



AMC Repo Clearing Limited



**ANNUAL REPORT
FY 2023–24**

**Developing Corporate
Bond Market in India**

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Corporate Information

Board of Directors	
Mr. Srinivasan Varadarajan	Chairman, Public Interest Director
Mr. Krishnamurthy Vaidyanathan	Public Interest Director
Ms. Huzan Mistry	Public Interest Director
Mr. Vinod Chandrasekharan	Nominee Director
Mr. Kashinath Katakdhond	Managing Director
Key Managerial Personnel	
Mr. Kashinath Katakdhond	Managing Director
Ms. Hetal Chauhan	Chief Financial Officer
Mr. Amit Bodas	Chief Risk Officer w.e.f. April 01, 2024
Ms. Sheela Burte	Chief Compliance Officer w.e.f. April 10, 2024
Ms. Shweta Bhatt	Head – Operations
Mr. Vedant Kamulkar	Company Secretary
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: compliance.corp@kfintech.com	
Registered Office	
Unit No. 503, Windsor, Off CST Road, Kalina, Santacruz East, Mumbai 400098	
Corporate Identity Number (CIN)	
U65929MH2021PLC3591081	
Website	
https://www.arclindia.com	

Message from the Chairperson



Dear Valued Shareholders,

It gives me great pleasure and pride to present this year's annual report for AMC Repo Clearing Limited. During the last year, we have witnessed substantial progress that reinforces our commitment as a leading entity in the financial markets aiding the development of corporate bond markets in India.

We have successfully launched the triparty repo product after getting approval from both the regulators i.e. RBI and SEBI. This is a significant milestone in the development of bond markets in India. The Company is committed to taking this market to new heights with increased trading volumes that benefit all categories of participants. The monthly volume has grown from Rs. 480 crores in July 2023 to Rs. 12,262 crores in March 2024, a trend which we expect would gather more momentum in the coming year.

Owing to government's thrust for infrastructure development and overall economic development to reach a \$10 trillion economy by 2032, issuance volumes of corporate bonds are likely to increase at a faster pace than prior years. A deep and convenient corporate bond repo market would enable higher secondary market activity and efficient price discovery. Your Company is working towards improving the market infrastructure and broad-basing participation on a continuous basis. Your Company is also committed to becoming the nodal point for all activities related to corporate bond trading and settlement and is in continuous dialogue with our regulators in charting our future roadmap.

I assure you of our best efforts to make all our dreams of a well-functioning and vibrant corporate bond market a reality.

Together we can **"Make it Happen"**.

Srinivasan Varadarajan

Chairman

AMC Repo Clearing Limited

Message from the Managing Director



Dear Shareholders,

The Tri-party Repo product was launched on July 28, 2023. Since then, we have witnessed good traction. Even though the market is predominantly OTC market, for the first time we are witnessing active trading in the repo market through an electronic trading platform. We are also witnessing transactions in the Term Repo market as well. The primary purpose with which the Company has been setup is to develop the corporate bond market in India through a vibrant repo market in corporate debt securities.

Predominantly, the repo market is a money market instrument that allows lending and borrowing against the corporate debt securities. The company has taken various measures such as to increase the maximum single order size from Rs. 50 crores to Rs. 200 crores, waiver of transaction charges in the initial periods, facilitating intra-day withdrawal of margin etc. and these measures had resulted in all-time high volume of Rs 12,262 crores for the month of March 2024. The volume is steadily growing, and we are hopeful of reaching newer heights in the coming days with the support of all stakeholders.

Today, the Company is a single product company i.e. the company can only offer central counterparty services for tri-party repo in corporate debt securities. We are working with the regulators to reposition the Company as a multi-product company which will give us the ability to play a significant role in the development of the corporate bond market.

To achieve this vision, the Company will work with all stakeholders and regulators.

We operate with a philosophy that “**Nothing is impossible**”.

Kashinath Katakdhond
Managing Director
AMC Repo Clearing Limited

Board of Directors



Mr. Srinivasan Varadarajan
Chairman & Public Interest Director



Prof. K. Vaidyanathan
Public Interest Director



Ms. Huzan Mistry
Public Interest Director



Mr. Vinod Chandrasekharan
Nominee Director



Mr. Kashinath Katakdhond
Managing Director

Management Team

Key Managerial Personnel	
Mr. Kashinath Katakdhond	Managing Director
Mr. Amit Bodas	Chief Risk Officer w.e.f. April 01, 2024
Ms. Shweta Bhatt	Head – Operations
Ms. Sheela Burte	Chief Compliance Officer w.e.f. April 10, 2024
Ms. Hetal Chauhan	Chief Financial Officer
Mr. Vedant Kamulkar	Company Secretary

Vision, Mission and Objectives

Vision

The vision of the Company is to develop an active and thriving corporate debt securities market in India.

Mission

The mission of the Company is to be the only clearing corporation focusing on trading, clearing & settlement of corporate debt securities, tri-party repo and credit risk derivatives in India.

Objectives

- To facilitate, set up and carry on the business of clearing and settlement of repo transactions with settlement guarantee in corporate debt securities.
- To act as a Tri-party Repo agent between the two parties to the repo transactions and to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction.
- To facilitate clearing & settlement with settlement guarantee in corporate debt securities.
- To support and develop market in credit risk products

Directors' Report

The Members, AMC Repo Clearing Limited

Your directors have pleasure in presenting the Third Annual Report and Audited Financial Statements of the AMC Repo Clearing Limited ('referred herein as the 'ARCL' or 'the Company') for the year ended March 31, 2024.

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 of developing the corporate bond market in India. In line with the amendments to SECC Regulations, 2018, the Company was incorporated on April 17, 2021, to provide Central Counterparty (CCP) services for the tri-party repo transactions in corporate debt securities. ARCL has been granted recognition as a LPCC by SEBI under SECC Regulations, 2018. The Company had obtained the tri-party repo product approval from SEBI vide mail dated August 13, 2021.

The Company has obtained Certificate of Authorization from Reserve Bank of India (RBI) under Payment and Settlement Systems Act, 2007 (PSS Act, 2007) vide letter dated February 28, 2023, to offer central counterparty services for repo transactions in corporate debt securities. RBI has also accorded its approval to the Company to act as a tri-party repo agent for tri-party repo in corporate debt securities.

The Hon'ble Minister of Finance and Corporate Affairs Smt. Nirmala Sitharaman, at an event organized by SEBI on July 28, 2023, launched the Tri-party Repo in Corporate Debt Securities offered by the Company in the presence of Shri. Ajay Sheth, Secretary, Department of Economic Affairs and SEBI Chairperson Smt. Madhabi Puri Buch.

The company has taken various measures for the development of the tri-party repo market. Some of these measures are:

- Increasing maximum single order size from Rs. 50 crores to Rs. 200 crores.
- Waiver of transaction charges for a period of six months starting from December 11, 2023, to June 10, 2024.

Volume Growth

For the month of February 2024, the monthly volume has crossed the milestone of INR 10,000 crore. ARCL also reached an all-time monthly high volume of Rs. 12,262 crores for the month of March 2024.

The average daily volume has steadily increased from Rs. 8.89 crores in September 2023 to Rs. 681.33 at the end of March 2024.

Month	No of Days	No of Trades	Traded Value (Rs. Cr)	Avg. Trade Size (Rs. Cr)	Avg. Daily Volume (Rs. Cr)
March 2024	18	141	12262	87	681.22
February 2024	20	122	10524	86	526.20
January 2024	21	46	2432	53	115.81
December 2023	20	74	3225	44	161.25
November 2023	20	100	3870	39	193.50
October 2023	20	32	825	26	41.25
September 2023	18	8	160	20	8.89
August 2023	20	-	-	-	-
July 2023	2	12	480	40	240.00
Total	159	535	33778	-	-

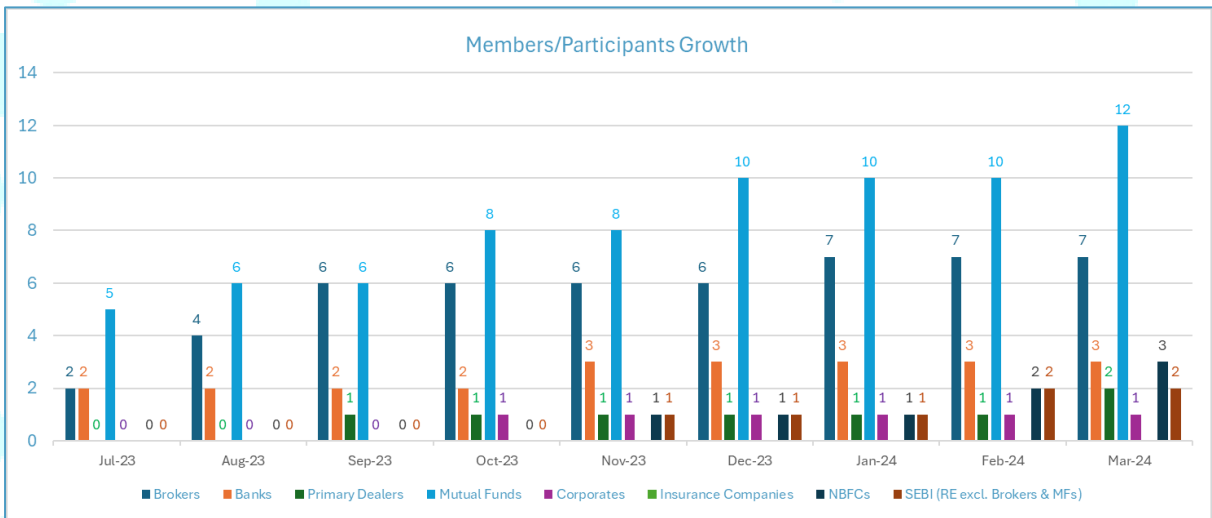
Term Repo

Predominantly the tri-party repo market is an overnight market. However, there were 2 repo transactions for 7-day tenor. This is a good development for the tri-party repo market in corporate debt securities. Your company is working with market participants to encourage the development of the “Term” repo market. The Term Repo market will help lower the cost for market participants.

Participants

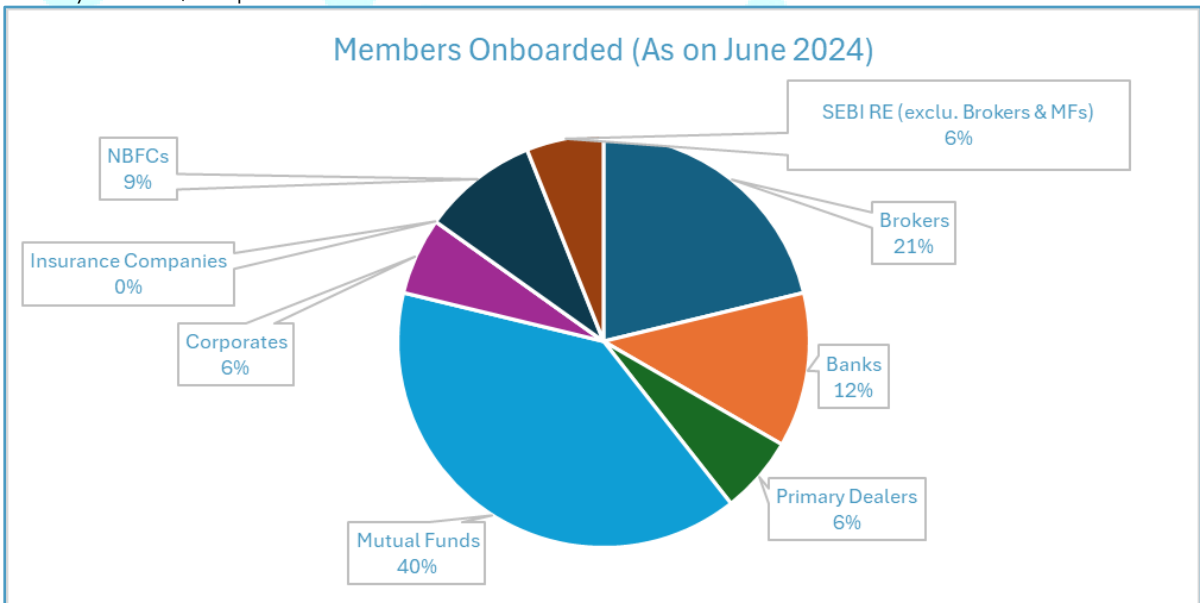
ARCL has onboarded Banks, Primary Dealer (PDs), Mutual Funds, Stock Brokers, Corporates, NBFCs and SEBI regulated entities (excl. brokers and MF) on its platform as Members/Participants since launch. As on March 31, 2024, there are a total of 12 Members and 18 Participants.

Your Company is working to increase the participant base. The focus is to onboard more borrowers including Primary Dealers, NBFCs, Small Finance Banks, Corporates and SEBI regulated entities. The approach is to make the tri-party repo market accessible to entities who are currently not accessing the CCIL TREPS platform or such entities whose limits are very small and have sizable portfolio of bonds.



Participant Category

Mutual Funds are the largest category of participants on the platform followed by Brokers, Banks, NBFCs, Primary Dealers, Corporates and Others.



New Eligible Instruments

The Company is also making efforts to introduce tri-party repo with new eligible collateral as permitted by RBI under its Repo Transactions Directions, 2018.

CP and CD

The Company is planning to introduce Tri-party repo with Commercial Paper (CP) and Certificate of Deposit (CD) as eligible collateral. The Company has tested the product with NSE and NCL, our partners for providing tri-party repo services. The Company is now awaiting final approval from RBI for the launch of this product.

Subordinate Bonds (Tier II)

The Company is planning to introduce tri-party repo with subordinate bonds (Tier II) as eligible collateral.

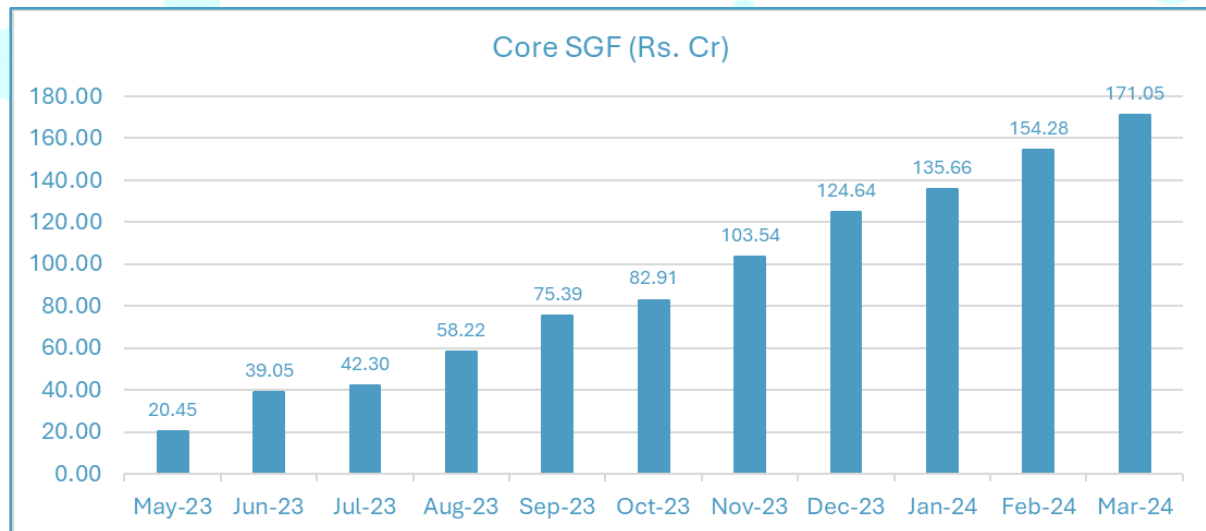
Debt ETFs

The Company is planning to introduce tri-party repo with Debt ETFs as eligible collateral. The Company has received clarification that it can introduce the tri-party repo with Debt ETFs as eligible collateral. The operational details are being finalised by the company for its launch.

