

**AMC REPO CLEARING LIMITED – BOARD MEETING**

The 25<sup>th</sup> Governing Board meeting of AMC Repo Clearing Limited was held on Friday, August 08, 2025, at Mumbai.

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

**1. Noting of Quarterly Compliance Disclosures****a. Compliance Reports on Corporate Governance pursuant to Regulation 27(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended June 30, 2025**

Pursuant to Regulation 27(2) of the SEBI (Listing Obligation and Disclosure Requirements), 2015 (SEBI LODR Regulations, 2015/ Listing Regulations), the Company has uploaded the Report on Corporate Governance for the quarter ended June 30, 2025, on the website of the Company at <http://arclindia.com/corporategovernance> and the same was presented before the Governing Board for noting.

**b. Shareholding Pattern pursuant to Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Regulation 21 of Securities Contract (Stock Exchange and Clearing Corporation) Regulations, 2018, for the quarter ended June 30, 2025**

Pursuant to Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Regulation 21 of the Securities Contract (Stock Exchange and Clearing Corporation) Regulations, 2018, the Company has uploaded Shareholding Pattern for the quarter ended June 30, 2025, on the website of the Company at <http://arclindia.com/shareholdingpattern> and the same was presented before the Governing Board for noting.

**c. Investor Complaints, if any received on the SCORES Platform of SEBI during the quarter ended June 30, 2025**

Summary of the Investor Grievances received through the SEBI SCORES portal during the quarter ended June 30, 2025, has been provided herewith for consideration of the Governing Board:

Details of Investor Complaints	No. of Complaints
Pending at the beginning of the quarter	NIL
Received during the quarter	NIL
Resolved during the quarter	NIL
Remaining unsolved at the end of the quarter	NIL

The Statement of Investor Complaints are presented on monthly basis on the website of the Company at <https://www.arclindia.com/investorcomplaints>.

**d. Information as required under Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Governing Board was informed that in compliance with the requirements of Regulation 17 (7) of the SEBI (LODR) Regulations, 2015, certain mandatory information, as prescribed under SEBI (LODR) in respect of the quarter ended June 30, 2025, was presented before the

Governing Board for noting.

**e. Compliance report as per Regulation 17 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Governing Board was informed that in compliance with the requirements of Regulation 17 (3) of the SEBI (LODR) Regulations, 2015, the Compliance Report pertaining to all applicable laws to the Company in the specified format for the quarter ended June 30, 2025, was presented before the Governing Board for noting.

**f. Submission of Net worth certificate for the quarter ended June 30, 2025, to SEBI**

The Governing Board was informed that in compliance with the requirements of Clause 2.18.5 of Chapter 6 of SEBI Master Circular on Stock Exchange and Clearing Corporation, the Company has to submit net worth certificate to SEBI on a quarterly basis. The net worth certificate submitted to SEBI was presented before the Governing Board for noting.

**g. Stock Purchase compliance by employees, KMPs and Directors**

The Board of Directors were informed that in compliance with requirements of Regulation 26(1) of SECC Regulation, 2018, disclosures of dealings in Securities by Directors and KMPs in the specified format for the quarter ended June 30, 2025, have been received by Chief Regulatory & Compliance Officer. The Governing Board was further informed that no pre-clearance approval was granted to any employee for the quarter ended June 30, 2025.

**h. POSH complaints, if any received during the quarter ended June 30, 2025**

A summary of the POSH complaints received during the quarter ending June 30, 2025, was presented before the Governing Board as below:

Details of POSH Complaints	No. of Complaints
Pending at the beginning of the quarter	NIL
Received during the quarter	NIL
Resolved during the quarter	NIL
Remaining unsolved at the end of the quarter	NIL

**i. Noting of Compliance Officer Report for the quarter ended June 30, 2025**

The Governing Board was informed that pursuant to Regulation 30(3) of the Securities Contract (Stock Exchange and Clearing Corporation) Regulations, 2018, the Company needs to submit Compliance Officer Report on a quarterly basis within 45 days from the end of quarter.

Accordingly, the Compliance Officer Report for the quarter ending June 30, 2025, was presented before the Governing Board for noting.

**j. Noting of the PFMI Public Quantitative Disclosure for the quarter ended June 30, 2025**

The Governing Board was informed that the SEBI vide its Circular SEBI/HO/MRD/MRD-PoD-3/P/CIR/2023/190 dated December 19, 2023, has directed that the FMIs shall be monitored and assessed against the Principles of Financial Market Infrastructure (PFMIs) (quantitative) on quarterly basis within 45 days from the end of quarter.

