Circular Reference Number	ARCL/Ops/2025-26/086
Circular Date	October 14, 2025
Department	Operations

To
All Members/Participants,

Sub: Handling of Corporate Action for Eligible Securities Provided as Collateral

This is in continuation and partial modification to the ARCL Master circular no. AMC Repo/Ops/2025-26/015, dated May 09, 2025, PART A, section 9.1 regarding ineligibility of securities on account of corporate action.

Currently, ARCL makes securities temporarily ineligible for 45 days prior to the date of corporate action such as interest payment, put/call option, redemption etc. These ineligible securities are made eligible again on the 2nd business day following the corporate action date.

- In case record date of corporate action is available or provided by market participants to the clearing corporation, the security will be made ineligible 10 days before the record date instead of 45 days before the date of corporate action.
- Further, the security will be made eligible on 2nd business day after the record date, instead of day following the corporate action date. Valuation for such securities between record date till corporate action date will be done on an ex-interest basis.
- In case record date is not available, then ARCL will continue to make security temporarily ineligible for 45 days prior to the corporate action date.

Based on the feedback received from the market participants, the following changes will now be implemented by ARCL to handle corporate action of securities:

- In case record date of corporate action is available or provided by the market participants to the clearing corporation, the security will be made ineligible 5 days before record date instead of 10 days before the record date.
- In case of Commercial Paper (CP) and Certificate of Deposit (CD), the security will be made ineligible 5 days before the maturity date instead of 10 days before the maturity date.
- The Member/Participant shall be responsible for submitting the release request for the said security prior to the record date. In the event the said security remains blocked, the depositing Member/Participant shall ensure substitution of the reference security.
- In the event the security is not released from ARCL's account as on the record date and ARCL receives the coupon amount post deduction of TDS, the corresponding TDS amount shall be transferred to the respective Member/Participants as per provisions of section 199 of the Income Tax Act read with rule 37BA of the Income-tax Rules.
- The onus of getting the security released will be on the Member/Participant.

All Members/Participants are requested to kindly take note of the above changes.

This Circular will come into effect from **October 15, 2025**

For and on behalf AMC Repo Clearing Limited

Authorized Signatory
Shweta Bhatt

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