Core Settlement Guarantee Fund

The Company has maintained a Core Settlement Guarantee Fund (Core SGF) to provide settlement guarantee in compliance with SECC Regulations, 2018, as well as various circulars issued by SEBI in this regard. As on March 31, 2024, the contribution to Core SGF is as under:

Category	Core SGF balance (INR Crores)
Issuer Contribution	167.20
ARCL Profit Transfer	5.96
Interest on Core SGF	5.38
Total	178.54



Category of Issuers contributing towards Core SGF

Category of Issuers	Core SGF balance (INR Crores)
BANKS	52.59
PUBLIC SECTOR UNDERTAKINGS	50.17
PUBLIC FINANCIAL INSTITUTIONS	25.10
CORPORATES	15.24
NON-BANK FINANCING COMPANIES	13.04

Category of Issuers	Core SGF balance (INR Crores)
HSOUSING FINANCE COMPANIES	11.06
Total	167.20

Rating of the Issuances contributing towards Core SGF

Rating	Core SGF Corpus (INR Crores)
AAA	160.00
AA+	4.86
AA	2.34
Total	167.20

Clearing Banks where Core SGF has been collected

Clearing Banks	Core SGF Corpus (INR Crores)
HDFC	95.69
AXIS	52.30
ICICI	19.21
Total	167.20

Dual Regulatory Compliances

The company is the only clearing corporation in India which is regulated both by RBI and SEBI. Hence, it becomes critical to comply with regulatory guidelines issued and applicable to the company from both the regulators.

SEBI

The Company has put in place the following arrangements in compliance to SECC Regulations, 2018 and circulars issued by SEBI for LPCC:

- The Company has entered into agreements with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) (not yet operational) to offer trading platform for trading in tri-party repo transactions in corporate debt securities.
- The Company has entered into an outsourcing agreement with NSE Clearing Limited (NCL) and India Clearing Corporation Limited (ICCL) (not yet operational) 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 tri-party repo market.
- ARCL has registered with NSDL and CDSL (not yet operational) as CC Depository Participant (CC-DP) and has entered into an agreement with both depositories for opening of demat accounts to manage collateral under tri-party repo.
- ARCL has empanelled HDFC Bank, ICICI Bank, Axis Bank and State Bank of India (not yet operational) as clearing banks for settlement of funds for the tri-party repo.

RBI

The Company is required to comply with Payment & Settlement Systems Act, 2007 as a Central Counterparty as well as the RBI Master Directions issued for Central Counterparties (CCP)

The Company has put in place a compliance calendar for compliance with the RBI PSS Act, 2007 and RBI Master Directions for Central Counterparties.

Challenges for developing the tri-party repo market

Following are the challenges being faced by the Company for developing an active tri-party repo market.

- a) Higher cost of transactions as trading is mandated through recognised stock exchanges. Only limited debt brokers are providing client trading in the tri-party repo product. Brokerage is being charged by these few brokers who are enabling client trading and is an additional cost for the participants.
- b) Higher level of exchange compliances for trading members in the tri-party repo segment. Many trading members are reluctant to participate due to high level of compliances for the tri-party repo product through stock exchanges.
- c) Many new requirements have been pending with NCL, the outsourced service provider, which restricts the ability for the Company to launch new functionalities, features and new products for developing the corporate bond market.

The Company has presented a note to SEBI on developing its own Electronic Trading Platform along with its own Clearing and Settlement Systems. The note submitted to SEBI details the tri-party repo product to be launched as a scheme. This scheme will entail ARCL developing its own Electronic Trading Platform which is integrated with its own Clearing and Settlement Systems. The primary objective is to enable participant-based trading in tri-party repo product that will be cleared and settled through the Company's own clearing and settlement system. This will enable the Company to bring the parity between CCIL TREPS platform and the ARCL Tri-party, thereby providing a level playing field for participants.

FINANCIAL RESULTS

(Figures in Rs. Thousands)

Particulars	As on March 31, 2024	As on March 31, 2023
Total Income	1,06,239	89,860
Less: Expenditure	60,368	39,343
Profit Before Tax	45,871	50,517
Add/ Less: Tax Expenses/ (Income)	24,717	11,888
Profit after Tax	21,154	38,469
Add: Other Comprehensive Income (Net)	-	-
Balance carried to Balance Sheet	21,154	38,469

DIVIDEND

Pursuant to Regulation 22(E) of SECC Regulations, 2018, for the first five years from the date of grant of recognition to ARCL as LPCC by SEBI, there shall be no distribution of profits to the Shareholders and the profits of ARCL shall be transferred to the Core SGF as specified in Regulation 37 of SECC Regulations, 2018.

Further, pursuant to DPSS, RBI letter dated October 07, 2022, granting Certificate of Authorisation under PSS Act, 2007, has advised that ARCL shall not distribute profits in any manner to its Shareholders until its net worth reaches minimum level of Rs. 300 Crores.

Accordingly, the Board of Directors of the Company has not recommended a dividend for the Financial Year 2023-24.

TRANSFER TO RESERVES

Your Company has not transferred any amount to Reserves for the Financial Year 2023-24. 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) of SECC Regulations, 2018, within 30 days of adoption of financial statements by the Shareholders in the Annual General Meeting.

REVISION OF FINANCIAL STATEMENTS

There was no revision in the Financial Statements during the financial year ended March 31, 2024.

SHARE CAPITAL

The Authorized and paid-up share capital of the Company as on March 31, 2024, is Rs. 150,00,00,000/- divided into 15,00,00,000/- Equity Shares of Rs. 10/- each. During the year under review, there was no change in the Share Capital of the Company.

As required under Certificate of Authorization issued by RBI under PSS Act, 2007, 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/- (Rupees Three Hundred Crores) within five years from the date of RBI's approval. In addition to the above regulatory requirements, the Company is required to maintain additional capital for capex as well opex requirements. The Company is exploring and meeting with potential investors to raise the paid-up share capital to Rs. 300,00,00,000/- subject to approval by the 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.)

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 2023-24.

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 the financial year of the Company to which the Financial Statements relate and the date of this Report.

INFORMATION TECHNOLOGY

ARCL is a regulated entity and 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) (not yet operational). 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:

- a) 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.
- b) The Company is in possession of sensitive data pertaining to the member participants. As part of the business activities, such data is currently being exchanged with the respective clearing corporations through emails only. The option of sharing the data with NCL through SFTP mechanism has not been made available to ARCL. Security measures have been implemented to protect unauthorised data access and data leakage.
- c) From an internet security perspective, restrictions have been imposed on accessing webpages which are malicious and can pose security threats.
- d) 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. More measures are being taken to ensure protection of data and its unauthorized access via different channels of access.

ARCL has entered into an arrangement with Ininiti Network Solutions LLP to implement the above controls for MS Office 365 and MS Onedrive. The Company has also subscribed to CISCO Umbrella to protect its resources.

The Company has rolled out a beta version of the Web Portal for Members and ARCL team operations. This portal is a standalone portal and is currently not connected with NCL Clearing and Settlement Systems.

HUMAN RESOURCE

As of March 31, 2024, ARCL has a total of 10 employees comprising of 4 KMPs. The officials comprising of KMPs are Mr. Kashinath Katakdhond – Managing Director, Ms. Hetal Chauhan – Chief Financial Officer, Mr. Vedant Kamulkar – Company Secretary & Compliance Officer and Ms. Shweta Bhatt – Head of Operations.

Post closure of the financial year 2023-24, the Company has appointed Mr. Amit Bodas as Chief Risk Officer and Ms. Sheela Burte as Chief Compliance Officer.

DISCLOSURE UNDER SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The disclosures required to be given under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 are given in the following table:

Sr. No.	Items	Comments
1	Number of complaints of sexual harassment received in the year	Nil
2	Number of complaints disposed off during the year	Not applicable
3	Number of cases pending for more than 90 days	Not applicable
4	Number of workshops or awareness programs against sexual harassment carried out	Awareness program for all employees is done on a regular interval
5	Nature of action taken by the employer	Not applicable

ARCL has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/ arrangements/ transactions executed by the Company with related parties during the financial year ended March 31, 2024, were in the ordinary course of business and on an arm's 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.

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.

INTERNAL FINANCIAL CONTROL

In terms of Section 138 of the Companies Act, 2013, the Company had appointed M/s. Padmanabh Joshi & Co., Chartered Accountants as Internal Auditor for the FY 2023-24.

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

- a) Maker-checker in bank transactions and investments;

- b) Recording of transactions in a manner that facilitates preparation of financial statements as per the Generally Accepted Accounting Principles;
- c) Maintaining records that in reasonable detail, fairly and accurately reflect the transactions of ARCL;
- d) Ensuring that all expenditure and income are as per approval of the management; and
- e) 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 financial statements of the Company.

These financial controls were operating effectively as of March 31, 2024.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary or Joint Venture or Associate Company.

DEPOSITS

The Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

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.

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.

EXTRACT OF ANNUAL RETURN

The extracts of the annual return as on March 31, 2024, in Form MGT-7 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/financials/annualreturns>

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.

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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

BOARD OF DIRECTORS

As per the provisions of SECC Regulations, 2018, the Governing Board of every recognized clearing corporation shall include:

- a) Public Interest Directors;
- b) Nominee Directors; and
- c) Managing Director.

As on March 31, 2024, 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. Ms. Suparna Tandon – Nominee Director*
5. Mr. Kashinath Katakdhond – Managing Director

Ms. Suparna Tandon was appointed as a Nominee Director w.e.f. March 11, 2024.

Post closure of the financial year, Mr. Vinod Chandrasekharan was appointed as Nominee Director w.e.f. August 09, 2024.

Mr. Srinivasan Varadarajan (Chairman), Mr. Krishnamurthy Vaidyanathan Ms. Huzan Mistry are Independent Directors under the category of the 'Public Interest Directors'. Ms. Suparna Tandon and Mr. Kashinath Katakdhond are Directors under the Nominee Director category. 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.

Mr. Alok Chandra Jena, Nominee Director, tendered his resignation from the Governing Board of the Company as he retired from the services of NABARD. The Governing Board accepted his resignation with effect from closure of business hours of March 04, 2023. The Board acknowledged and placed on record its appreciation for his contributions and for giving immensely valuable suggestions and insights during the deliberations at the meetings of various committees of the Board and the Board.

* Ms. Suparna Tandon, Nominee Director, tendered her resignation from the Governing Board of the Company. The Governing Board accepted her resignation with effect from closure of business hours of August 06, 2024. The Board acknowledged and placed on record its appreciation for her contributions and for giving immensely valuable suggestions and insights during her tenure.

Further, SEBI vide its letter dated September 21, 2022, clarified that representatives from the top three PSU issuers shall be appointed as a Nominee Director on the Governing Board of ARCL on a rotational basis for a maximum period of three years. Accordingly, NABARD has nominated Mr. Vinod Chandrasekharan as Nominee Director on the Board of ARCL consequent to the resignation of Ms. Suparna Tandon .

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.

KEY MANAGERIAL PERSONNEL

Pursuant to SECC Regulations, 2018, the following are the Key Managerial Personnel as of March 31, 2024:

1. Mr. Kashinath Katakdhond, Managing Director
2. Ms. Shweta Bhatt, Head – Operations
3. Ms. Hetal Chauhan, Chief Financial Officer
4. Mr. Vedant Kamulkar, Company Secretary and Compliance Officer

During the period under review, Mr. Natarajan Ramasamy, Chief Executive Officer resigned w.e.f. June 30, 2023, Mr. Deepak Upadhyay, Head – Risk, resigned w.e.f. July 14, 2023, Mr. Ajit Phanse, Head –

Operations resigned w.e.f. October 31, 2023, and Mr. Rajendra Utpat, Chief Financial Officer resigned w.e.f. March 28, 2024.

Ms. Hetal Chauhan was appointed as Chief Financial Officer of the Company w.e.f. March 29, 2024. Ms. Shweta Bhatt, who was appointed as Head of Operations, was re-designated as Head Membership & Membership Compliances w.e.f. September 20, 2023, on appointment of Mr. Ajit Phanse. She was re-designated back as Head of Operations of the Company w.e.f. November 01, 2023, pursuant to resignation of Mr. Ajit Phanse.

Post closure of the Financial Year 2023-24, Mr. Amit Bodas, has been appointed as Chief Risk Officer of the Company w.e.f. April 01, 2024, and Ms. Sheela Burte has been appointed as Chief Compliance Officer of the Company w.e.f. April 10, 2024. Pursuant to restructuring, Mr. Vedant Kamulkar was re-designated from Company Secretary & Compliance Officer to Company Secretary w.e.f. May 17, 2024.

The Company has received the disclosures in the Form DIR-8 required under Section 164 of the Companies Act, 2013 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 Companies Act, 2013, 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.

BOARD MEETINGS

The Board met four times during the year on May 12, 2023, August 02, 2023, October 27, 2023, and February 09, 2024. 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.

MEETINGS OF INDEPENDENT DIRECTORS

During the year under review, separate meetings of the Independent Directors was held on September 26, 2023, and February 09, 2024, 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.

FIT AND PROPER DECLARATION GIVEN BY THE DIRECTORS

As per the provisions of Regulation 20 of the SECC Regulations, 2018, 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 its directors.

DECLARATION BY INDEPENDENT DIRECTORS

As 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 2023-24. The enrolment 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 Companies Act, 2013.

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.

COMPANY'S POLICY ON DIRECTOR'S 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:

https://www.arclindia.com/spages/Disclosures/OD_OD_77_27-Aug-2024-ARCL%20-%20Nomination%20and%20Remuneration%20Policy%20-%2009.08.2024.pdf

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors confirm that –

1. in preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures;
2. they have 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 the Company at the end of the financial year and of the profit/loss of the Company for the year;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities; and
4. they have prepared annual accounts on a going concern basis.
5. they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
6. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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 out and the Board expressed its satisfaction as to their performance of the Board, its committees and individual directors for the Financial Year 2023-24.

This exercise was carried out through a structured questionnaire prepared separately for the 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.

The criteria for evaluation for each of the above are as follows:

a) **Performance Evaluation of the Governing Board**

The performance of the Board of Directors is evaluated on the basis of various governance and business related parameters which include, inter- alia, Corporate Governance standards adopted by the Board such as Board composition, Board diversity, etc., Independence in functioning and decision making, Commitment to highest ethical standards of integrity and probity, Provision for entrepreneurial leadership, Effective guidance for setting up and achieving the strategic aims and financial goals of the Company, Implementation and periodic review of policies and procedures for risk management, financial controls and statutory compliance, Number and adequacy of meetings, discussion on strategic matters having substantial effect on the functioning of the Company, Accountability for decisions taken, Stakeholder relationship management, Engagement with executive management (formal or informal) on issues/concerns having effect on the Company's functioning and adequacy on flow of information to the Board and Ensuring necessary financial and human resource support to achieve Company's objectives, etc.

b) **Performance Evaluation of the Committees**

In addition to the principles stated above for evaluation of the Board, to the extent applicable to the respective committees, constructive recommendations made by the Committee(s) to the Board are also kept in mind while evaluating their performance.

c) **Performance Evaluation of the Directors**

The performance of the Individual Directors is largely evaluated based on his/her level of participation and contribution to the performance of the Board/Committee(s) in respect of the above areas and on the basis of various governance and business related parameters which include, inter-alia, Understanding of roles, responsibility, regulatory systems, laws and regulations applicable to the Company and performance of duties in an independent and objective manner, Understanding of objectives, values, vision and business of the Company, Level of participation and devotion of time to Board meetings and Committee meetings, if any, Skills, knowledge, experience, application of subject matter expertise, Adherence to Code of Conduct and Code of Ethics of the Company, Disclosure of conflict of interest or material pecuniary relationships with the Company, its subsidiaries and associates or any proposed contract or arrangement and Engagement with executive management for efficient discharge of responsibilities, etc.

If the individual director whose performance is to be evaluated is a Public Interest Director (PID), the NRC, while evaluating the performance of such PID, shall also keep in mind the policy, if any, framed for performance review of PIDs besides this policy, guiding criteria of performance review, evaluation mechanism, the recommendation to SEBI for extension of PID, etc. as laid down by SEBI in its circular No. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/26 dated February 5, 2019.

The Board Evaluation Policy of the Company including the Performance evaluation criteria of the Board, its Committees, Individual Directors, the Chairperson, PID and IEP is available on the website of the company in the following web address link:

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

REPORT ON CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standards of corporate governance and adhering 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, 2018, 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 endeavours continuously to improve upon the same. A report on corporate governance for the Financial Year 2023-24 is furnished as part of the Annual Report for the information of all its stakeholders as Annexure B.

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.

RISK MANAGEMENT POLICY

The Company has a risk management policy for assessment of risk and review mechanism which, inter-alia, consists of risk identification, assessment and categorization 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.

The Company has also constituted advisory committees namely Credit Committee and Internal Consultation Committee. The role of these committees is to advise the Company on the risk and operations related matters. These committees also act as a sounding board for new functionalities and features including new eligible collateral for tri-party repo product.

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.

CORPORATE SOCIAL RESPONSIBILITY

In terms of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, the Company was required to spend Rs. 3.88 Lakhs on CSR activities during the financial year 2023-24 and accordingly the Company has undertaken CSR projects in the areas of promoting education which are in accordance with Schedule VII of the Act and CSR Policy of the Company.