Accordingly, the company has prepared the PFMI Public Quantitative Disclosure for the

quarter ended June 30, 2025. The report was presented before the Governing Board for noting.

After discussion, the Governing Board noted the same.

## 2. Noting of Risk Monitoring Reports for the quarter ended June 30, 2025

The Risk Monitoring Reports was presented before the Governing Board for the quarter ended June 30, 2025, which comprises of the following:

- a. MRC – Counterparty Credit Risk – Stress Testing Report.
- b. Liquidity Stress Testing Summary Report.
- c. Back Testing Summary Report.
- d. Issuer Liquidity Monitoring.
- e. Reverse Stress Testing Summary Report.
- f. Interim v/s Final Valuation Report.
- g. Price Verification Report.

After discussion, the Governing Board noted the same.

## 3. Consideration and approval for revision in the Risk Management Policy

The Governing Board was informed that the company had received several suggestions from market participants to increase volume in the corporate bond repo market.

Accordingly, the company has made certain amendments to the Risk Management framework as under:

Particular	Existing	Revised
6.1 Eligibility Criteria for Issuers	<p>The following selection criteria is used while considering the issuer whose bonds would be accepted as eligible collateral for tri-party repo.</p> <p><b>Equity &amp; Debt Listed</b></p> <ul style="list-style-type: none"> <li>Positive Net Worth in the last three financial years as per the audited financial statements.</li> <li>Profit making in the last three financial years as per the audited financial statements.</li> <li>Long term credit rating from AAA to AA. Lowest of the rating in the last three years shall be considered.</li> <li>If the bonds are put under “Rating Watch” (except Positive Outlook), then the issuer of such bonds will be considered for continuation under eligibility after review by Credit Committee. Until such review, the issuer will be temporarily suspended from the eligible list.</li> </ul> <p><b>Additional Criteria for Only Debt Listed Issuers</b></p> <ul style="list-style-type: none"> <li>Equity of one or more associate companies of the group who is an eligible issuer shall be listed on stock exchange in respect of only debt listed entities.</li> <li>The above criteria are not applicable for only debt listed Public Sector Units of Central Government or only debt listed companies with long term AAA credit rating for past 3 years.</li> </ul> <p>The eligible issuer list will be reviewed with the Credit Committee and based on their recommendation issuers list will be finalised. The review of the eligible issuers list will be done on a half yearly basis. If any new issuer becomes eligible, the issuer will be included post</p>	<p>The following selection criteria is used while considering the issuer whose bonds would be accepted as eligible collateral for tri-party repo.</p> <p><b>Equity &amp; Debt Listed</b></p> <ul style="list-style-type: none"> <li>Positive Net Worth in the last three financial years as per the audited financial statements.</li> <li>Profit making in the last three financial years as per the audited financial statements.</li> <li>Long term credit rating from AAA to AA. Lowest of the rating in the last three years shall be considered.</li> <li>If the bonds are put under “Rating Watch” (except Positive Outlook), then the issuer of such bonds will be considered for continuation under eligibility after review by Credit Committee. Until such review, the issuer will be temporarily suspended from the eligible list.</li> </ul> <p><b>Additional Criteria for Only Debt Listed Issuers</b></p> <ul style="list-style-type: none"> <li>Equity of one or more associate companies of the group who is an eligible issuer shall be listed on stock exchange in respect of only debt listed entities.</li> <li>The above criteria are not applicable for only debt listed Public Sector Units of Central Government or only debt listed companies with long term AAA credit rating for past 3 years.</li> </ul> <p>The eligible issuer list will be reviewed with the Credit Committee and based on their recommendation issuers list will be finalised. The review of the eligible issuers list will be done on a half yearly basis. If any new issuer becomes eligible, the issuer will be included post</p>

