

CIRCULAR

Circular Reference Number	ARCL/Secretarial/2024-25/113
Circular Date	January 24, 2025
Department	Secretarial

To
All Shareholders,

Sub: Freezing of ISIN (INE01KA01012) of AMC Repo Clearing Limited (ARCL)

Securities and Exchange Board of India (“SEBI”) vide its Circular No. SEBI/HO/IMD/DF2/CIR/P/2021/17 dated February 02, 2021, had mandated AMCs of Mutual Funds to contribute INR 150 Crores towards Share Capital of Limited Purpose Clearing Corporation (“LPCC”), that the contribution of AMCs shall be based on Average AUM of debt-oriented schemes, for the Financial Year (FY) 2020-21. Accordingly, thirty-seven (37) Mutual Funds have currently contributed INR 150 Crores towards the share capital of ARCL.

ARCL has been granted recognition as a Limited Purpose Clearing Corporation (LPCC) by SEBI under Securities Contracts (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2018 (“SECC Regulations, 2018”). As per sub-regulation 4 of Regulation 22B of SECC Regulations, 2018, the shareholding of persons setting up the LPCC shall be locked-in for a period of five years from the date of grants of recognition by the Board (SEBI). Accordingly, all shares held by the shareholders of the company shall be locked-in for a period of five years from the date of grant of initial recognition i.e. January 17, 2022, till January 16, 2027.

As per Regulation 22B (1) of SECC Regulations, 2018, no person resident in India shall at any time, directly or indirectly, either individually or together with persons acting in concert, acquire or hold more than five per cent. of the paid-up equity share capital in a limited purpose clearing corporation.

Further, as per proviso, certain people may acquire or hold, either directly or indirectly, either individually or together with persons acting in concert, up to fifteen per cent of the paid- up equity share capital of a recognised clearing corporation.

Further, Regulation 22B (2), no person resident outside India shall, directly or indirectly, either individually or together with persons acting in concert, acquire or hold more than five per cent of the paid-up equity share capital in a recognised clearing corporation. Further, as per proviso, certain people may acquire or hold, either directly or indirectly, either individually or together with people acting in concert, up to fifteen per cent of the paid-up equity share capital of a recognized clearing corporation.

In order to monitor the shareholding pattern and to ensure that ARCL is in compliance with the shareholding limits as specified in Regulation 22B of SECC Regulations, 2018, at all times and no person can acquire or hold more than the limits specified, the ISIN (INE01KA01012) of AMC Repo Clearing Limited is frozen. Hence, all shareholders of ARCL are mandatorily required to take prior approval of ARCL before any transfer/ divestment/ selling/ buying of equity shares of the company is initiated.

For and on behalf of
AMC Repo Clearing Limited

Authorized Signatory
Vedant Kamulkar

Telephone Number	Email-Id
022- 022-69068013	compliance@arclindia.com