The Company's CSR Policy is available on the website of the Company at <https://www.arclindia.com/csresponsibility>. The disclosure required to be made in the Board's Report as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached herewith as Annexure C.

Further, in terms of the amended CSR Rules, Chief Financial Officer has certified that the funds disbursed as per the Annual Action Plan of the Company for the Financial Year 2023-24 have been utilized for the purpose and in the manner as per approved by the Board.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company is committed to adhering 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/OD_OD_74_22-May-2024-Whistle%20Blower%20Policy%2008.04.2024.pdf

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, 2024.

The Statutory Auditors' Report for the Financial Year 2023-24 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 Companies Act, 2013.

SECRETARIAL AUDITORS

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 2023-24. 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, 2024, is annexed as Annexure D herewith and forms part of this report.

PARTICULARS OF EMPLOYEES

As on March 31, 2024, there were 10 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 E. 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 F.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGO

CONSERVATION OF ENERGY

The steps taken to our impact on conservation of energy – Although the Company is not engaged in manufacturing activities, as a responsible corporate entity, 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. The Steps taken by the Company for utilizing alternate sources of energy: - Not Applicable

The capital investment on energy conservation equipment's: - The Company constantly evaluates new developments and invests into latest energy efficient technology.

TECHNOLOGY ABSORPTION

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

PARTICULARS OF FOREIGN CURRENCY EARNINGS AND OUTGO

Particulars	March 31, 2024
Foreign exchange earned in terms of actual inflow	NIL
Foreign exchange outgo in terms of actual outgo	NIL

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation to its Shareholders, Members, Government authorities, Regulators, Partners, 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

Sd/-

Srinivasan Varadarajan
Chairman
DIN: 00033882

Sd/-

Kashinath Katakdhond
Managing Director
DIN: 07716501

Date: August 09, 2024
Place: Mumbai

ANNEXURES TO DIRECTORS' REPORTS

ANNEXURE A – NOMINATION AND REMUNERATION POLICY

INTRODUCTION

AMC Repo Clearing Limited (hereinafter referred to as "ARCL" or "the company") is governed by the Companies Act, 2013 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 SCR (SECC) Regulations, 2018) including disclosure requirements and corporate governance norms as specified for listed companies to the extent applicable to stock exchanges/clearing corporations.

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

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.

CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted the "Nomination and Remuneration Committee" of the Board.

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 Act and provisions of Listing Regulations, 2015 and SECC Regulations, 2018.

'**Directors**' means Directors of the Company.

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

'**Independent Director**' means a Director referred to in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations, 2015.

'**Key Managerial Personnel**' (the "KMP") as defined under section 2(51) of the Companies Act, 2013, means:

- a) the Chief Executive Officer or the Managing Director or Manager;
- b) the Company Secretary;

- c) the Whole-time Director;
- d) the Chief Financial Officer;
- e) such other officer, not more than one level below the directors who is in whole time employment, designated as key managerial personnel by the Board; and
- f) any other person as may be prescribed.

Further, as defined in Regulation 2(1)(j) of the SECC Regulations, 2018 "Key Management Personnel" (KMP) shall include:

- a) Any person appointed as the managing director or executive director; or
- b) A person serving as the head of department or vertical and directly reporting to the managing director or to the directors on the governing board of the recognised stock exchange or recognised clearing corporation; or
- c) A person serving as the head of a core function as specified under Part-C of Schedule-II of these regulations; or
- d) A person who stands higher in hierarchy to the head of any department(s) handling core function(s) in the recognised stock exchange or recognised clearing corporation; or
- e) Reporting officials of key managerial personnel; or
- f) Any person defined as "key managerial personnel" under the Companies Act, 2013; or
- g) Any other person who is decision making authority at the level of the recognised stock exchange or recognised clearing corporation or its direct or indirect material subsidiaries, as identified by the managing director or its Nomination and Remuneration Committee;

Provided that in the case of a subsidiary of a recognised stock exchange or a recognised clearing corporation that is regulated by a financial sector regulator; the norms specified by such a regulator may be considered for determining as to whether the person at the subsidiary is designated as a key management personnel.

'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.

'Nominee Director' means (representatives of the issuers)* of debt securities on the governing board of the recognized limited purpose clearing corporation on a rotational basis.

*The representative of the issuer of debt securities during a financial year shall be one of the top three issuers, which are public sector undertakings, based on their issue size in the preceding financial year.

'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:

- a) Risk Management
- b) Membership
- c) 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.

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 KMP's; and

Part – C: Remuneration for Directors and KMP's

PART A – TERMS OF REFERENCE FOR NOMINATION AND REMUNERATION COMMITTEE

Regulation 27 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (SECC Regulations) also mandates constitution of Nomination and Remuneration Committee (“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) Terms of reference as per Companies Act 2013: -

The Nomination and Remuneration Committee (NRC) shall –

I. Governing Board & its members related aspects:

1. Scrutinising and interviewing applicants for selecting the MD of the clearing corporation.
2. Adhering and developing a skill evaluation metrics to assess applications of new or existing PIDs and NIDs for their appointment and/or reappointment and recommending their names to the Governing Board
3. Ensuring at all times that the governing board comprises of directors with required skill set and expertise in the areas as provided in SECC Regulations, 2018.
4. Ensure compliance with governing board level skill diversity at the time of appointment, reappointment or extension of tenure of PIDs or NIDs.
5. Framing & reviewing the policy to carry out internal evaluation of every director's performance, including that of PIDs.
6. Reviewing and recommending extension of the term of appointment and re-appointment of existing PIDs.
7. Appointment of Independent External Professionals (IEPs).

II. KMPs related aspects:

8. Identifying KMPs based on importance of activities carried out by them, including being key decision makers within the clearing corporation, other than those specifically provided under regulation 2(1)(j) of the SECC Regulations, 2018. For identifying KMPs, one of the criteria should be, persons (including employees/consultants) drawing annual pay higher than any KMP(s).
9. Review, at least once a year hierarchical set ups across the departments, in order to identify KMPs due to a change in role and responsibilities assigned to them. Such review should necessarily include, consultants reporting to the MD/CEO or ED.
10. The appointment and removal of KMPs other than resignations.
11. Laying down policy for accountability of KMPs. Further, mapping legal and regulatory duties to the concerned position and Delegation of Power (DoP) at various levels.
12. Laying down the policy for compensation of KMPs in compliance with the compensation norms prescribed under SECC Regulations, 2018 and ensuring that the compensation paid to KMPs is as per the compensation policy.
13. Framing performance review parameters for evaluation of KMPs, including that of MD.
14. Assess the performance of KMPs based on reports submitted by the functional heads/reporting authority, and observations, if any, received from SEBI, and submit such reports to the governing board every year.
15. Determining the tenure of a KMP, other than a director, to be posted in a particular role within regulatory compliance, risk management and investor grievance vertical.
16. Determining and finalizing the KRAs of all KMPs at the beginning of the year. Review the same in line with organizational needs.
17. Ensuring that no KMP reports to a non-KMP.

III. On other organisation level related aspects:

18. Ensure that no employee of the clearing corporation is working or reporting to an employee of any other company where the clearing corporation has invested and vice versa.
19. Ensure that hiring of consultants is based on a pre-defined SOP of the clearing corporation.
20. Framing, reviewing, implementing and monitoring SOP for imposing disciplinary actions against employees of clearing corporation.

21. 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.

PART – B: NOMINATION OF DIRECTORS AND KMP'S

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.

a) Composition of the Governing Board

In terms of Regulation 23 (1) of the SEBI Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 "SECC Regulations" the governing board of the company shall include:

1. Nominee Director (ND)
2. Public Interest Director (PID)
3. 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 NDs on the governing board of the company. The managing director shall be included in the category of Nominee directors.

b) 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.

c) Appointment of Nominee Director

As per regulation 22 C of 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 nominee 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. Company shall identify top three issuers of debt securities during a financial year and subsequently to approach them for nomination of Nominee director.
2. The committee shall recommend a person to be appointed as Nominee Director to the Board of Director.
3. The names of persons to be appointed as Nominee directors shall first be approved by the governing board, followed by shareholders' approval before submitting the same to SEBI for approval.
4. The Nominee Director shall be appointed every year on rotational basis.
5. The appointment and re-appointment of all Nominee directors shall be with the prior approval of regulator/s.

The procedure for selection of shareholder director is Annexed as Annexure 1 subject to approval of SEBI.

d) Appointment of Managing Director

As per Chapter V of the SECC Regulations on Governance of Stock Exchanges and Clearing Corporations, the governing board of every recognised clearing corporation shall include a 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. The company shall also seek approval from RBI.*
7. 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 (sixty five) years.
8. Age limit for appointment of MD is upto 65 (sixty five) years of age.

*RBI vide its letter dated April 05, 2023, has clarified that ARCL shall not be required to take prior permission of the Reserve Bank of India for appointing MD. However, ARCL may keep the RBI informed about such appointments, including approval obtained from SEBI.

e) 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 Act, the Listing Regulations, 2015, the SECC Regulations, 2018, Payment and Settlement Systems Act, 2007, PSS Regulations, 2008 and other applicable laws from time to time.

The tenure of KMP's in a regulatory department would be till he/ she ceases to be the employee of the Company or for a fixed period as may be decided by the Committee.

f) Retirement / Resignation / Removal of Director/KMP's

Directors and KMP's shall retire/cease to hold office as per the applicable provisions of the Companies Act, 2013, Listing Regulation, 2015, SECC Regulation, 2018, Payment and Settlement Systems Act, 2007, PSS Regulations, 2008 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 KMP'S

As per Section 178 of the Companies Act, 2013, regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Regulations 27 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, 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.

a) Factors Determining Remuneration

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

b) 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 the Companies Act, 2013 and rules made thereunder, including any amendments, modifications and re-enactments thereto and in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SECC Regulations, Payment and Settlement Systems Act, 2007, PSS Regulations, 2008 as applicable from time to time.

c) Directors

1. Public Interest Director and Shareholder Director

The PIDs and NDs 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 bench marking;
- 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.

2. 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.

(i) Malus and Claw back 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:

- Fraud
- Impersonation
- Gross negligence which has caused or may cause significant financial loss or reputational harm to the Company
- Mifeseance
- Any act amounting to criminal breach of trust

- Conviction for an offence involving moral turpitude
- Breach of confidentiality in trade secret
- Ethical misconduct
- Fraudulent financial reporting
- 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
- Non-compliance or insubordination in adhering to regulatory/policy guidelines
- Such other circumstances as the Committee and/or Board may decide.

(ii) 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:

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

3. 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: - THE PROCEDURE FOR SELECTION OF NOMINEE DIRECTOR FROM PUBLIC SECTOR UNDERTAKINGS

As per Regulation 22 (c) of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 "SECC Regulations 2018", 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 Nominee 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.

The term public sector undertaking, or Enterprise refers to a Government Company. "Government Company" is defined under Section 2 (45) of the Companies Act, 2013 as Any company in which not less than fifty-one per cent of the paid-up share capital is held by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments and includes a company which is a subsidiary company of such a Government company. The term is not intended to mean a public company (where shares are freely transferable and can have a Nominee base of more than 200 people) though public sector enterprises are mostly public companies.

Public Sector undertakings refer to commercial ventures of the Government where user fees are charged for services rendered. The tariff/fees may be market based or subsidized. They are usually fully owned and managed by the Government such as Railways, Posts, Defense Undertakings, Banks etc.

Procedure for appointment of PSU director: -

1. The period of appointment of the Nominee Director will be for maximum three year from the date of appointment of a Nominee director.
2. The selection of a director from PSU is based in the top three issuers in the previous financial year based on the proportion in terms of quantum issued during the previous financial year.

The data on the top 3 PSU issuers will be analysed by the Company.

The issuer with largest issue size will be the first choice and accordingly a mail will be sent to the top 3 issuers for their consent on the choice of the first largest issuer as Nominee director (if not willing, the second largest issuer and then the third largest issuer).

After getting the consent from all the three issuers, a mail will be sent to the selected issuer to nominate a representative at senior management level on the board of ARCL as Nominee director. The name of the proposed Nominee director will be put up to Nomination and Remuneration Committee and then board for their approval followed by the approval of Shareholders in the Annual General Body Meeting (AGM).

After approval by shareholders, the nomination will be sent to SEBI for approval.

ANNEXURE B – REPORT ON CORPORATE GOVERNANCE

BRIEF STATEMENT ON COMPANY'S PHILOSOPHY OF 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, 2024, has renewed recognition to the Company as Limited Purpose Clearing Corporation for a period of one year commencing from January 17, 2024, and ending on January 16, 2025. 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 Authorization. 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, 2024.

BOARD OF DIRECTOR

COMPOSITION OF THE BOARD

As on March 31, 2024, the Board consisted of 5 Directors of which 3 (three) are Independent/ Public Interest Directors and 2 (two) are Nominee Director (including Managing Director).

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 09, 2021	Chairman – Public Interest Director (Non-executive Independent Director)	1. India Debt Resolution Company Limited. 2. Institutional Investor Advisory Services India Limited.	-	1. India Debt Resolution Company Limited – Member of Audit Committee. 2. Institutional Investor Advisory

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
			3. Union Bank of India.		Services India Limited – Chairman of Audit Committee.
Mr. Krishnamurthy Vaidyanathan (DIN: 00693204)	December 09, 2021	Public Interest Director (Non-executive Independent Director)	-	-	-
Ms. Huzan Mistry (DIN: 09208069)	October 08, 2022	Public Interest Director (Non-executive Independent Director)	NSE Academy Limited	-	-
Ms. Suparna Tandon (DIN: 08429718)	March 11, 2024	Nominee Director (Non-executive Director)	Multi Commodity Exchange of India Limited	Multi Commodity Exchange of India Limited – Member of Stakeholder Relationship Committee.	-
Mr. Kashinath Katakdhond (DIN: 07716501)	April 17, 2023	Managing Director (Executive Director)	-	-	-

CHANGES DURING THE YEAR

Mr. Alok Chandra Jena, Nominee Director resigned from the Governing Board of the Company with effect from closure of business hours of March 04, 2023.

Ms. Suparna Tandon (Chief General Manager – Risk Management, NABARD) appointed as Additional Director (Non-executive Director) under the Nominee category on the Board of the Company with effect from March 11, 2024.

CHANGES POST CLOSURE OF THE FINANCIAL YEAR

Ms. Suparna Tandon, Nominee Director resigned from the Governing Board of the Company with effect from closure of business hours of August 06, 2024.

Mr. Vinod Chandrasekharan (General Manager – Finance, NABARD) appointed as Additional Director (Non-executive Director) under the Nominee category on the Board of the Company with effect from August 09, 2024.

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 to Company's business, analysing technological trends, innovation, creative ideas for business, research, and innovation, digitization 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. Krishnamurthy Vaidyanathan	Ms. Huzan Mistry	Ms. Suparna Tandon	Mr. Kashinath Katakdhond
Qualifications	✓	✓	✓	✓	✓
Experience	✓	✓	✓	✓	✓
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

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 Board room;
- Promoting and overseeing the highest standards of corporate governance within the Board;

- c) 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;
- d) Setting an agenda for the Board, which is focused on strategic matters, forward looking and evaluates and oversees the ARCL's business;
- e) Being a sounding board and mentor to the management team;
- f) Representing ARCL with external parties; and
- g) 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 involve 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 for a period of five (5) years. 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 out and the Board expressed its satisfaction as to their performance for the Financial Year 2023-24.

ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND AT THE ANNUAL GENERAL MEETING ('AGM')

During the financial year 2023-24, the Board met four times on May 12, 2023, August 02, 2023, October 27, 2023, and February 09, 2024. The Board met at least once in every calendar quarter and the gap between the two Board Meetings did not exceed 120 days. The quorum for every meeting of the 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 of Director	Number of Board Meetings attended	Attendance at AGM held on September 15, 2023
Mr. Srinivasan Varadarajan	4 out of 4	Yes
Mr. Krishnamurthy Vaidyanathan	4 out of 4	Yes
Ms. Huzan Mistry	4 out of 4	Yes
Mr. Alok Chandra Jena	3 out of 4	No
Mr. Kashinath Katakdhond	4 out of 4	Yes

INDEPENDENT DIRECTORS/ PUBLIC INTEREST DIRECTORS (PID)

Independent Directors on the Board of ARCL are not less than 21 years of 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 and RBI from time to time.

The Company makes 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 with such requirements. In the opinion of the Board, the Independent Directors fulfil the conditions specified in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015) and are independent of the management.

