



AMC Repo

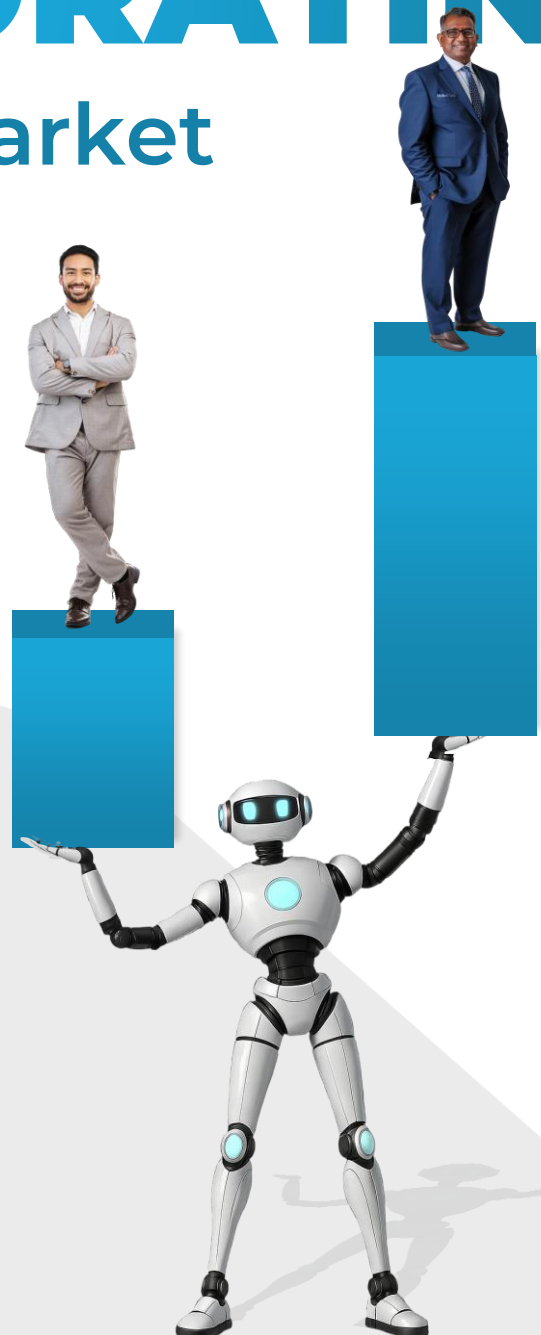
Safe, Secure & Stable

REINVIGORATING

Corporate Bond Market in India

**FOURTH
ANNUAL
REPORT**

FY 2024-25



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Corporate Overview

Corporate Information

BOARD OF DIRECTORS

| | |
|--------------------------------|---|
| Mr. Srinivasan Varadarajan | Chairman, Non-executive Independent Director (Public Interest Director) |
| Mr. Krishnamurthy Vaidyanathan | Non-executive Independent Director (Public Interest Director) |
| Ms. Huzan Mistry | Non-executive Independent Director (Public Interest Director) |
| Mr. Sumeet Kumar | Non-executive Director (Nominee Director) |
| Mr. Kashinath Katakdhond | Managing Director |

KEY MANAGERIAL PERSONNEL

| | |
|--------------------------|---|
| Mr. Kashinath Katakdhond | Managing Director |
| Ms. Hetal Chauhan | Chief Financial Officer |
| Mr. Deepak Upadhyay | Chief Risk Officer W.E.F. June 24, 2025 |
| Mr. Amit Bodas | Assistant Vice President – Risk W.E.F. June 24, 2025 |
| Mr. Ajit Phanse | Chief Regulatory & Compliance Officer W.E.F. May 02, 2025 |
| Ms. Shweta Bhatt | Head – Operations |
| Mr. Vedant Kamulkar | Company Secretary |
| Mr. Vijendra Gujar | Chief Information Security Officer W.E.F. June 02, 2025 |

STATUTORY AUDITORS

M. P. Chitale & CO., Chartered Accountants

INTERNAL AUDITORS

Padmanabh Joshi & CO., Chartered Accountants

SECRETARIAL AUDITORS

Purwar & Purwar Associates LLP, 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)

U65929MH2021PLC359108

WEBSITE

<https://www.arclindia.com>

Message from The Chairperson

Dear Valued Shareholders,

It gives me great pleasure and pride to present the Fourth Annual Report for AMC Repo Clearing Limited. During the last year, the Company has witnessed substantial progress that reinforces our commitment as a leading entity in the financial markets aiding the development of corporate bond market in India.

