

AMC REPO CLEARING LIMITED – BOARD MEETING

The 16th Board meeting of AMC Repo Clearing Limited was held on Friday, February 09, 2024, at Mumbai.

The Board *inter-alia*, approved the following:

1. Noting of Quarterly Compliance Disclosures posted on the website of the Company

a) Compliance Reports on Corporate Governance pursuant to Regulation 27(2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the quarter ended December 31, 2023.

The Board reviewed and noted the Report on Corporate Governance for the quarter ended December 31, 2023.

b) Shareholding Pattern pursuant to Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended December 31, 2023.

The Board reviewed and noted Shareholding Pattern for the quarter ended December 31, 2023, pursuant to Regulation 31 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

c) Shareholding Pattern pursuant to Regulation 21 of the Securities Contract (Stock Exchange and Clearing Corporation) Regulations, 2018 for the quarter ended December 31, 2023

The Board reviewed and noted Shareholding pattern submitted to SEBI on quarterly basis pursuant to Regulation 21 of Securities Contract (Stock Exchange and Clearing Corporation) Regulations, 2018.

d) Noting of Investor Complaints received on the SCORES Portal of SEBI during the quarter ended December 31, 2023

The Board reviewed and noted summary of the Investor Grievances received through the SEBI SCORES portal during the quarter ended December 31, 2023.

e) Noting of information as required under regulation 17 (7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board reviewed and noted a statement of certain mandatory information, as prescribed under SEBI (LODR) in compliance with Regulation 17 (7) of the SEBI (LODR) Regulations, 2015.

f) Noting of Compliance report as per regulation 17(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

The Board reviewed and noted the Compliance Report on Corporate Governance in the specified format for the quarter ended December 31, 2023, in compliance with Regulation 17 (3) of the SEBI (LODR) Regulations, 2015.

g) Stock Purchase compliance by employees, KMPs and Directors

The Board reviewed and noted disclosures of dealings in Securities by Directors and KMPs in the specified format for the quarter ended December 31, 2023, in compliance with Regulation 26(2) of SECC Regulation, 2018.

h) Compliance Officer Report as per Regulation 30(3) of Securities Contract (Stock Exchange and Clearing Corporation) Regulations, 2018 for the quarter ended December 31, 2023

The Board reviewed and noted the Compliance Officer Report for the quarter ended December 31, 2023, in compliance with Regulation 30 (3) of the SEBI (SECC) Regulations, 2018.

2. Consideration and approval of revision in Investment Policy

The Board approved the Investment Policy as under:

Own Fund Fixed Deposit Investment Norm Approved

Approved Bank Net Worth	Single Bank Maximum Permissible Limit
D-SIB Bank	Rs. 100 Crores
Non D-SIB Bank	Rs. 50 Crores

Core SGF Fixed Deposit Investment Norm Approved

Approved Bank Net Worth	Single Bank Maximum Permissible Limit
D-SIB Bank	Rs. 100 Crores
Non D-SIB Bank	Rs. 50 Crores

3. Consideration and approval of OTC market repo in corporate bonds for managing temporary liquidity for settlement

In order to raise temporary liquidity to ensure smooth settlement of repo transactions, the Board approved following:

- To undertake an OTC market corporate bond repo for raising temporary liquidity against the collateral available.
- To sign the Global Master Repurchase Agreement (GMRA) with its counterparties for OTC corporate bond repo.
- To identify the counterparties for repo transactions based on internal criteria to be defined.
- To register the Company with the CCIL operated F-TRAC for reporting of OTC repo trades executed by the company.
- The company has already registered on the CBRICS of NSE for settlement of trades in corporate bonds.
- The Company will get necessary approvals from the regulators.