DETAILS OF FAMILIARIZATION PROGRAMMES ATTENDED BY DIRECTORS

The details of training programs attended by Independent Directors of the Company are made available on the company's website under the following link:

https://www.arclindia.com/spages/Disclosures/OD_OD_83_18-Jun-2024-Familiarisation%20Programmes%20to%20Independent%20Directors%20F.Y.%202023-24.pdf

CODE OF CONDUCT

A code of conduct for Directors and Key Management Personnel of the Company is framed. Directors and Key Managerial Personnel have affirmed compliance with the code of conduct.

As per the requirement of SEBI (LODR) Regulations, 2015, the code of conduct has been hosted on the website of the Company at

https://www.arclindia.com/spages/Disclosures/OD_OD_75_22-May-2024-Code%20of%20Conduct%2008.04.2024.pdf

REMUNERATION TO DIRECTOR

a) Managing Director

The Managing Director is the only executive director of the Company. Remuneration paid is approved by the shareholders of the Company, with delegation to the Nomination and Remuneration Committee of the Board to revise the remuneration depending on prevailing market conditions and peer compensation actions.

The particulars of remuneration paid to the Managing Director during the financial year 2023-24 is as under:

Particulars of remuneration	(Amount in Rs.)	
	Mr. Kashinath Katakdhond	
Basic Salary		44,24,264
HRA		22,12,132
Special allowance		22,12,132
Variable Pay		-
Total		88,48,528

Note: Mr. Kashinath Katakdhond was appointed as the Managing Director of the company with effect from April 17, 2023.

Total remuneration stated above excludes 50% of total variable to be paid on deferred basis after 3 years and including variable pay of the prior years which has been paid during the financial year 2023-24 as per the Securities Contracts (Stock Exchanges and Clearing Corporations) Regulations, 2018 ('SECC Regulations').

b) Other 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 Nominee Directors are governed by the provisions of the Act and Rules laid down thereunder, SECC Regulations., SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI (LODR)'] 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 financial year 2023-24 is given below:

(Amount in Rs.)

Name of Director	Board Meeting	Board Committee	Total
Mr. Srinivasan Varadarajan	4,00,000	6,50,000	10,50,000
Mr. Krishnamurthy Vaidyanathan	4,00,000	8,00,000	12,00,000
Ms. Huzan Mistry	4,00,000	6,50,000	10,50,000
Mr. Alok C Jena*	3,00,000	2,50,000	5,50,000

*Resigned from the Governing Board of the Company with effect from March 04, 2024.

c) Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

(Amount in Rs.)

Name of Director	Company Secretary	Chief Financial Officer	
	Mr. Vedant Kamulkar	Mr. Rajendra Utpat	Ms. Hetal Chauhan
Basic Salary	2,53,830	6,95,595	40,437
HRA	1,26,915	3,47,797	20,219
Special allowance	1,26,915	3,47,797	20,219
Variable Pay	-	70,500	-
Leave Encashment	-	58,438	-
Total	5,07,660	15,20,128	80,874

Note:

1. Mr. Rajendra Utpat resigned as the Chief Financial Officer of the company with effect from March 28, 2024.
2. Ms. Hetal Chauhan was appointed as the Chief Financial Officer of the company with effect from March 29, 2024.

Total remuneration stated above excludes 50% of total variable to be paid on deferred basis after 3 years and including variable pay of the prior years which has been paid during the financial year 2023-24 as per the Securities Contracts (Stock Exchanges and Clearing Corporations) Regulations, 2018 ('SECC Regulations').

SENIOR MANAGEMENT

Pursuant to SECC Regulations, 2018, the following were the Key Managerial Personnel as on March 31, 2024:

1. Mr. Kashinath Katakdhond, Managing Director
2. Ms. Hetal Chauhan, Chief Financial Officer
3. Ms. Shweta Bhatt, Head – Operations
4. Mr. Vedant Kamulkar, Company Secretary and Compliance Officer

During the period under review, Mr. Natarajan Ramasamy, Chief Executive Officer resigned w.e.f. June 30, 2023, Mr. Deepak Upadhyay, Head – Risk, resigned w.e.f. July 14, 2023, Mr. Ajit Phanse, Head – Operations resigned w.e.f. October 31, 2023, and Mr. Rajendra Utpat, Chief Financial Officer resigned w.e.f. March 28, 2024. Ms. Hetal Chauhan was appointed as Chief Financial Officer of the Company w.e.f. March 29, 2024.

Post closure of the Financial Year 2023-24, Mr. Amit Bodas, has been appointed as Chief Risk Officer of the Company w.e.f. April 01, 2024, and Ms. Sheela Barte has been appointed as Chief Compliance Officer of the Company w.e.f. April 10, 2024. Pursuant to restructuring, Mr. Vedant Kamulkar was re-designated from Company Secretary & Compliance Officer to Company Secretary w.e.f. May 17, 2024.

COMMITTEES OF BOARD

a) AUDIT COMMITTEE:

As per the requirements of the Act, the SECC Regulations and CCP directions, the Company is required to constitute the Audit Committee. The Board of Directors have constituted Audit Committee in accordance with the requirement of Section 177 of the Act and SEBI (LODR) Regulations, 2015. The Audit Committee as on March 31, 2024, consisted of Ms. Huzan Mistry and Mr. Krishnamurthy Vaidyanathan 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 times during the year i.e. May 12, 2023, August 02, 2023, October 27, 2023, and February 09, 2024.

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

Name of Member	Number of meetings attended
Ms. Huzan Mistry	4 out of 4
Mr. Krishnamurthy Vaidyanathan	4 out of 4
Mr. Alok Chandra Jena*	3 out of 4

*Resigned from the Governing Board of the Company with effect from March 04, 2024, and ceased to be a member of the Audit Committee.

Post closure of the financial year, Ms. Suparna Tandon, was appointed as a member of Audit Committee w.e.f. May 17, 2024. Further she resigned from the Governing Board of the Company w.e.f. August 06, 2024, and accordingly, Mr. Vinod Chandrasekharan was appointed as a member of the committee w.e.f. August 09, 2024.

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:
 - matters required to be included in the director's responsibility statement to be included in the board's report;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - 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 the requirements of the Act, the SECC Regulations and CCP directions, the Company is required to constitute the Nomination and Remuneration Committee. As per SECC Regulations, the Nomination and 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 the 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.

As on March 31, 2024, NRC comprised of 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 12, 2023, August 02, 2023, October 27, 2023, and February 09, 2024,

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

Name of Member	Number of meetings attended
Ms. Huzan Mistry	4 out of 4
Mr. Srinivasan Varadarajan	4 out of 4
Mr. Krishnamurthy Vaidyanathan	4 out of 4

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

The brief terms of reference of NRC are as follows:

- a) Terms of reference as per Companies Act, 2013: -

The Nomination and Remuneration Committee (NRC) shall –

1. identify persons who are qualified to become directors;
2. recommend to the Board appointment and removal of Directors in accordance with policy and criteria laid down;
3. recommend to the Board appointment and removal of personnel in Senior Management in accordance with Policy and criteria laid down;
4. 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.
5. formulate the criteria for determining qualifications, positive attributes and independence of a director;

6. 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 Nomination and Remuneration Committee (NRC) shall –

I. Governing Board & its members related aspects:

7. Scrutinising and interviewing applicants for selecting the MD of the clearing corporation.
8. Adhering and developing a skill evaluation metrics to assess applications of new or existing PIDs and NIDs for their appointment and/or reappointment and recommending their names to the Governing Board
9. Ensuring at all times that the governing board comprises of directors with required skill set and expertise in the areas as provided in SECC Regulations, 2018.
10. Ensure compliance with governing board level skill diversity at the time of appointment, reappointment or extension of tenure of PIDs or NIDs.
11. Framing & reviewing the policy to carry out internal evaluation of every director's performance, including that of PIDs.
12. Reviewing and recommending extension of the term of appointment and re-appointment of existing PIDs.
13. Appointment of Independent External Professionals (IEPs).

II. KMPs related aspects:

14. Identifying KMPs based on importance of activities carried out by them, including being key decision makers within the clearing corporation, other than those specifically provided under regulation 2(1)(j) of the SECC Regulations, 2018. For identifying KMPs, one of the criteria should be, persons (including employees/consultants) drawing annual pay higher than any KMP(s).
15. Review, at least once a year hierarchical set ups across the departments, in order to identify KMPs due to a change in role and responsibilities assigned to them. Such review should necessarily include, consultants reporting to the MD/CEO or ED.
16. The appointment and removal of KMPs other than resignations.
17. Laying down policy for accountability of KMPs. Further, mapping legal and regulatory duties to the concerned position and Delegation of Power (DoP) at various levels.
18. Laying down the policy for compensation of KMPs in compliance with the compensation norms prescribed under SECC Regulations, 2018 and ensuring that the compensation paid to KMPs is as per the compensation policy.
19. Framing performance review parameters for evaluation of KMPs, including that of MD.
20. Assess the performance of KMPs based on reports submitted by the functional heads/reporting authority, and observations, if any, received from SEBI, and submit such reports to the governing board every year.
21. Determining the tenure of a KMP, other than a director, to be posted in a particular role within regulatory compliance, risk management and investor grievance vertical.
22. Determining and finalizing the KRAs of all KMPs at the beginning of the year. Review the same in line with organizational needs.
23. Ensuring that no KMP reports to a non-KMP.

III. On other organisation level related aspects:

24. Ensure that no employee of the clearing corporation is working or reporting to an employee of any other company where the clearing corporation has invested and vice versa.
25. Ensure that hiring of consultants is based on a pre-defined SOP of the clearing corporation.
26. Framing, reviewing, implementing and monitoring SOP for imposing disciplinary actions against employees of clearing corporation.
27. 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:

As per the requirements of the SECC Regulations and CCP directions, the Company is required to constitute the Risk Management Committee (RMC) 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 of independent external persons.

The RMC was formed by the Board of Directors on April 15, 2022. The Committee consists of Ms. Huzan Mistry (PID) (Chairperson), Mr. Krishnamurthy Vaidyanathan (PID), Mr. Srinivasan Varadarajan (PID), Mr. Rahul Ghosh (IEP) and Mr. Siddhartha Roy (IEP). The Committee met three times during the year i.e. August 02, 2023, September 26, 2023, February 09, 2024.

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

Name of Member	Number of meetings attended
Ms. Huzan Mistry	3 out of 3
Mr. Srinivasan Varadarajan	3 out of 3
Mr. Krishnamurthy Vaidyanathan	3 out of 3
Mr. Rahul Ghosh	2 out of 3
Mr. Siddhartha Roy	3 out of 3

1. Terms of reference of RMC

- a. Formulate a detailed Risk Management Framework (RMF) which shall be approved by the governing board of the clearing corporation to ensure continuity of operation at all points of time.
- b. The RMF shall include the following:
 - The framework for identification of internal and external risks;
 - Measures for risk mitigation including systems and processes for internal control and;
 - Business continuity plan.
- c. Monitor each risk associated with the functioning of the clearing corporation more specifically for functions under vertical 1 and 2.
- d. Review the RMF & risk mitigation measures at least once annually taking into account the changing industry dynamics and evolving complexity.
- e. Monitor and review enterprise-wide risk management plan and lay down procedures to inform governing board about the risk assessment and mitigation procedures.
- f. RMC shall coordinate with other committees. In case of overlap with activities of other committees, RMC may consider views of such committees.
- g. Monitor implementation of the RMF and also keep the governing board informed about implementation of the RMF and deviation, if any.
- h. Approve the Half-Yearly Risk report to be submitted by the Chief Risk Officer (CRiO) to SEBI and the governing board of the clearing corporation.
- i. Comply with the roles and responsibilities as provided under the Companies Act 2013 and the SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015.

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:

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

The Stakeholders Relationship Committee has been constituted by the Board of Directors. The committee as on March 31, 2024, consisted of Ms. Huzan Mistry (PID) and Mr. Kashinath Katakdhond, Managing Director. The Committee met once during the year i.e. on February 09, 2024.

The details of the attendance of members of SRC at their meeting held on above date is given hereunder:

Name of Member	Number of meetings attended
Ms. Huzan Mistry	1 out of 1
Mr. Alok Chandra Jena*	0 out of 1

Name of Member	Number of meetings attended
Mr. Kashinath Katakdhond	1 out of 1

*Resigned from the Governing Board of the Company with effect from March 04, 2024, and ceased to be a member of the Audit Committee.

Post closure of the financial year, Ms. Suparna Tandon, was appointed as a member of Audit Committee w.e.f. May 17, 2024. Further she resigned from the Governing Board of the Company w.e.f. August 06, 2024, and accordingly, Mr. Vinod Chandrasekharan was appointed as a member of the committee w.e.f. August 09, 2024.

Terms of reference of Stakeholders Relationship Committee

- 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 2023-24.

MANAGEMENT DISCUSSION AND ANALYSIS

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

MD/ CFO CERTIFICATION

The MD and CFO certification of the financial statements for the financial year 2023-24 is enclosed at the end of the report.

GENERAL BODY MEETINGS

1. Location and time where last three Annual General Meetings held:

- The First Annual General Meeting was held on November 22, 2022, at 04.30 p.m. through Video Conferencing from 204, 205 & 206, The Empire Business Centre, 414, Empire Complex, Senapati Bapat Marg, Lower Parel (W), Mumbai City – 400013.
- The Second Annual General Meeting was held on September 15, 2023, at 04.30 p.m. through Video Conferencing from 204, 205 & 206, The Empire Business Centre, 414, Empire Complex, Senapati Bapat Marg, Lower Parel (W), Mumbai City – 400013.

2. Whether any special resolutions passed in the previous three Annual General Meeting:

- Following Special resolutions were passed in the First Annual General Meeting held on November 22, 2022:
 - Approval of issue of shares on private placement basis.
 - 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 are less than 200.

MEANS OF COMMUNICATION

For ease of reference of the Shareholders, data related to:

- Quarterly and annual financial results;
- Shareholding pattern;
- Intimation and outcome of General meetings;
- Intimation and outcome of every Board meetings;

- Vigil mechanism
- Annual Report etc.

Are available on the website of the Company i.e. <https://www.arclindia.com/Index>

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting: The Third Annual General Meeting of ARCL will be held on Friday, September, 20, 2024, at 04.30 p.m. through Video Conferencing or Other Audio-Visual Means. The deemed venue for the 03rd Annual General Meeting shall be the Registered Office of the Company. For further details, please refer to the Notice convening this AGM.

Financial Year: The Financial Year of ARCL is April 01 to March 31.

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

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 4067161602

Share Transfer System: The Equity of ARCL is in dematerialized form.

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	0.01	1,200	0.01
2	10001 – 50000	5	0.07	1,09,789	0.07
3	50001 – 100000	4	0.20	3,05,400	0.20
4	100001 & above	27	99.72	14,95,83,611	99.72
Total		37	100.00	15,00,00,000	100.00

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

Plant Location: None.

Address for correspondence: Unit No. 503, Windsor, Off CST Road, Kalina, Santacruz East, Mumbai 400098.

Email ID: compliance@arclindia.com

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, 2024, 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.

https://www.arclindia.com/spages/Disclosures/OD_OD_71_22-May-2024-Policy%20on%20Materiality%20and%20Dealing%20with%20RPT%2008.04.2024.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, 2024, 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) The Board has accepted recommendations of its committees, made during FY 2023-24, which are mandatorily required to be accepted.

i) 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 (In Rs.)
Audit Fees	Rs. 3,39,550
Certification Matters	Rs. 10,000
Out of pocket	Rs. 5,000
Total	Rs. 3,54,550

j) As of March 31, 2024, no complaint was filed during Financial Year 2023-24 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 Financial Year 2023-24.

k) Certification on Compliance of Corporate Governance norms

- a. 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.
- b. 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.

- l) A declaration signed by the Managing Director 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 – ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

Brief Outline on CSR

We, AMC Repo Clearing Limited ('the Company or ARCL'), contribute to harmonious and sustainable development of society and the earth through our business activities, based on our Guiding Principles.

We comply with all local and national regulations, as well as the spirit thereof, and we conduct our business operations with honesty and integrity. In order to contribute to sustainable development, we believe that management interacting with its stakeholders as described below is of considerable importance, and we will endeavor to build and maintain sound relationships with our stakeholders through open and fair communication.

The CSR Policy of the Company has been duly approved by the Board of Directors of the Company as per Section 135 of the Act read with applicable rules made thereunder and Schedule VII thereto.

Composition of CSR Committee

During the period under review, the CSR amount to be spent by the Company does not exceed fifty lakh rupees. Thus, the requirement of constitution of CSR Committee is not applicable.

Provide the web-link where Composition of CSR committee

CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: <https://www.arclindia.com/csresponsibility>

Provide the executive summary along with web-links(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not applicable.