Particular	Existing	Revised												
	<p>consultation with Credit Committee. The recommendations of the Credit Committee for Eligible Issuers list will be put to the Risk Management Committee for its final approval.</p> <p>The listed debt securities issued by the issuers meeting the above criteria will be accepted as eligible collateral subject to availability of valuation. For basket creation latest lowest instrument level rating of the issuer will be considered. Bonds with following characteristics will not be accepted as eligible collateral:</p> <ul style="list-style-type: none"><li>• Tier-I bonds issued by Banks, NBFC &amp; other institutions.</li><li>• Perpetual Debt.</li><li>• Convertible bonds (Optional or Compulsorily).</li><li>• Securities with below AA credit rating.</li><li>• Unsecured bond below AAA credit rating.</li><li>• Structured Bonds</li><li>• Floating Rate Bonds other than market linked benchmarks namely G-Sec, T-Bill, MIBOR and Repo Policy Rate.</li></ul> <p>Debt securities having structured obligations (SO rating) and/ or credit enhancements (CE rating) will not be accepted as eligible securities. Except securities where Credit enhancement is provided from Central Government.</p>	<p>consultation with Credit Committee. The recommendations of the Credit Committee for Eligible Issuers list will be put to the Risk Management Committee for its final approval.</p> <p><b>In the event that any eligible issuer undergoes a merger or amalgamation with another company, ARCL will include the resulting entity in the list of eligible issuers, provided it meets all the aforementioned eligibility criteria.</b></p> <p>The listed debt securities issued by the issuers meeting the above criteria will be accepted as eligible collateral subject to availability of valuation. For basket creation latest lowest instrument level rating of the issuer will be considered. Bonds with following characteristics will not be accepted as eligible collateral:</p> <ul style="list-style-type: none"><li>• Tier-I bonds issued by Banks, NBFC &amp; other institutions.</li><li>• Perpetual Debt.</li><li>• Convertible bonds (Optional or Compulsorily).</li><li>• Securities with below AA credit rating.</li><li>• Unsecured bond below AAA credit rating.</li><li>• Structured Bonds</li><li>• Floating Rate Bonds other than market linked benchmarks namely G-Sec, T-Bill, MIBOR and Repo Policy Rate.</li></ul> <p>Debt securities having structured obligations (SO rating) and/ or credit enhancements (CE rating) will not be accepted as eligible securities. Except securities where Credit enhancement is provided from Central Government.</p>												
7.3 Member/ Participant- wise Issuer Limit – Borrowing	<p>To address concentration risk below member/participant wise issuer limit / issue limit will be applicable.</p> <ul style="list-style-type: none"><li>• For PSU, Bank and PFI AAA rated issuer is <b>Higher of</b><ul style="list-style-type: none"><li>○ 25% of the total borrowing limit OR</li><li>○ Rs. 25 crores</li></ul></li><li>• Other than above AAA rated issuer and all AA+ issuer <b>Higher of</b><ul style="list-style-type: none"><li>○ 20% of the total borrowing limit OR</li><li>○ Rs. 25 crores</li></ul></li><li>• For AA rated issuer: Limit per issuer is <b>Higher of</b><ul style="list-style-type: none"><li>○ 10% of the base borrowing limit OR</li><li>○ Rs. 25 crs.</li></ul></li><li>• AA rated instruments can be maximum of 50% of base borrowing limit.</li></ul>	<p>To address concentration risk below member/participant wise issuer limit / issue limit will be applicable.</p> <ul style="list-style-type: none"><li>• For PSU, Bank and PFI AAA rated issuer is <b>Higher of</b><ul style="list-style-type: none"><li>○ 25% of the total borrowing limit OR</li><li>○ Rs. 25 crores</li></ul></li><li>• Other than above AAA rated issuer and all AA+ issuer <b>Higher of</b><ul style="list-style-type: none"><li>○ 20% of the total borrowing limit OR</li><li>○ Rs. 25 crores</li></ul></li><li>• For AA rated issuer: Limit per issuer is <b>Higher of</b><ul style="list-style-type: none"><li>○ 10% of the base borrowing limit OR</li><li>○ Rs. 25 crs.</li></ul></li><li>• AA rated instruments can be maximum of 50% of base borrowing limit.</li></ul> <p><b>Explanatory Note:</b> The above limit will be verified at the time of collateral addition by the members/participants. Collateral values may fluctuate daily, particularly due to changes in market prices and accrued interest. If the collateral value increases by more than 2% above the specified limit, ARCL will request the member/participant to release the excess collateral to realign the collateral value with the prescribed limit.</p>												
7.4 Member/ Participant wise ISIN level limit	<table><tr><th>Borrowing Limits</th><th>Details</th></tr><tr><td>Total borrowing limit &lt;= Rs. 125 Crores</td><td><ul style="list-style-type: none"><li>• Issue (ISIN) limit of Rs. 25 Crores</li></ul></td></tr><tr><td>Total borrowing limit &gt; Rs. 125 Crores</td><td>For PSU, Bank and PFI AAA rated issuer is <b>Lower of</b><ul style="list-style-type: none"><li>• 25% of the total borrowing limit OR</li><li>• Rs. 250 crores</li></ul></td></tr></table>	Borrowing Limits	Details	Total borrowing limit <= Rs. 125 Crores	<ul style="list-style-type: none"><li>• Issue (ISIN) limit of Rs. 25 Crores</li></ul>	Total borrowing limit > Rs. 125 Crores	For PSU, Bank and PFI AAA rated issuer is <b>Lower of</b> <ul style="list-style-type: none"><li>• 25% of the total borrowing limit OR</li><li>• Rs. 250 crores</li></ul>	<table><tr><th>Borrowing Limits</th><th>Details</th></tr><tr><td>Total borrowing limit &lt;= Rs. 125 Crores</td><td><ul style="list-style-type: none"><li>• Issue (ISIN) limit of Rs. 25 Crores</li></ul></td></tr><tr><td>Total borrowing limit &gt; Rs. 125 Crores</td><td>For PSU, Bank and PFI AAA rated issuer is <b>Lower of</b><ul style="list-style-type: none"><li>• 25% of the total borrowing limit OR</li><li>• Rs. 250 crores</li></ul></td></tr></table>	Borrowing Limits	Details	Total borrowing limit <= Rs. 125 Crores	<ul style="list-style-type: none"><li>• Issue (ISIN) limit of Rs. 25 Crores</li></ul>	Total borrowing limit > Rs. 125 Crores	For PSU, Bank and PFI AAA rated issuer is <b>Lower of</b> <ul style="list-style-type: none"><li>• 25% of the total borrowing limit OR</li><li>• Rs. 250 crores</li></ul>
Borrowing Limits	Details													
Total borrowing limit <= Rs. 125 Crores	<ul style="list-style-type: none"><li>• Issue (ISIN) limit of Rs. 25 Crores</li></ul>													
Total borrowing limit > Rs. 125 Crores	For PSU, Bank and PFI AAA rated issuer is <b>Lower of</b> <ul style="list-style-type: none"><li>• 25% of the total borrowing limit OR</li><li>• Rs. 250 crores</li></ul>													
Borrowing Limits	Details													
Total borrowing limit <= Rs. 125 Crores	<ul style="list-style-type: none"><li>• Issue (ISIN) limit of Rs. 25 Crores</li></ul>													
Total borrowing limit > Rs. 125 Crores	For PSU, Bank and PFI AAA rated issuer is <b>Lower of</b> <ul style="list-style-type: none"><li>• 25% of the total borrowing limit OR</li><li>• Rs. 250 crores</li></ul>													