4. Consideration and approval for Unscheduled Holiday Policy

The Board approved Unscheduled Holiday Policy as under:

- First Leg (Ready Leg)
 - In case the first leg settlement (ready leg) date falls on an unscheduled holiday, then the trade will be cancelled.
- Second Leg (Forward Leg)

- In case the second leg (forward leg) settlement date falls on an unscheduled date, the settlement date shall be rolled over to the next business day.
- Any interest accruals on account of such a delayed settlement shall be recovered by Clearing Corporation from the borrower of funds and the same shall be payable to the lender of funds.
- The additional interest amount for USH is computed at the repo rate of the associate transaction whose settlement is getting postponed due to USH.
- ARCL may adjust such interest accruals together with repayment obligations due on unscheduled holiday to next business day's obligation of the Member/Participant or it will be collected separately.

5. Consideration and approval in revision in issue limit at Member/ Participant level

The Board approved following revision in issue limit at Member/ Participant wise issue (ISIN level):

- Member / Participant with total borrowing limit upto Rs. 125 Crores
 - Issue limit of Rs. 25 Crores.
- Member / Participant with total borrowing limit above Rs. 125 Crores: Issue limit is **Lower of**
 - 20% of total borrowing limit OR
 - Rs. 150 Crores

6. Consideration and approval of acceptance of Government Securities for initial margin in addition to cash

The Board approved the following:

- ARCL will accept the Government Securities (Central Government securities & T-Bills) as initial margin only for the purpose of lending.
- The Government Securities can be accepted in demat form using depositories pledge mechanism. Subsequently, Government Securities may also be accepted in CSDL account of ARCL once permitted by RBI.
- The participant intending to give government securities as margin in demat form will pledge these securities to the extent of their margin requirements in favour of ARCL.
- The margin collected in the form of Government Securities will be treated as cash and cash equivalent.
- To avoid daily change in the margin valuation, the margin value will be computed applying haircut of 20% on the market value of the Government Securities. The Government Securities valuation will be reviewed on a monthly basis and margin values will be revised accordingly.
- To implement this change, the Company will work with our services providers i.e. NSE Clearing Ltd. (NCL) before it is rolled out to the market.

7. Consideration and approval of Subordinate bonds (Tie-II) bonds and Bond ETF as Eligible Collateral

The Board approves consideration of Subordinate bonds (Tier-II) bonds and Bond ETF as Eligible Collateral.

8. Ratification of revision in limits for Participants

The Board ratified following limits for participants:

Type of Limit	Approved Limit	Rectified Limit
Member-wise issuer limit	20% of each member's base borrowing limit	20% of members total borrowing limit
Member-wise issuer limit	In case the base borrowing limit for market participants is less than Rs. 125 Crores, then they can provide securities up to Rs. 25 Crores of a single issuer.	In case the total borrowing limit for market participants is less than Rs. 125 Crores, then they can provide securities up to Rs. 25 Crores of a single issuer.
Additional Borrowing limit	Additional borrowing limit against securities with AAA rating issued by PSU, FI, and Bank subject to single issuer limit of 20% for each member/client base limit for different categories of members and participants.	Additional borrowing limit against securities with AAA rating issued by PSU, FI, and Bank subject to single issuer limit of 20% for each member/client total borrowing limit for different categories of members and participants.

9. Consideration and approval of revision in eligibility criteria for Participants

The Board approved following revision in eligibility criteria for Participants:

- Active trading membership with any segment of recognised stock exchanges OR active trading membership with any segment other than Debt segment of NSE.
- Net worth as specified by SEBI from time to time for the membership of Debt segment of the Exchange.
- Profit making as per the latest audited financial statements.
- The Participant should not be a Debt segment trading member of NSE.

10. Consideration and approval for existing approach for Interim Valuation on an ongoing basis

The Board approved Interim Valuation approach as below:

- Interim valuation will be done based on the corporate bond trade data till 3:00 pm.
- NSE Data Analytics will use traded data up to 3:00 pm for valuation of traded securities after removing outliers and for non-traded securities, 5 basis points is added to previous days yield to calculate theoretical price.
- The interim data is used only for blocking specific securities against outstanding borrowing position, to compute mark to market obligation.
- Final valuation will be used to update the borrowing limit for the next day.
- In case of highly volatile days like monetary policy day, only final data file from NSE Data Analytics will be considered.
- Further, the Risk Management Committee also advised the Company to identify the stable solution to provide interim valuation.

Mumbai
March 15, 2024