CSR Calculation

Details	Amount
a) Average net profit of the company as per sub section (5) of Section 135	Rs. 1.94 crores
b) Two percent of average net profit of the company as per sub section (5) of Section 13	Rs. 3.88 lakhs
c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL
d) Amount required to be set off for the financial year, if any	NIL
e) Total CSR obligation for the financial year [(b)+(c)-(d)]	Rs. 3.88 lakhs

Amount Spent on CSR

Details	Amount
a) Amount spent on CSR Projects (both ongoing project and other than ongoing project)	Rs. 3.90 Lakhs
b) Amount spent on Administrative Overheads	NIL
c) Amount spent on Impact Assessment, if applicable	Not Applicable
d) Total amount spent for the financial year [(a)+(b)+(c)]	Rs. 3.90 Lakhs

CSR amount spent or unspent for the financial year

Amount (In Rs.)

Total amount spent for financial year	Total Amount transferred to Unspent CSR Account as per sub section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 3.90 lakhs	-	-	-	-	-

Excess amount for set-off, if any: Nil.

Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: Nil.

Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No.

Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not applicable.

For and on behalf of the Board of Directors

Date: August 09, 2024
Place: Mumbai

Sd/-

Srinivasan Varadarajan
Chairman
DIN: 00033882

Sd/-

Kashinath Katakdhond
Managing Director
DIN: 07716501

ANNEXURE D – SECRETARIAL AUDIT REPORT

FORM NO. MR-3 Secretarial Audit Report

For the Financial Year ended March 31, 2024

[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
Unit No. 503, Windsor,
Off CST road, Kalina, Santacruz East,
Vidyanagari, Mumbai - 400098

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 March 31, 2024 ("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 March 31, 2024, 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 Non-Convertible Securities) Regulations, 2021 (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:

1. Shifting of Registered Office address within the local limits of the city to "Unit No. 503, Windsor, Off CST road, Kalina, Santacruz East, Mumbai 400098" w.e.f. November 10, 2023.
2. The Board at its Meeting held on February 09, 2024, approved revision in remuneration payable to Mr. Kashinath Katakdhond, Managing Director of the Company w.e.f. September 01, 2023, pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act 2013.
3. During the period under review, following Committees were constituted /re-constituted/dissolved:
 - i. Re-constitution of Member and Core Settlement Guarantee Fund Committee and Stakeholders Relationship Committee and dissolution of the Securities Issuance Committee of the Company at the Board Meeting held on May 12, 2023.
 - ii. Dissolution of Grievance Redressal Committee and Advisory Committee, constitution of the Investment Committee and re-constitution of Standing Committee on Technology of the Company at the Board Meeting held on August 02, 2023.
 - iii. Re-constitution of Internal Consultation Committee and Constitution of Credit Committee, Grievance Redressal Panel as per Regulation 29A of amended SECC Regulations 2023 and Shareholders Committee at the Board Meeting held on February 09, 2024.
4. Change in Composition of the Board of Directors/KMP:

- i. Appointment of Mr. Kashinath Katakdhond (DIN: 07716501) as Managing Director of the Company w.e.f. April 17, 2023
- ii. Appointment of Mr. Vedant Kamulkar (ACS 70246) as Company Secretary and Compliance Officer of the Company w.e.f. May 12, 2023
- iii. Resignation of Mr. Natarajan Ramasamy as Chief Executive Officer of the Company w.e.f. June 30, 2023
- iv. Resignation of Mr. Deepak Upadhyay as Vice President of the Company w.e.f. July 14, 2023
- v. Resignation of Mr. Alok C Jena (DIN: 09327319) as the Nominee Director of the Company w.e.f. March 04, 2024.
- vi. Appointment of Ms. Suparna Tandon (DIN: 08429718) as the Nominee Director of the Company w.e.f. March 11, 2024.
- vii. Resignation of Mr. Rajendra Utpat as the Chief Financial Officer of the Company w.e.f. March 28, 2024.
- viii. Appointment of Ms. Hetal Chauhan as Chief Financial Officer & Key Managerial Personnel of the Company w.e.f. March 29, 2024.

Sd/-
Hitesh J. Gupta
Practicing Company Secretary
M No. A33684
CP No. 12722
UDIN: A033684F000386575
Date: May 17, 2024
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 the Secretarial Audit Report)

To,
The Members,
AMC REPO CLEARING LIMITED
Unit No. 503, Windsor,
Off CST road, Kalina, Santacruz East,
Vidyanagari, Mumbai, 400098

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: A033684F000386575

Date: May 17, 2024
Place: Mumbai

ANNEXURE E

STATEMENT PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 AND RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED MARCH 31, 2024

a) DETAILS OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN: -

Sr. No.	Employee Name	Designation	Gross Remuneration paid (In Rs.)	Educational Qualification	Experience (years)	Date of Joining	Age	Previous Employment and Designation
1	Mr. Kashinath Katakahond#	Managing Director	1,12,37,226	BE Computer Engineer, Global Executive MBA	33	April 17, 2023	55	RAMSUN Network – Head of Business Alliances & Partnership
2	Ms. Shweta Bhatt#	Head – Operations	23,09,450	PGDBM, M.Com	18	January 19, 2023	44	MCCIL – Senior Manager
3	Mr. Siddharth Gurav	Asst. Manager – Risk	11,74,191	MMS	5	July 07, 2023	28	Wingsure – Actuarial Analyst
4	Mr. Vedant Kamulkar #	Company Secretary and Compliance Officer	6,93,333	Company Secretary, LLB	1.9	April 03, 2023	24	Purwar & Purwar Associates, LLP, PCS – Associate
5	Mr. Vivek Visariya	Asst. Manager – Risk	6,20,712	PGDM, BBI	2.7	December 08, 2022	26	MCCIL – Management Trainee
6	Ms. Hetal Chauhan #	Chief Financial Officer	3,84,758	M.Com	9	November 16, 2023	30	Continuum Group – Assistant Manager
7	Mr. Hari S lyer	Sr. Executive – Accounts & Finance	3,76,320	B. Com	37	December 08, 2021	59	Shilpa Global Private Limited – Accountant
8	Ms. Akshaya Birje	Asst. Manager – Operations	3,75,820	PGDM	2.5	September 18, 2023	28	Mizuho Bank – Officer
9	Ms. Sneha Kagi	Sr. Executive – Operations	2,91,665	MMS	4.5	September 11, 2023	29	MCCIL – Executive
10	Mr. Rahul Kumar	Sr. Executive – Premises & Administration	1,51,384	B. Com	15	November 10, 2023	35	Daiwa Capital Market – Admin assistant

Note:

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

- Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24:

- Director's remuneration: Rs. 1,12,37,226/-
- Employees remuneration: Rs. 63,77,633/- (excluding Director)
- Median of employee's remuneration: Rs. 3,84,758/-

The ratio of remuneration of the Managing Director to the median remuneration of the employees of the company for the financial year is 29.20 X.

- 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 if Employee	Designation	Percentage increase in remuneration
1	Mr. Rajendra Utpat (Till March 28, 2024)	Chief Financial Officer	25%

- The percentage increase in the median remuneration of employees in the financial year: There is a percentage decrease in the median remuneration of employees over last year of around 26.25%.
- The number of permanent employees on the rolls of the company: 8 Employees
- Average percentiles 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.

- 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 F

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 (In Rs.)	Median of compensation of all employees (In Rs.)	Ratio of compensation of all employees against KMP compensation
1	Mr. Kashinath Katakdhond	1,12,37,226	5,02,735	22.36
2	Ms. Shweta Bhatt	23,09,450	5,02,735	4.59
3	Mr. Vedant Kamulkar	6,93,333	5,02,735	1.37
4	Ms. Hetal Chauhan	3,84,758	5,02,735	0.76

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 2023-24.

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

Date: May 17, 2024

Place: Mumbai

Sd/-

Name: Kashinath Katakdhond
Managing Director

MD – CFO CERTIFICATION

The Board of Directors,
AMC Repo Clearing Limited
Unit No. 503, Windsor, Off CST Road,
Kalina, Santacruz East, Mumbai 400098

Dear Sirs,

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, 2024, and that to the best of our knowledge and belief:
 1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the Company's affairs 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, 2024, 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:
 1. there were no significant changes in internal control over financial reporting during the year ended March 31, 2024;
 2. there were no significant changes in accounting policies during the year ended March 31, 2024; and
 3. 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

Sd/-
Kashinath Katakdhond
Managing Director
DIN: 07716501

Date: May 17, 2024
Place: Mumbai

For AMC Repo Clearing Limited

Sd/-
Hetal Chauhan
Chief Financial Officer

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
AMC Repo Clearing Limited
Unit No. 503, Windsor,
Off CST Road, Kalina,
Santacruz East,
Mumbai 400098.

1. This certificate is issued in accordance with the terms of our engagement letter dated May 31, 2024.
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 March 31, 2024, 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 March 31, 2024.
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: F005769F000934477

Place: Thane
Date: August 09, 2024

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
Unit No. 503, Windsor,
Off CST Road, Kalina,
Santacruz East,
Mumbai 400098.

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 Unit No. 503, Windsor, Off CST Road, Kalina, Santacruz East, Mumbai 400098 (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 March 31, 2024, 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
1	Mr. Srinivasan Varadarajan	00033882	December 09, 2021
2	Mr. Krishnamurthy Vaidyanathan	00693204	December 09, 2021
3	Ms. Huzan Mistry	09208069	October 08, 2022
4	Mr. Alok C Jena ¹	09327319	December 09, 2021
5	Ms. Suparna Tandon ²	08429718	March 11, 2024
6	Mr. Kashinath Katakdhond ³	07716501	April 17, 2023

1. Mr. Alok C Jena ceased to be Nominee Director with effect from March 04, 2024.
2. Ms. Suparna Tandon was appointed as Nominee Director with effect from March 11, 2024.
3. Mr. Kashinath Katakdhond was appointed as the Managing Director of the Company with effect from April 17, 2023, for five years vide SEBI approval letter SEBI/HO/DDHS/DDHS-RACPOD1/P/OW/2023/ 12191/1 dated March 27, 2023, and RBI approval letter CO.DPSS.LVPD.No.S13/02-07-038/2023-2024 dated April 05, 2023.

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: F005769F000934466

Place: Thane
Date: August 09, 2024

Management Discussion and Analysis Report

Macro Economy – Assessment and Outlook

The economic landscape of 2023-24 was characterized by a significant expansion of the economy and a gradual decrease in inflation levels. The Provisional Estimates (PE) unveiled by the National Statistics Office (NSO) on May 31, 2024, further solidify the earlier evaluations of economic growth. The revised estimate for the growth of real gross domestic product (GDP) for 2023-24 stands at 8.2 percent, following growth rates of 7 percent in 2022-23 and 9.7 percent in 2021-22. The overall growth momentum has stayed robust, surpassing the 7.6 percent threshold. The headline inflation rate stands at 5 percent in the fourth quarter (Q4: 2023-24); while the year-over-year is at 5.4 percent for 2023-24.

Based on the Provisional Estimates (PE) Forecast for the fiscal year 2023-24, the annual growth in real gross fixed capital formation, which shows investment demand, quickened to 9% up from 6.6% in the preceding year. Nevertheless, there was a decline in the rate of growth for private consumption expenditure, dropping from 6.8% in the previous year to 4% in the current year. Due to weak global demand the export of goods and services saw a slowdown in the current year. Moving ahead, a boost in consumption demand, exports, and steady capital expenditure growth will be crucial for sustaining the robust economic expansion observed over the last three years.

Globally, the trade volumes will bounce back in 2024 and expected is grow at rate similar to prior years. IMF in its April 2024 assessment has projected YOY growth in the world output at 3.2 per cent in 2024, the same as in 2023 and the growth of volume of world trade in goods and services at 3 per cent in 2024 as compared to 0.3 per cent in 2023.

The trend in manufacturing output suggests a recovery in the production of goods for consumption in the 2023-24 period. The Index of Industrial Production (IIP) for consumer goods saw a 3.8 percent increase in the 2023-24 period, in contrast to a mere 0.7 percent growth in the previous year. The rate of growth in consumer goods IIP was more robust in the second half of 2023-24, reaching 4.0 percent, compared to the first half's rate of 3.7 percent. Additionally, the growth in consumer non-durables was the most significant in the first half, while consumer durables saw growth in the latter half. The increase in consumer spending, as indicated by the IIP growth in 2023-24, could continue into 2024-25 if the factors driving this growth persist.

The outlook for economic expansion in 2024-25 is driven by the momentum generated in 2023-24, along with various global and local factors. Although there are notable positive trends in the emerging macroeconomic conditions that are expected to boost economic activity in 2024-25, there are also potential risks from negative outcomes. These risks include the ongoing international geopolitical conflicts, restrictive trade policies worldwide, and severe weather conditions impacting agricultural production, which could lead to these negative outcomes. The RBI's Survey of Professional Forecasters, carried out in May 2024, offers a middle-range forecast for real GDP growth in 2024-25 at 6.8 percent, an increase from the 6.7 percent forecast in the last survey conducted in March. The main drivers of growth in these forecasts are Private Final Consumption Expenditure and Gross Fixed Capital Formation.

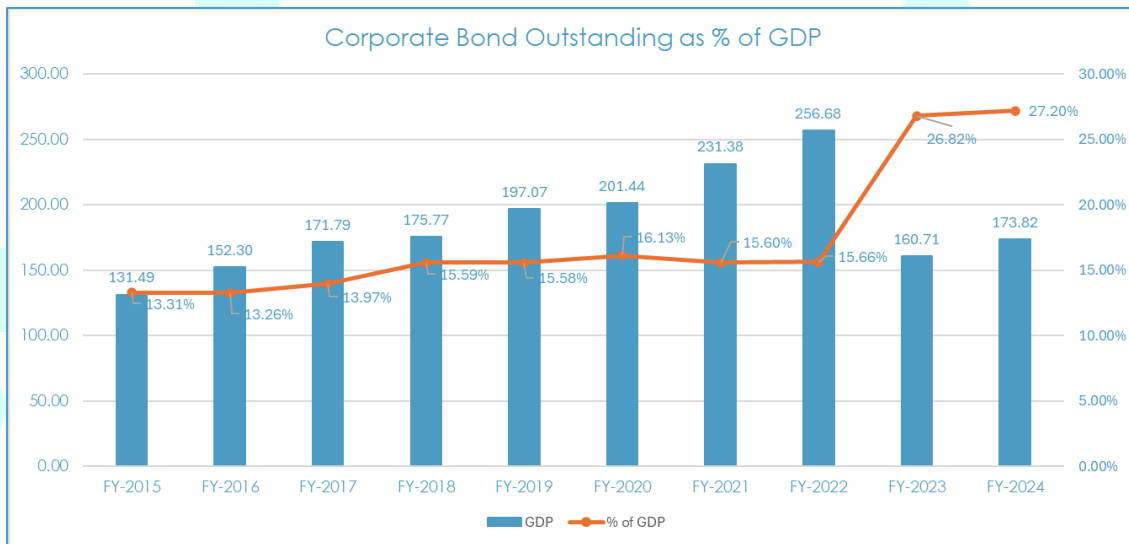
During the April meeting of the MPC, it was estimated that the year-over-year growth of real GDP for the 2024-25 fiscal year would be 7%. However, considering a typical monsoon season and a consistent push in investment, the GDP growth for the 2024-25 fiscal year has been revised to 7.2%. The GDP is expected to grow quarterly at 7.3% in Q1, Q2 at 7.2%, 7.3% in Q3, and Q4 at 7.2%. The rate of decrease in the year-over-year headline CPI inflation has been consistent recently. It fell from 5.4% in the third quarter of 2023-24 to 5% in the fourth quarter. The rate dropped from 5.1% in January 2024 to 4.8% in April. Although the CPI inflation for fuel & light and non-food, non-fuel categories stayed below 4%, the inflation for food was over 7.5% in the fourth quarter of 2023-24 and 7.9% in April of the current year. A good monsoon aiding in the recovery of the agricultural sector and effective supply management strategies will be crucial in keeping food inflation in check as the year goes on.

The year-over-year headline inflation rate has been set at 4.5% for the 2024-25 fiscal year. The quarterly forecasts are 4.9%, 3.8%, 4.6%, and 4.5%. The significant drop in the inflation rate in second quarter to 6.4%, is attributed to the period when the inflation rate peaked at 6.4% in the third quarter of 2023-24.