Particular	Existing	Revised
	<div> <div>Total borrowing limit &gt; Rs. 125 Crores</div> <div> Lower of <ul style="list-style-type: none"> <li>20% of total borrowing limit OR</li> <li>Rs. 200 Crores</li> </ul> </div> </div>	<div> <div>Total borrowing limit &gt; Rs. 125 Crores</div> <div> Lower of <ul style="list-style-type: none"> <li>20% of total borrowing limit OR</li> <li>Rs. 200 Crores</li> </ul> </div> </div> <p><b>Explanatory Note:</b> The above limit will be verified at the time of collateral addition by the members/participants. Collateral values may fluctuate daily, particularly due to changes in market prices and accrued interest. If the collateral value increases by more than 2% above the specified limit, ARCL will request the member/participant to release the excess collateral to realign the collateral value with the prescribed limit.</p>

Thus, it was proposed to amend the Risk Management Policy.

The Governing Board after discussion and consideration approved revision in Risk Management Policy.

#### 4. Consideration and review of the list of Eligible Issuers

The Governing Board was informed that based on the recommendations of the Credit Committee on eligibility criteria of the issuers, the Company has accordingly revised the list of eligible Issuers. The revised list of Eligible Issuers was presented before the Governing Board.

The Risk Management Committee has considered this matter at its meeting held on August 07, 2025, and recommended to approve the revised list of Eligible Issuers.

The Governing Board reviewed and approved the revised eligible issuer list.

#### 5. Ratification for increase in Members/ Participants exposure limits

The Risk Management Policy of the Company has given details regarding fixing of borrowing and lending limits for members and participants. For the fixation of these limits, categories of investors, financial and non-financial parameters are considered. Further, the maximum Borrowing and/or Lending limits are linked to Core Settlement Guarantee Funds (CSGF).

