applicable		Not Applicable
e	Debt - Equity Ratio	<u>Total Debt</u> Shareholder's Equity	<u>-</u> 15,26,669		<u>-</u> 14,66,491	Not Applicable		Not Applicable
f	Debt Service Coverage Ratio	<u>Net Oprating Income</u> Total annual Debt Obligation	<u>-</u> -		<u>-</u> -	Not Applicable		Not Applicable
g	Inventory turnover Ratio	<u>Total Sales</u> Average inventory	<u>-</u> -		<u>-</u> -	Not Applicable		Not Applicable
h	Trade Receivable Turnover Ratio	<u>Net credit sales</u> Average trade recievables	<u>-</u> -		<u>-</u> -	Not Applicable		Not Applicable
i	Trade Payables Turnover Ratio	<u>Net credit purchases</u> Average trade payables	<u>-</u> 182		<u>-</u> 930	Not Applicable		Not Applicable
j	Net capital turnover Ratio	<u>Net Annual Sales</u> Working capital	<u>-</u> 14,81,526		<u>-</u> 14,46,699	Not Applicable		Not Applicable
k	Return on Investment	<u>Net Return on Investment</u> Cost of Investment	<u>89,861</u> 14,74,757	6.09%	<u>28,290</u> 14,24,341	1.99%	207%	Increase in Treasury Income resulted in this improvement

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Notes forming part of the Balance sheet as at 31st March 2023 and Profit and Loss Account for the year ended on that date

26. Transaction with Struck off company

The company has not entered into transaction with any of the struck off companies under section 248 of The Companies Act, 2013 and hence disclosure related to the same is not given.

27. The Company has not traded or invested in crypto currency or virtual currency during the financial year.

28. There are no transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

29. There are no charges or satisfaction of charges yet to be registered with Registrar of Companies beyond statutory period.

30. The company has not borrowed anything from banks and financial institutions.

31. The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.

32. No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

33. Corporate Social Responsibility (CSR)

As the company does not meet the criteria of Section 135 of The Companies Act 2013, The company is not required to comply with the CSR requirements.

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Notes forming part of the Balance sheet as at 31st March 2023 and Profit and Loss Account for the year ended on that date

34.The Company has received final approval from Reserve Bank Of India (RBI), vide letter dated February 28,2023 for providing central Counterparty (CCP) services for clearing and settlement of repo transactions in the corporate debt securities that are dealt with or traded on recognised stock exchanges.

35.The Financials assets of the Company are more than 50 percent of the total assets of the Company and income from such financial assets is more than 50 percent of the gross income of the Company. This situation triggered the provision of section 45-IA of the Reserve Bank of India Act, 1934 regarding the registration of the Company as non-banking financial institution. However, this situation is temporary in nature and will change when the Company commences its business operations in the coming financial year. Further, the Company is authorised under the Payment and settlement system Act 2007 for providing central Counterparty (CCP) services for clearing and settlement of repo transactions in the corporate debt securities that are dealt with or traded on recognised stock exchange and does not intend to function as a non-banking financial institution and therefore it has not applied for any such registration.

36.The Company has transferred Profit after tax Rs. 3,84,69,759/-(Previous Year Rs. Nil) to Core Settlement Guarantee Fund as per direction SEBI Circular No-SEBI/HO/MRD2/DCAP/CIR/P/2020/245 dated December 21,2020.

37.Balances with Trade Receivables, Current & Non-assets and Trade Payables & Other current Liabilities are subject to confirmation by the concerned parties and subsequent reconciliation / adjustments if any.

38. Additional information pursuant to the Provision of Schedule III of the Companies Act, 2013 is either NIL or Not Applicable.

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Notes forming part of the Balance sheet as at 31st March 2023 and Profit and Loss Account for the year ended on that date

39. Previous year figures have been regrouped wherever necessary for better presentation.

As per our attached report of even date

For M.P. CHITALE & CO

Firm Registration Number: 101851W

Chartered Accountants

For and on behalf of the board of

AMC REPO CLEARING LIMITED

Sd/-

Santosh More

Partner

Membership Number: 114236

Sd/-

Srinivasan Varadarajan

Director

DIN:00033882

Sd/-

Kashinath Katakdhond

Managing Director

DIN:07716501

Sd/-

Natarajan Ramasamy

Chief Executive Officer

Sd/-

Rajendra Utpat

Chief Financial Officer

Sd/-

Vedant Kamulkar

Company Secretary

Place: Mumbai

Date: May 12,2023