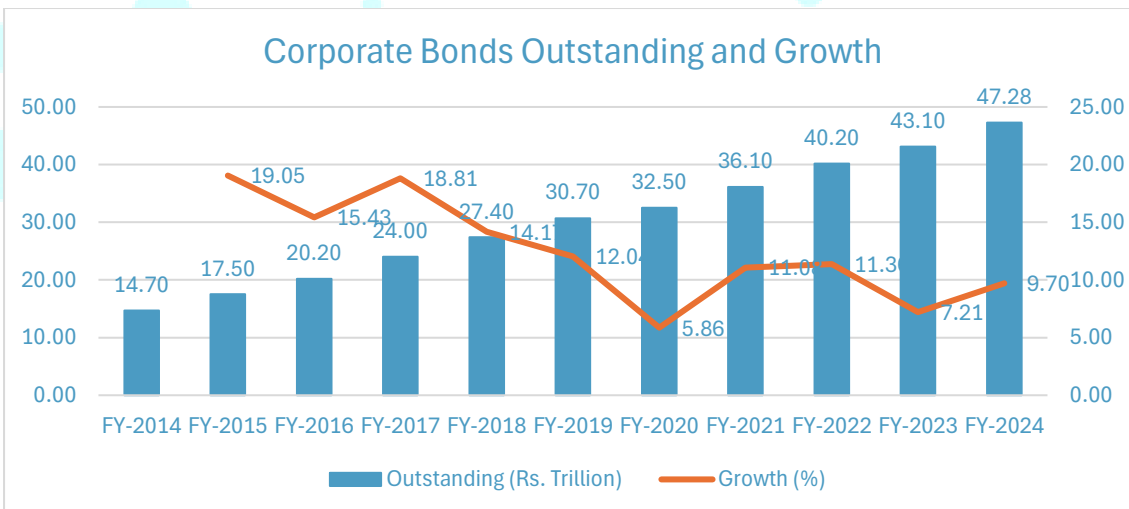
Bond Market – Assessment and Outlook

The corporate bond market in India plays a crucial role in the financial landscape by offering an additional option for financing beyond traditional bank loans and potentially lowering borrowing costs. However, the capacity of Indian banks to provide long-term loans to businesses is limited due to their asset-liability mismatch, particularly for the infrastructure sector.

According to CRISIL Ratings, the outstanding size of corporate bond market is expected to reach a level of Rs.100 to Rs.120 trillion by fiscal 2030. Over the last decade, the value of outstanding corporate bonds has grown at 12.40% CAGR, rising from Rs.14.7 trillion at the end of FY 2014 to Rs.47.28 trillion by the end of FY 2024.



Source: SEBI and www.worldometers.info

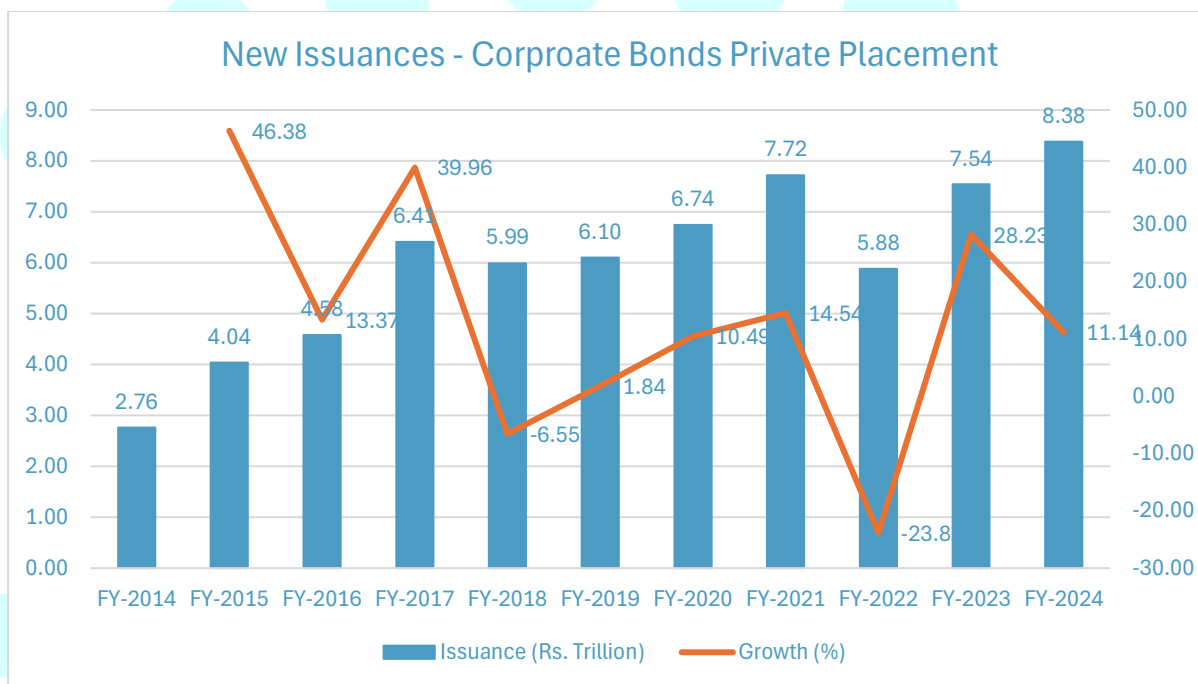


Source: SEBI

Primary Issuances of Corporate Debt

India's corporate bond market has witnessed remarkable growth, reaching a record high of Rs.99.78 trillion (approximately Rs.9.97 billion) in private placements during the financial year 2023-24. This marks a 17% increase from the previous year, as reported by Prime Database.

A total of 976 institutions and companies have successfully raised funds through private placements. The volume of corporate bond issuances through private placement has surged from Rs.2.76 trillion in FY 2014 to Rs.8.38 trillion in FY 2024, achieving a 11.75% CAGR.



Source: SEBI

The expansion of the Indian bond market largely hinges on corporations replacing bank loans with bonds, the growing importance of infrastructure projects for funding, the increasing involvement of Non-Banking Financial Companies (NBFCs), and the potential growth of housing companies, which are among the primary borrowers relying on market financing. The infrastructure investment in India is expected to rise to Rs.143 trillion between 2024 and 2030.

The Financial institutions and banks have mobilised highest by raising Rs 4,67,995 crore (Rs. 46.80 trillion), an increase of 8 per cent over previous year signifying their reliance on corporate bonds for funding. Similarly, the Private Sector has seen a jump of 44% in FY2023-24 by raising Rs 4,96,446 crore (Rs. 49.64 trillion).

Government entities including All-India Financial Institutions/Banks have collectively raised 39% of the total amount with All-India Financial Institutions/Banks accounting for 91 per cent share followed by PSUs having 8% share.

In FY2023-24, the top 5 issuers raised Rs 2,47,505 crore i.e. 25 per cent of total amount raised. Rs 3.29 lakh crore was raised in the above 10-year maturity bucket accounting for 33 per cent of the total amount raised followed by 3-5 years bucket amounting to Rs 2.78 lakh crore.

Rs 5.56 lakh crore was raised in 7-8 per cent coupon range accounting for 56 per cent and Rs 1.63 lakh crore) in the 8-9 per cent coupon range accounting for 16% of total amount raised.

Issuers with AAA rating raised 66 per cent of the overall amount Issues amounting to Rs 6.63 lakh crore

The Banking/Financial Services sector continued to dominate the market, collectively raising Rs 7,26,541 crore or 73 per cent of the total amount. Housing/Civil Construction/Real Estate sector ranked a distant second with a 6 per cent share (₹60,426 crore).

433 first-time issuers hit the market in 2023-24 as compared to 414 last year. In addition to the above, Rs. 14,155 crores were raised in 2023-24 through private placements by 17 Infrastructure/Real Estate Investment Trusts.

Public bonds market saw a near 179 per cent increase with 48 issues raising Rs 20,787 crore in comparison to 32 issues raising Rs 7,444 crore last year. The largest issue was from Power Finance Corp. raising Rs 2,824 crore.

Bond Market Recap

At the start of 2023, the 10-year benchmark Govt bond was trading in the range of 7 – 7.44 percent due to inflation expected to be at elevated levels and rate hikes by RBI. With RBI taking a call to pause rate hikes, the yield on the 10-year benchmark bond softened to 7%.

The bond yields started moving upwards in July on the market expectation that US Federal Reserve will hike the rates. Also, with the announcement of Incremental Cash Reserve Ratio (I-CRR), the yields were volatile. There has been an increased positivity after the announcement of Indian bonds getting included in the JP Morgan GBI EM Index from June 2024, with India Index weight increasing to 10 per cent by March 2025. The 10-year benchmark government bond is currently trading at a yield of 6.93% as on July 31, 2024.

Outlook For 2024

The International Monetary Fund (IMF) in its report has raised India's growth forecast for 2024-25 (FY25) to seven per cent from 6.8 per cent, an increase of 20 basis points (bps). The rise in the growth outlook comes due to better private consumption, particularly in rural India. The Reserve Bank of India (RBI), in its latest monetary policy meeting has also raised the GDP forecast for FY25 to 7.2 per cent from seven per cent pegged earlier.

The 10-year G-sec yield has softened from 7.19% end of April 2024 to 7.00% as on June 30, 2024, with the rising expectation of better fiscal consolidation. This view was reinforced with RBI announcing higher-than-expected dividend of Rs. 2.1 trillion. With the softening of global bond yields, and India's inclusion in the bond index, the market expects the 10-year G-sec yield to trade at 6.80-7.15% in Q2 FY2025.

If MPC pushes the rate cuts beyond December 2024, the yields are expected to rise. It is also expected that in FY2025 Govt may borrow from markets. With India being included in the JP Morgans EM Bond Index, the demand for Govt securities will rise and with improved demand-supply balance the yields are expected to move lower.

With favourable market conditions, the bond issuances are expected to remain healthy with the issuances in the range of Rs. 10.4-10.7 trillion in FY2025. By the end of FY2025, the corporate bond outstanding is expected to increase YoY by 8.9-9.5% to Rs. 51.5-51.8 trillion.

Regulatory Initiatives

Recognizing the importance of well-functioning debt market, SEBI has taken several targeted initiatives over the last few years to bring more efficiency, transparency and further expansion of corporate bond market. Notable major initiatives during the financial year, inter-alia, include:

Launch of AMC Repo Clearing Limited

To deepen the corporate bond repo market, the clearing corporation was set up in 2021 with AMCs having debt AUMs as shareholders of the company. The company became operational in July 2023.

Launch of Corporate Debt Market Development Fund

Is the backstop facility for specified debt fund intended to provide liquidity support in the event of a financial crisis.

Large corporates

With the objective of ease of doing business and development of corporate bond markets, SEBI has issued a circular revising the framework for fund raising by issuance of debt securities by large corporates (LCs). This framework is applicable with effect from April 01, 2024 for LCs following April-March as their financial year. The framework shall be applicable for all listed entities (except for Scheduled Commercial Banks).

Increased flow of capital to the bond market, driven by managed investments, may increase the competitiveness of the market and push large corporates towards corporate bond market. Further SEBI has mandated the listed corporates rated AA and above with long term borrowing of more than Rs.1000 crores, meet 25% of their annual incremental borrowing through bond issuance reckoned from fiscal 2025. RBI mandates that all corporates with aggregate sanctioned credit limit from the banking system greater than Rs.10000 crore meet 50% of their annual incremental funds through the capital market.

According to the SEBI circular, a large corporate (LC) is required to raise not less than 25% of its qualified borrowings by way of issuance of debt securities in the financial years subsequent to the financial year in which it is identified as an LC. From FY 2025 onwards, the requirement of mandatory qualified borrowing by an LC in a FY shall be met over a contiguous block of three years.

If at the end of three years i.e. last day of FY "T+2", there is a surplus in the requisite borrowings (i.e. the actual borrowings through debt securities is more than 25% of the qualified borrowings for FY, the following incentive shall be available to the LC:

- a) Reduction in the annual listing fees of FY "T+2" pertaining to debt securities or non-convertible redeemable preference shares as specified in Table I of Annex-I to this circular; and
- b) Credit in the form of reduction in contribution to the Core Settlement Guarantee Fund (SGF) of LPCC.
- c) If at the end of three years i.e. last day of FY "T+2", there is a shortfall in the requisite borrowings (i.e. the actual borrowings through debt securities is less than 25% of the qualified borrowings for FY "T"), a dis-incentive in the form of additional contribution to the core SGF shall apply.

Faster Issuances of Debt Securities

To enhance ease of business for listed debt issuers, Securities and Exchanges Board of India on December 9, 2023, floated proposals to streamline regulations governing debt issuances. SEBI suggested lowering the denomination to Rs. 10,000 for issuers of Non-convertible Debt securities (NCDs) or Non-Convertible Redeemable Preference Shares (NCRPS) so that more non-institutional investors can enter the market. It also came up with the idea of fast fast-track public issue process. SEBI has invited public comments on these proposed changes until December 30, 2023.

The Proposals include reducing the time for public comments on draft offer documents to two days. The GID and KID filed for fast-track public issuance of debt securities should have all the necessary information which was listed in the release.

The fast-track public issue of debt securities may be kept open for a minimum of one working day and a maximum of 10 working days, SEBI said.

It is proposed that the timeline for listing fast-track public issue of debt securities may be specified at 'T+3', as opposed to 'T+6' for a regular public issue.

Denomination Reduction

SEBI proposed to reduce the face value of privately placed NCDs and NCRPS from Rs. 1 lakh to Rs. 10,000. However, in such cases, the issuer shall appoint a merchant banker who shall carry out due diligence for issuance of such privately placed NCDs or NCRPS and disclosures in the private placement memorandum, the release said.

It is pertinent to note that irrespective of whether the NCDs are issued by way of public issuance or private placement, once they are listed, they are freely transferable in the secondary market.

Standardized Record Date

Inconsistency of shut periods or record dates was noted and SEBI proposed to standardize record dates 15 days before payment due dates, ensuring uniformity.

The record date is the date on which the investor must be the owner of the debt securities for corporate actions. In market parlance, the shut period refers to the number of days between the Record Date and the interest payment date/ redemption date.

Infrastructure Financing – Higher Provision by Lenders

The Reserve Bank of India's (RBI) proposed norms to tighten project financing, which has recommended an increased standard asset provisioning of up to 5 per cent on loans, is likely to result in an additional provisioning of 0.5-3 per cent of banks net worth. This may encourage more infra companies to tap the bond markets for raising long term funds.

Credit Derivatives Market

For development of credit derivatives market, RBI has introduced a revised regulatory regime for the credit default swaps market in India with the introduction of the Master Direction – RBI (Credit Derivatives) Directions, 2022.

Despite the consistent efforts by the regulators, the liquidity in the secondary market remained the challenge. Significant share of private placements, hold till maturity approach, skewness towards high rated papers are among the persistent issues. These issues could be potentially tackled with market making in corporate bonds, an effective credit default swap market, integration of corporate bond secondary market, corporate bond repo market and credit default swap market with central counterparty services will contribute significantly to the development of corporate bond market in India.

Opportunities

The Company has been setup as part of the SEBI initiative for the development of corporate bond market in India. Even though debt is permitted to be traded on recognise stock exchange in India, trading of debt securities in secondary market has never picked up. In order to develop the secondary market in a focussed manner, there is a need for a vibrant and thriving repo market in corporate debt securities. With this objective in mind, SEBI has taken the initiative of setting up a separate clearing corporation for the development of repo in corporate debt securities. Having a vibrant repo market in corporate debt securities will help issuers to raise funds at a lower cost as well as increase secondary market trading in corporate debt securities. Even today out of approx. 20,000 ISINs outstanding, trading happens only in approx. 200 securities on daily basis.

The Company has the vision to be the primary agency for the development of the corporate bond markets in India including primary issuances, secondary market trading, repo trading in corporate debt securities and credit risk derivatives. This vision is possible only if the corporate debt market is available under a single roof and all such services are provided by the Company.

Over the last few decades, there have been many active initiatives taken by the government and both the regulators, to develop the corporate bond market. After a long time, new product like repo in corporate debt securities is getting traction on an electronic trading platform which shows that the product is gaining momentum.

The Company sees a good opportunity to work with the regulators to work towards getting the necessary regulatory changes to enable the Company to achieve this objective.

Key Business Challenges

QCCP Status

ARCL is yet to receive the Qualified Central Counterparty Status (QCCP) status from RBI and SEBI. As a result, many banks and primary dealers are reluctant to participate on the ARCL platform. The company has approached both SEBI and RBI in this regard and the need for speeding up granting QCCP status.

Electronic Trading Platform

As trading in tri-party repo product is mandated through recognised stock exchanges, there is an additional cost involved for participants. This additional cost of 10-20 basis points becomes a deterrent for many participants who are participating as Direct Clients on the platform. The company has shared a concept note on LPCC Tri-party Repo Scheme to enable the company to launch its own Electronic Trading Platform. The company will need to seek approval from RBI as required under the RBI Master Directions on Electronic Trading Platform.