As part of half-yearly compliance, the Company has collected net worth and Asset Under Management from Members and Participants. Based on the Net worth/ AUM provided by Members/ Participants, ARCL revised the lending and borrowing limits given for members/ participants. The revised limits are within the ARCL approved methodology defined in its Risk Management policy.

The Governing Board ratified increase in Members/ Participants exposure limits.

#### 6. Consideration and approval for the revision of Standard Operating Procedure for Shortage handling and Auction process

The Governing Board was informed that SEBI vide its advisory letter, has stated that SOPs which are critical in nature and may have significant impact on the working of ARCL should be approved by the Governing Board and not by the Managing Director.

The Company has made revisions in Standard Operating Procedures for Shortage handling and Auction process. The revised SOP was presented before the Governing Board for review and suggestions.

The Risk Management Committee at their meeting held on August 07, 2025, had reviewed, considered and recommended revision of Standard Operating Procedure for Shortage handling and Auction process to the Governing Board for approval.

The Governing Board after discussion and consideration approved the same.

***(Confidential Items)***

**7. Reviewing of Shortage Handling Process-Impact Analysis**

The Chief Risk Officer briefed the Governing Board on Shortage Handling Process and its expected undesired impacts which can arise post shortage handling. He stated that ARCL does have a robust shortage handling mechanism in place to handle such instances and complete the settlement while maintaining the integrity of the market. The shortage handling process may have some limitations or may impact on clearing members/participants.

He highlighted that the framework and mechanisms adopted by ARCL to manage and resolve fund shortages in settlement so to avoid delay in settlement, ensuring market stability and participant confidence. He further explained the associated limitations and potential impacts on market participants.

He further presented the analysis basis the Net Pay-in (Member wise) since start of triparty repo in corporate bonds (for 427 business days) and observation.

He further presented the operational status of the current shortage handling process.

After discussion, the members of the Governing Board took the note of the same.

**8. Noting of alternative approach for computation of MRC basis rating wise probability of default in case of issuer default scenario**

The Governing Board was informed that the Risk Management Committee had suggested to review ARCL's current Core Settlement Guarantee Fund (SGF) computation methodology and explores an alternative approach that incorporates rating-wise probability of default (PD). The current method assumes deterministic defaults along with the top two members and consider three stress scenarios as below and then compute scenario specific stress loss shortfall.

The Core Settlement Guarantee Fund (SGF) serves as a critical buffer to absorb potential losses arising from member defaults in a clearing corporation's operations. Currently, AMC Repo Clearing Limited (ARCL) computes its Core SGF assuming deterministic defaults of the top two members and associates without incorporating any quantitative probability of default (PD) associated with the credit rating of the collateral securities. This approach, while conservative, does not dynamically account for the actual credit risk embedded in the collateral portfolio.

Considering inputs received from various stakeholders, ARCL has reviewed its existing methodology and proposed a revised framework that explicitly incorporates rating-wise probability of default (PD) from leading rating agencies. The revised methodology offers a more nuanced and forward-looking assessment of potential losses under different stress scenarios post-member default, aligning better with risk-based capital adequacy principles.

The Chief Risk Officer presented a detailed note on alternative approach for computation of MRC basis rating wise probability of default in case of issuer default scenario before the Governing Board.

He further presented to the Governing Board that in current approach, in case of issuer default ARCL does not consider probability of default associated with different ratings -and it considers the default of single largest issuer and then computes the stress loss shortfall for the same.

He explained the steps in current method and further the step-by-step process for MRC computation.

After discussion, the Governing Board noted the same.

**9. Consideration of reports submitted by Public Interest Directors on the working of various Committees**

The Governing Board was informed that as per SEBI Circular No. SEBI/HO/MRD/POD-3/P/CIR/2024/162 dated November 22, 2024, on Guidelines to Stock Exchanges, Clearing Corporations and Depositories, the Public Interest Directors as a member of various Committees (including Statutory Committees) shall provide a report to other PIDs on the working of their Committees.

The Governing Board was further informed that a report on the outcome of such meetings shall be submitted by the PIDs to SEBI and the Governing Board of the MII within 30 days of such meetings. Accordingly, the report needs to be submitted to the Governing Board and SEBI by September 06, 2025.

The reports on the working of various Committees submitted by each Public Interest Director were presented before the Governing Board. The Governing Board discussed the reports submitted by each PID in detail.

Further a report on the outcome of the PID meeting was presented before the Governing Board.

After discussion, the Governing Board noted the same.

**Mumbai  
September 03, 2025**