Outsourcing of Clearing & Settlement

SEBI had mandated that the clearing and settlement activities to be outsourced to a clearing corporation of a recognised stock exchange. Hence, the company entered into an agreement with NSE Clearing Limited (NCL). The framework for risk management and all other parameters are defined by the company and NCL implements the same in its clearing and settlement system made available for tri-party repo. RBI does not encourage outsourcing of critical clearing and settlement systems to a service provider. Many requirements have been pending with NCL for the last one year and it restricts the company's ability to provide features and functionalities required for the growth of this product and for developing the corporate bond market.

NSE Compliances

The list of compliances for proprietary trading in the tri-party repo is quite exhaustive and discourages many new members from participating in the product. The company is working with both SEBI and NSE for simplification of these compliances for trading in tri-party repo in corporate debt securities.

Limited Debt Brokers for Tri-party repo

There are limited brokers in the tri-party repo market. This creates a concentration risk as most of the Direct Participants who are not eligible to become trading members of the stock exchanges are required to come through a broker. Primary reason being compliances for trading tri-party repo through an exchange and also the role of the trading member is limited to providing access to the web portal for tri-party repo product and other compliances.

Single product company

The company is currently allowed to clear and settlement only tri-party repo product in corporate debt securities. Single product approach is a threat to the company's viability and needs to expand the product profile to include all products and derivatives related to corporate debt securities.

Conclusion

With the future opportunities available, the potential is very expansive and untapped, which offers the Company to play a significant role in the development of the corporate bond markets in India with the support of the regulators.

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, 2024, 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, 2024, 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 40 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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.
- vi. The Company has used Tally accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated w.e.f. January 01, 2024 for transactions recorded in the software and according to the information and explanation given to us, the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

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

Sd/-
Santosh More
Partner
M. No. 114236

Place: Mumbai
Date: May 17, 2024
UDIN: 24114236BKDWOR8913

“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, 2024:

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:

- i. 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;
- ii. (a) The Company is engaged in the business of offering clearing and settlement services for all trades executed on tri-party 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 obtained unsecured credit facility for margin requirements from the bank. However, the Company has never been sanctioned any working capital limits on the basis of security of current assets 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;
- iii. 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.
- iv. 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.
- v. 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.
- vi. 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.
- vii. 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 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 statutory dues amounts payable in respect of the above were in arrears as at March 31, 2024 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.
- viii. 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);
- ix. 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.
- x. (a) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, Clause (a) of paragraph 3(x) of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, Clause (b) of paragraph 3(x) of the Order is not applicable to the Company.
- xi. (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 information and explanations given to us and based on our examination of the records of the Company, no whistle-blower complaints, have been received during the year by the company;
- xii. In our opinion, the Company is not a Nidhi Company. Accordingly, clauses (a) to (c) of paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. 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.
- xiv. (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.
- xv. 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.

- xvi. (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 40 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;
- xvii. The Company has not incurred any cash losses during the financial year under reporting or under the preceding financial year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
- xviii. 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;
- xix. 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.
- xx. (a) According to the information and explanations given to us and based on our examination of the records of the Company, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 in respect of other than ongoing projects.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, no amount has remained unspent under sub-section (5) of section 135 of the Companies Act. Accordingly, clauses (b) of paragraph 3(xx) of the Order is not applicable to the Company;
- xi. 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

Sd/-
Santosh More
Partner
M. No. 114236

Place: Mumbai
Date: May 17, 2024
UDIN: 24114236BKDWOR8913

“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, 2024, 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, 2024, 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

Sd/-
Santosh More
Partner
M. No. 114236

Place: Mumbai
Date: May 17, 2024
UDIN: 24114236BKDWOR8913

AUDITED BALANCE SHEET AS AT MARCH 31, 2024

(Figures in Rs. Thousands)

Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
I. Equity and Liabilities			
Shareholders' Funds			
Share Capital	2	15,00,000	15,00,000
Reserves and Surplus	3	(11,801)	(11,801)
Core Settlement Guarantee Fund (Core SGF)	4	17,85,449	38,470
Non-Current Liabilities			
Other Long-term liabilities	5	3,200	-
Long-term provisions	6	694	536
Current Liabilities			
Trade Payables			
A) Total outstanding dues of micro and small enterprises		387	30
B) Total outstanding dues of creditors other than micro and small enterprises	7	797	333
Other Current Liabilities	8	58,362	526
Short Term Provisions	9	30,300	15,947
TOTAL		33,67,388	15,44,041
ii. ASSETS			
Non-current Assets			
Property Plant and Equipment		1,985	175
Intangible Assets		32	88
Capital Work - in - progress	10	-	-
Intangible assets under development		2,040	-
Non-Current Investments	11	27,31,986	1,53,500
Deferred Tax Asset (Net)	12	1,330	871
Other Non-Current Assets	13	16,531	1,051
Current Assets			
Current Investments	14	3,75,112	13,21,257
Trade Receivables	15	118	-
Cash and cash equivalents	16	92,888	3,808
Short term Loans and Advances	17	38,325	18,221
Other Current Assets	18	1,07,039	45,070
TOTAL		33,67,388	15,44,041

See accompanying notes to financial 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

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

Santosh More
Partner
Membership Number: 114236

Srinivasan Varadarajan
Director
DIN:00033882

Kashinath Katakdhond
Managing Director
DIN:07716501

Vedant Kamulkar
Company Secretary

Hetal Chauhan
Chief Financial Officer

Place: Mumbai
Date: May 17, 2024

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2024

(Figures in Rs. Thousands)

Particulars	Note No.	Year ended March 31, 2024 Audited	Year ended March 31, 2023 Audited
Revenue:			
Revenue from Operations	19	2,212	-
Other Income	20	1,04,027	89,860
Total Income		1,06,239	89,860
Expense			
Employee Benefits expense	21	22,830	19,855
Finance Costs	22	842	-
Premium Amortisation		5,879	8,821
Depreciation and amortization expense	10	683	413
Other expenses	23	30,134	10,254
Total Expenses		60,368	39,343
Profit before Exceptional, Extraordinary items & Tax		45,871	50,517
Exceptional Items		-	-
Profit before Extraordinary items & Tax		45,871	50,517
Extraordinary items		-	-
Profit before Tax		45,871	50,517
Tax Expense:			
Current Tax		25,500	12,830
Deferred Tax Charge / (Credit)		(459)	(861)
Income Tax for Earlier Years		(324)	80
Profit/(Loss) for the period from continuing operations		21,154	38,469
Profit/ (Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(Loss) from discontinuing operations (after tax)		-	-
Profit for the period		21,154	38,469
Earnings per share	24	0.14	0.26
Basic		0.14	0.26
Diluted			

See accompanying notes to financial 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

For and on behalf of the board of

AMC REPO CLEARING LIMITED

Santosh More

Partner

Membership Number: 114236

Srinivasan Varadarajan

Director

DIN:00033882

Kashinath Katakdhond

Managing Director

DIN:07716501

Vedant Kamulkar

Company Secretary

Hetal Chauhan

Chief Financial Officer

Place: Mumbai

Date: May 17, 2024

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

(Figures in Rs. Thousands)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxation	45,871	50,518
Adjustments for:		
Depreciation on Property Plant & Equipment (PPE)	683	413
Premium Amortisation	5,879	8,821
Discount Amortisation on T Bill	(16,725)	(27,691)
Interest From Govt Securities	(31,442)	(47,070)
Interest received / accrued	(55,776)	(14,990)
Operating Profit / (Loss) before Working Capital changes	(51,510)	(29,998)
Adjustments for:		
(Increase) / Decrease in Trade Receivables	(118)	-
Increase / (Decrease) in Other Current Liabilities	57,837	(599)
Increase / (Decrease) in Short Term Provisions	1,682	15,947
(Increase) / Decrease in Short Term Loans & Advances	(9,015)	(2,078)
(Increase) / Decrease in Other Non-Current Assets	(15,480)	(29,772)
Increase / (Decrease) in Other Non-Current Liabilities	-	536
Increase / (Decrease) in long term provision	158	-
Increase / (Decrease) in Trade Payables	820	(14,405)
Cash generated from Operations	(15,626)	(60,369)
Income Tax Paid	(23,595)	(11,553)
Net Cash Inflow from / (outflow) from Operating Activities	(39,221)	(71,921)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets & capital advances	(4,477)	(62)
Proceed / (Purchase) of Investment	68,241	(59,237)
Proceed / (Purchase) of Investment in Core SGF	(17,06,462)	-
Net Cash used in Investing Activities	(16,42,698)	(59,299)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	21,708
CORE SGF Contribution received	16,71,956	-
Income Received from Core SGF	53,869	-
Cash Margin Deposit received	3,200	-
Interest Received	41,974	89,750
Proceeds / (Repayments) of borrowings (net)	17,71,000	1,11,459
Net Cash used in financing activities	17,71,000	1,11,459
Net increase / (decrease) in cash and cash equivalents (A+B+C)	89,080	(19,762)
Cash and cash equivalents at the beginning of the year	3,808	23,569
Cash and cash equivalents at the end of the year (see Note 1)	92,888	3,808
NOTES:		
1) Cash and cash equivalents comprise of:		
Cash in hand	-	-
Cash at Bank	92,888	3,808
	92,888	3,808

See accompanying notes to financial 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

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

Santosh More
Partner
Membership Number: 114236

Srinivasan Varadarajan
Director
DIN:00033882

Kashinath Katakdhond
Managing Director
DIN:07716501

Vedant Kamulkar
Company Secretary

Hetal Chauhan
Chief Financial Officer

Place: Mumbai
Date: May 17, 2024

Notes forming part of the Balance sheet as at 31st March 2024 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 Unit No-503, Windsor, Off CST Road, Kalina, Santacruz East, Mumbai-400 098, 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 in 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 recognized on a time proportion basis taking into account the amount outstanding and applicable interest rate.

Transaction charges are recognized on accrual basis as and when the services are rendered.

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

Assets type	Useful Lives (in years)
Office equipment	5
Software	3
Leasehold Improvement	5

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 recognized 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 recognized for an asset in prior accounting periods may no longer exist or many have decreased.

vi. Employee Benefits:

Short-term employee benefits including salaries, wages, bonus and other benefits are recognized 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 comprise 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. Investments are classified as Long-Term Investment if the original date of its maturity is after more than 12 months as per the principles laid down in Accounting Standard 13 on Investments.

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 recognized in the financial statements.

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 dilute 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 dilute potential equity shares. Potential equity shares are deemed to be dilute only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

Potential dilute equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilute 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). Dilute potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilute 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.

NOTE 2

(Figures in Rs. Thousands)

Share Capital Particulars	31.03.2024	31.03.2023
Authorised:		
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
Issued, Subscribed and Paid-up:		
15,00,00,000 Equity Shares of Rs.10/- each fully paid up. (Previous year 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

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

(Figures in Rs. Thousands)

Particular	31.03.2024		31.03.2023	
	No. of Shares	Figures in '000	No. of Shares	Figures in '000
At the beginning of the period	15,00,00,000	15,00,000	14,78,29,177	14,78,292
Add: Equity shares issued during the year	-	-	21,70,823	21,708
Less: Shares bought back during the year	-	-	-	-
Outstanding at the end of the period	15,00,00,000	15,00,000	15,00,00,000	15,00,000

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.

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.

(Figures in Rs. Thousands)

iv) Details of shareholders holding more than 5% shares in the Company:

Name	31.03.2024		31.03.2023	
	No.	% holding	No.	% holding
HDFC Asset Management Company Limited	2,25,00,000	15.00%	2,25,00,000	15.00%
ICICI Prudential Asset Management Company Limited.	2,14,71,482	14.31%	2,14,71,482	14.31%
SBI Funds Management Limited	1,99,60,682	13.31%	1,99,60,682	13.37%
Aditya Birla Sun Life AMC Limited	1,68,45,294	11.23%	1,68,45,294	11.23%
Kotak Mahindra Asset Management Co Limited	1,25,25,600	8.35%	1,25,25,600	8.35%
IDFC Asset Management Company Limited	-	-	1,02,43,895	6.29%
Bandhan AMC Limited	1,02,43,895	6.83%	-	-
Nippon Life India Asset Management Limited	92,58,783	6.17%	92,58,783	6.17%
Axis Asset Management Company Limited	90,30,696	6.02%	90,30,696	6.02%

NOTE 3 RESERVES AND SURPLUS

(Figures in Rs. Thousands)

Particulars	31.03.2024	31.03.2023
Surplus in Statement of Profit and Loss		
Balance at the beginning of the period	(11,801)	(11,801)
Add: Adjustments during the year		-
Add: Transferred from the statement of Profit and Loss	21,154	38,470
	9,353	26,669
Less: Appropriations to Core Settlement Guarantee fund	21,154	38,470
Balance at the end of the period	(11,801)	(11,801)

NOTE 4 CORE SETTLEMENT GUARANTEE FUND

(Figures in Rs. Thousands)

Particulars	31.03.2024	31.03.2023
Contribution to Core Settlement Guarantee Fund (Refer Note 41 & 42)		
Balance at the beginning of the period	38,470	
Add-Addition to Core SGF	16,71,956	
Add-Accrued interest on Core SGF	53,869	-
Add -Appropriation from Profit & Loss Account	21,154	38,470
Balance at the end of the period	17,85,449	38,470

NOTE 5 OTHER LONG-TERM LIABILITIES

(Figures in Rs. Thousands)

Particulars	31.03.2024	31.03.2023
Long term liabilities - Others		
Interest Free Deposits from Members	3,200	-
	3,200	-

NOTE 6 LONG-TERM PROVISIONS

(Figures in Rs. Thousands)

Particulars	31.03.2024	31.03.2023
Provision for employee benefits		
Leave Encashment	407	-
Gratuity	287	536
	694	536

NOTE 7 TRADE PAYABLE

(Figures in Rs. Thousands)

Trade Payable Particulars	As at 31.03.2024					As at 31.03.2023				
	Outstanding for the following periods from due date of payment									
	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	Total
I) MSME	387	-	-	-	387	30	-	-	-	30
II) Others	797	-	-	-	797	333	-	-	-	333
III) Disputed Dues - MSME	-	-	-	-	-	-	-	-	-	-
IV) Disputed Dues - Others	-	-	-	-	-	-	-	-	-	-

No interest is due or payable to the any of the MSME vendors in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 during the current or previous financial year.

NOTE 8 OTHER CURRENT LIABILITIES

(Figures in Rs. Thousands)

Particulars	31.03.2024	31.03.2023
Margin Received from Members (refer Note 43)	57,600	-
Income Received In advance	200	-
Statutory Liabilities	562	526
	58,362	526

NOTE 9 SHORT TERM PROVISION

(Figures in Rs. Thousands)

Particulars	31.03.2024	31.03.2023
Provision for Employee Benefits		
Performance Incentive	4,247	2,249
Leave Encashment	41	551
Gratuity	2	-
Other Provisions		
For Expenses	510	317
For Tax	25,500	12,830
	30,300	15,947

NOTE 11 NON-CURRENT INVESTMENTS

(Figures in Rs. Thousands)

Particulars	31.03.2024	31.03.2023
Investments (Unquoted)		
Fixed Deposits with Banks***	27,31,986	1,53,500
	27,31,986	1,53,500

***Investment in Fixed Deposit with bank amounting to Rs 17,06,462/- thousands has been earmarked towards Core Settlement Guarantee Fund

NOTE 12 DEFERRED TAX ASSET (NET)

(Figures in Rs. Thousands)

Particulars	31.03.2024	31.03.2023
Deferred Tax Asset / (Liability)		
On Account of Depreciation	75	31
On account of expenses	1,255	840
Net Deferred Tax Asset	1,330	871

NOTE 13 OTHER NON-CURRENT ASSETS

(Figures in Rs. Thousands)

Particulars	31.03.2024	31.03.2023
Security deposit	16,531	1,051.00
	16,531	1,051

NOTE 14 CURRENT INVESTMENTS

(Figures in Rs. Thousands)

Particulars	31.03.2024	31.03.2023
Investment in Government or trust securities (Quoted)		

Particulars	31.03.2024	31.03.2023
Investment in T-bill	3,75,112	13,21,257
Other Investments (Unquoted)		
Fixed Deposits with Banks	-	-
	3,75,112	13,21,257

NOTE 10 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(Figures in Rs. Thousands)

Property, Plant and Equipment and Intangible assets Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at	Additions	Deletion/	As at	As at	For the	Deletion/	As at	As at	As at
	01.04.2024		Adjustments	31.03.2024	01.04.2024	year	Adjustments	31.03.2024	31.03.2024	31.03.2023
Property, plant and equipment										
Computer Systems	615	984	-	1,599	440	392	-	832	767	175
Office Equipment	-	253	-	253	-	24	-	24	229	-
Leasehold Improvements	-	1,200	-	1,200	-	211	-	211	989	-
Total (A)	615	2,437	-	3,053	440	627	-	1,067	1,985	175
Intangible Asset										
Software	347	-	-	347	259	56	-	314	32	88
Total (B)	347	-	-	347	259	56	-	314	32	88
Intangible Assets under development		2,040		2,040	-	-		-	2,040	-
Total (C)	-	2,040	-	2,040	-	-	-	-	2,040	-
TOTAL (A+B+C)	962	4,477	-	5,439	698	683	-	1,381	4,058	263

Capital-work-in progress ageing as on 31.03.2024

(Figures in Rs. Thousands)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,040	-	-	-	2,040
Projects temporarily suspended	-	-	-	-	-
Total	2,040	-	-	-	2,040
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Whose completion is overdue	-	-	-	-	-
Has exceeded its cost compared to its original plan	-	-	-	-	-
Total	-	-	-	-	-

NOTE 15 TRADE RECEIVABLES

(Figures in Rs. Thousands)

Particulars	31.03.2024	31.03.2023
Billed Revenue		
Secured, Considered Good	118	-
Unsecured, Considered Good	-	-
Total	118	-

Trade Receivables Ageing as on 31.03.2024

(Figures in Rs. Thousands)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables- considered good	118	-	-	-	-	118
Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables -credit impaired	-	-	-	-	-	-
Total	118	-	-	-	-	118

NOTE 16 CASH AND BANK BALANCE

(Figures in Rs. Thousands)

Particulars	31.03.2024	31.03.2023
Cash and Cash Equivalents		
Balances with Banks	92,888	3,808
Cash on Hand	-	-
	92,888	3,808

NOTE 17 SHORT TERM LOANS & ADVANCES

(Figures in Rs. Thousands)

Particulars	31.03.2024	31.03.2023
Balances with government authorities:		
Cenvat Credit Receivable	9,174	3,377
Income Tax Paid In Advance	25,460	14,371
Prepaid Expenses	3,691	473
	38,325	18,221

NOTE 18 OTHER CURRENT ASSETS

(Figures in Rs. Thousands)

Particulars	31.03.2024	31.03.2023
Other Receivable	1,07,039	45,070
	1,07,039	45,070

NOTE 19 REVENUES FROM OPERATIONS

(Figures in Rs. Thousands)

Particulars	31.03.2024	31.03.2023
Transaction Charges	162	-
Other Operating Revenue		
Membership Admission Fees	1,550	-
SEBI Fees From Clearing Members	500	-
	2,212	-

NOTE 20 OTHER INCOME

(Figures in Rs. Thousands)

Particulars	31.03.2024	31.03.2023
Interest Income on Fixed Deposits	55,776	14,990
Interest on Income Tax Refund	84	110
Discount Amortisation on T Bill	16,725	27,691
Interest From Govt Securities	31,442	47,070
	1,04,027	89,860

NOTE 21 EMPLOYEE BENEFIT EXPENSES

(Figures in Rs. Thousands)

Particulars	31.03.2024	31.03.2023
Salaries and Wages	22,429	18,624
Contribution to other fund	279	1,212
Staff Welfare Expenses	122	19
	22,830	19,855

NOTE 22 FINANCE COST

(Figures in Rs. Thousands)

Particulars	31.03.2024	31.03.2023
Interest Cost	-	-
Other Borrowing Cost	842	-
	842	-

During the year company has availed the line of credit from AXIS Bank of Rupees 10,00,000 thousand for managing risks in relation to settlement of triparty repo transactions in corporate debt securities.

NOTE 23 OTHER EXPENSES

(Figures in Rs. Thousands)

Particulars	31.03.2024	31.03.2023
Auditors' Remuneration:		

Particulars	31.03.2024	31.03.2023
Audit Fees	340	357
Others	10	10
Out of Pocket Expenses	5	-
Advertising & Business Promotion Expenses	350	281
Brokerage expenses	500	-
Clearing & Settlement Charges ¹	170	-
CSR -Expenses (Refer Note 38)	390	-
Director Sitting Fees	3,850	2,850
Office Expenses	86	1
Electricity Charges	220	-
Office Admin Expenses	195	45
Security and Housekeeping Charges	540	-
Printing Stationery	68	34
Publication Charges	839	-
Processing & Custody fees	154	154
Legal and Professional Fees	9,823	1,738
Travelling & Transport Charges	136	52
Website design & Maintenance charges	157	96
Rent	9,007	3,634
Repairs & Maintenance charges	146	2
Rates and Taxes	495	30
Technical Related Expenses	2,093	955
SEBI Fees-Clearing Members	500	-
Miscellaneous Charges	61	16
	30,134	10,254

NOTE 24 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:

(Figures in Rs. Thousands)

Particulars	31.03.2024	31.03.2023
Net Profit/(Loss) for calculation of Basic and Diluted EPS	21,154	38,470
Weighted average number of equity shares outstanding during the period	15,00,00,000	14,83,34,711
Basic and Diluted Earnings per share (Face Value - Rs. 10 each)	0.14	0.26

25. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Trade Payable include Rs. 387/- Thousands (Previous Year Rs. 30/- Thousands) due to Micro, Small & Medium Enterprises, none of the said dues are outstanding for more than 45 days. The said information regarding Micro, Small & Medium Enterprises has been determined to the extent such parties have been identified on basis of information available with the company.

26. 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.

27. TRANSACTIONS IN FOREIGN CURRENCIES

(Figures in Rs. Thousands)

Particulars	31.03.2024	31.03.2023
Expenses in Foreign Currency	-	-
Earning in Foreign Exchange	-	-

28. DETAILS OF MOVEMENT IN PROVISIONS AND CONTINGENCIES

(Figures in Rs. Thousands)

Particular	Opening Balance 01.04.2023	Addition during the year	Settlement during the year	Closing Balance 31.03.2024
Provision for Employee Benefits	3,337	3,649	2,001	4,985
Provision for Expenses	317	510	317	510

Particular	Opening Balance 01.04.2023	Addition during the year	Settlement during the year	Closing Balance 31.03.2024
Provision for Income Tax	12,830	25,500	12,830	25,500

(Figures in Rs. Thousands)

Particular	Opening Balance 01.04.2022	Addition during the year	Settlement during the year	Closing Balance 31.03.2023
Provision for Employee Benefits	-	3,337	-	3,337
Provision for Expenses	2,033	317	2,033	317
Provision for Income Tax	-	12,910	80	12,830

29. RELATED PARTY DISCLOSURES

i. Parties that exercise Control

Name of the Party	Relationship	w.e.f. date
Srinivasan Varadarajan	Chairman, Public Interest Director	09-Dec-21
Krishnamurthy Vaidyanathan	Public Interest Director	09-Dec-21
Alok Chandra Jena till 04-Mar-2024	Shareholder Director	09-Dec-21
Huzan Mistry	Public Interest Director	08-Oct-22
Kashinath Katakdhond	Managing Director	17-Apr-23
Natarajan Ramaswamy till 30-Jun-2023	CEO, Key Managerial Personnel	23-Mar-22
Rajendra Utpat till 28-Mar-2024	CFO (KMP)	02-Feb-23
Vedant Kamulkar	Company Secretary (KMP)	12-May-23
Hetal Chauhan	CFO (KMP)	29-Mar-24

ii. Transactions with Related Parties

(Figures in Rs. Thousands)

Particulars	Transactions for FY 2023-24	Balance As On 31.03.2024	Transactions for FY 2022-23	Balance As On 31.03.2023
Remuneration to KMP				
Natarajan Ramasamy till 30-Jun-2023	2,465	-	9,600	-
Ritesh Kadam till 27-Jan-23	-	-	1,112	-
Ananth Kamath till 12 Aug 22	-	-	199	-
	-	-	-	-
Rajendra Utpat till 28-03-2024	1,450	-	246	-
Vedant Kamulkar w.e.f. 12-May-2023	647	139	-	-
Kashinath Katakdhond w.e.f. 17-Apr-2023	11,237	2,389	-	-
Hetal Chauhan w.e.f. 29-Mar-2024	83	3	-	-

(Figures in Rs. Thousands)

Particulars	Transactions for FY 2023-24	Balance As On 31.03.2024	Transactions for FY 2022-23	Balance As On 31.03.2023
Director Sitting Fees				
Anand Sarveshwar Sinha till 06-Aug 2022	-	-	250	-
Srinivasan Varadarajan	1,050	-	700	-
Krishnamurthy Vaidyanathan	1,200	-	800	-
Alok Chandra Jena TILL 04-Mar-2024	550	-	600	-
Huzan Mistry w.e.f. 08-Oct-2022	1,050	-	500	-

Note: The Committee Members are informed that various Banks and Mutual Funds are being on-boarded as Clearing Member/ Participant on a continuous basis. During the quarter, Union Bank of India has been on-boarded as a Clearing Member. The Company has charged membership fees from Union Bank of India. Mr. Srinivasan Varadarajan being non-executive director of Union Bank of India, the same is considered as related party transaction but approval of the same is not required as it is in ordinary course of business. Further, as per Accounting Standard 18 (AS 18), no disclosure is required in Financial Statements simply because they have common director.

30. CONTINGENT LIABILITIES AND COMMITMENTS

(Figures in Rs. Thousands)

Particular	Figures in '000	
	31.03.2024	31.03.2023
(i) Contingent liabilities:		
(a) Claims against the company not acknowledged as debt;	-	-
(b) Guarantees;	-	-
(c) Other money for which the company is contingently liable	-	-
(ii) Commitments:		
(a) Estimated number of contracts remaining to be executed on capital account and not provided for;	1,360	-
(b) Uncalled liability on shares and other investments partly paid	-	-
(c) Other commitments: Future minimum lease payments		
Not later than one year	15,266	2,433
Later than one year and not later than five years	62,796	-
Later than five years	-	-

31. 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.

32. EMPLOYEE BENEFITS:

Defined benefit plan:

Gratuity Disclosure Statement as Per Accounting Standard 15 Revised (AS 15R). The gratuity is payable to all members at the rate of 15 days salary for each year of service. The Gratuity Plan is unfunded. The Company has provided for this liability based on the actuarial valuation report received for the current financial year. Till the last financial year this liability was computed based on last salary drawn by the employees on pay roll as at the balance sheet date since the provision of the Payment of Gratuity Act, 1972 were not applicable. The extracts from the actuarial report are as follows:

The amount recognized in the statement of Profit & Loss is as follows:

(Figures in Rs. Thousands)

Particular	As at 31.03.2024
Current Service Cost	178
Net Interest Cost	8
Actuarial (Gains)/Losses	0
Expenses Recognized in the Statement of Profit or Loss	185

The amount recognized in the Balance Sheet as follows

(Figures in Rs. Thousands)

Particular	As at 31.03.2024
Present Value of Benefit Obligation at the end of the Period	289
Fair Value of Plan Assets at the end of the Period	-
Net Liability Recognized in the Balance Sheet	289

Change in the Present Value of Defined Benefit Obligation

(Figures in Rs. Thousands)

Particular	As at 31.03.2024
Present Value of Benefit Obligation at the Beginning of the Period	104
Interest Cost	8
Current Service Cost	178
Present Value of Benefit Obligation at the End of the Period	289

Assumptions Used

Expected Return on Plan Assets	NA
Rate of Discounting	7.19%
Rate of Salary Increase	10.00%
Rate of Employee Turnover	10.00%

Mortality Rate During Employment

Indian Assured Lives Mortality 2012-14 (Urban)

33. 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).
34. There are no charges or satisfaction of charges yet to be registered with Registrar of Companies beyond statutory period.
35. The company has not borrowed anything from banks and financial institutions.
36. The Company is not declared as wilful defaulter by any bank or financial Institution or other lenders.
37. 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.

38. Corporate Social Responsibility (CSR)

(Figures in Rs. Thousands)

Particular	31.03.2024	31.03.2023
Amount Required to be spent by the Company during the year	390	-
Amount of Expenditure Incurred	390	-
Shortfall at the end of the year	-	-
Total of Previous Year Shortfall	-	-
Reason for Shortfall	NA	-
Nature of CSR Activities	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	-

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

40. 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. Further, the Company is authorised under the Payment and settlement system Act 2007 for providing central Counter party (CCP) services for clearing and settlement of repo transactions in the corporate debt securities that are dealt with or traded on recognized stock exchange and does not intend to function as a non-banking financial institution and therefore it has not applied for any such registration.

41. Core Settlement Guarantee Fund (Core SGF)

Securities and Exchange Board of India, vide circular SEBI/HO/MRD2/DCAP/CIR/P/2020/245 dtd. December 21, 2020, has issued norms related to the computation and contribution to the Core Settlement Guarantee Fund by the Limited Purpose Clearing Corporation.

Details of Core SGF are as follows:

(Figures in Rs. Thousands)

Contributor	31.03.2024	31.03.2023
Issuers of Corporate Bonds* *	16,71,956	-
Clearing Members	-	-
ARCL	59,623	38,470
Interest Income	53,869	-
Penalties and Others	-	-
Total	17,85,449	38,470

**As per SEBI Circular No. SEBI/HO/DDHS/DDHS-RACPOD1/CIR/P/2023/56 dated 13th April 2023, eligible issuers of corporate debt securities (private placement/public issues) shall contribute to the Core SGF effective from May 01, 2023.

42. The Company has transferred Profit after tax Rs. 21,154/-thousands (Previous Year Rs. 38,469/-thousands) to Core Settlement Guarantee Fund as per direction SEBI Circular No-SEBI/HO/MRD2/DCAP/CIR/P/2020/245 dated December 21,2020.

43. Margin Received from Member represents collaterals received in the form of cash. collaterals received from members in the form of Corporate Bond (Non-Cash) stands to Rs 1,05,50,000/- thousand.

44. 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.

45. 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.

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

(Figures in Rs. Thousands)

Note 47	Ratios Particular	Numerator / Denominator	31.03.2024		31.03.2023		Variation	Reasons for variation of >25%
			Amount in '000'(Rs.)	Ratio	Amount in '000'(Rs.)	Ratio		
a)	Current Ratio	Current Assets Current Liabilities	6,13,483 89,846	683 %	13,88,356 16,836	824 6%	-92%	Improvement in current ratio due to better management of assets
b)	Return on Capital Employed	Earnings Before Interest & Tax Capital Employed	45,871 15,47,823	3%	50,517 15,26,669	3%	-10%	NA
c)	Return on Equity	Net Profit after tax Shareholder's Equity	21,154 15,47,823	1%	38,469 15,26,669	3%	-46%	Lower of profit after tax as compared to last year due to increase in Tax expense the profitability is impacted.
								Decreased is due to increase in expenses on commencement of operations.
d)	Net Profit Ratio	Net Profit Turnover	21,154 1,06,239	20%	38,469 89,860	43%	-53%	
e)	Debt - Equity Ratio	Total Debt Shareholder's Equity	- 15,47,823	NA	- 15,26,669	NA		NA
f)	Debt Service Coverage Ratio	Net Operating Income Total annual Debt Obligation	46,554 -	NA	50,930 -	NA		NA
g)	Inventory turnover Ratio	Total Sales Average inventory	2,212 -	NA	- -	NA		NA
h)	Trade Receivable Turnover Ratio	Net credit sales Average trade receivables	2,212 118	187 4%	- -	NA	1874%	NA
								Due to commencement of business operations and increase in expenses
i)	Trade Payables Turnover Ratio	Net credit purchases Average trade payables	30,134 410	734 8%	10,254 182	563 4%	30%	

Note 47	Ratios Particular	31.03.2024			31.03.2023			Reasons for variation of >25%
		Numerator / Denominator	Amount in '000' (Rs.)	Ratio	Amount in '000' (Rs.)	Ratio	Variation	
j)	Net capital turnover Ratio	$\frac{\text{Net Annual Sales}}{\text{Working capital}}$	2,212 4,46,898	0%	- 13,42,397	NA	0%	Increase is due to Commencement of operations
k)	Return on investment	$\frac{\text{Net Return on Investment}}{\text{Cost of Investment}}$	1,03,943 14,37,697	7%	89,860 13,21,257	7%	6%	Increase in Treasury Income resulted in this improvement

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

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

See accompanying notes to financial 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

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

Santosh More
 Partner
 Membership Number: 114236

Srinivasan Varadarajan
 Director
 DIN:00033882

Kashinath Katakdhond
 Managing Director
 DIN:07716501

Vedant Kamulkar
 Company Secretary

Hetal Chauhan
 Chief Financial Officer

Place: Mumbai
Date: May 17, 2024