Your Company is committed to developing this market to new heights with increased trading volumes that benefit all categories of participants. The monthly volume has grown from Rs. 12,262 in March 2024 to Rs. 35,722.20 crores in March 2025, a growth of a 190%, a trend which your Company expects would gather further momentum in the coming years. In the last Financial Year, your Company achieved all time high monthly volume of Rs. 42,156.90 Crores in the month of January 2025. Further, on March 12, 2025, the Company reached a milestone of highest daily volume of Rs. 2,631.90 Crores. The Participant base has increased from 30 as on March 31, 2024, to 57 as on March 31, 2025, a growth of 90%. Primarily, the repo market is an overnight market, however, in the last Financial Year, there were 12 transactions in the 7-day tenor, a good sign for the growth of repo market in India. With the launch of the Tri-party repo product, there has been a significant decline in OTC repo market as the Tri-party repo provides ease of doing transaction for the market participants.

India is already a \$4 trillion economy and is currently ranked at number four. Very soon it will become the third largest economy in the world. India aspires to have \$37 trillion economy by 2047. This is possible as India is one of the fastest growing economies in the world and the government's thrust for infrastructure development. To achieve the 2047 target, both Governmental and Private Corporate spending is essential. India's corporate bond market will play an important role in funding the India growth story. The Corporate Bond market is projected to more than double to \$100–120 trillion by FY2030, driven by over \$110 trillion in infrastructure capex, a surge in retail credit, and rising financialization of savings expected to reach \$315 trillion by FY2027. Global index inclusion is expected to attract \$25–30 billion in foreign inflows, making bonds a key engine of India's economic growth.

Your Company is also committed to becoming the primary entity 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 Ltd

Message from The Managing Director

Dear Shareholders,

I am pleased to convey the advancements your company has achieved over the past financial year. Following the introduction of the Tri-party Repo in corporate debt securities product on July 28, 2023, your company has begun to gain significant traction. There has been a 190% increase in volumes and over a 90% rise in the participant base during the last financial year, and I anticipate that this momentum will persist into the current financial year as well.

A robust repo market is crucial for the expansion of the corporate bond market in India. The corporate bond market is expected to grow considerably as large corporations begin to utilize the bond market for their long-term funding needs. The newly revised regulatory guidelines require large corporations to source a minimum of 25% of their borrowing needs from the markets. These corporations must also contribute to the Core Settlement Guarantee Fund established by your company if they do not meet these obligations.

Your company is collaborating with both SEBI and RBI on various initiatives aimed at enhancing the repo market in corporate bonds and the underlying corporate bond market. Achieving Qualified Central Counterparty (QCCP) status from RBI will facilitate active involvement from both banks and primary dealers. Additionally, your company is pursuing regulatory approval to create its own clearing and settlement platform. Your company is also striving to become a multi-product entity, pending regulatory approval.

As an RBI authorized central counterparty, your company must secure additional regulatory capital to satisfy the net worth requirements outlined in the RBI Direction for Central Counterparties. The company is actively engaging with banks, public financial institutions, and multilateral development agencies to obtain this additional regulatory capital.

The company is reaffirming its dedication to operational discipline and excellence at all levels. We are actively soliciting feedback from market participants to adapt to the evolving regulatory landscape and implement necessary measures for improvement.

I take this opportunity to thank all our valued stakeholders for their continued support in helping us grow. We operate with a philosophy that “Nothing is impossible”.



Kashinath

Katakdhond

Managing Director

AMC Repo Clearing Ltd

Board of Directors

Mr. Srinivasan Varadarajan



Chairman &
Public Interest Director



Prof. K. Vaidyanathan
Public Interest Director



Ms. Huzan Mistry
Public Interest Director



Mr. Sumeet Kumar
Nominee Director



Mr. Kashinath Katakdhond
Managing Director

Management Team



Mr. Kashinath Katakdhond
Managing Director



Mr. Deepak Upadhyay
Chief Risk Officer



Ms. Hetal Chauhan
Chief Financial Officer



Mr. Ajit Phanse
Chief Regulatory & Compliance Officer



Mr. Amit Bodas
Assistant Vice President – Risk



Mr. Vijendra Gujar
Chief Information Security Officer



Ms. Shweta Bhatt
Head – Operations



Mr. Vedant Kamulkar
Company Secretary

Vision

And Mission

Vision

To support an active and robust corporate debt securities market.

Mission

To be the only clearing corporation for clearing & settlement of tri-party repo in corporate debt securities in India.

Statutory Reports

Directors' Report

The Members, AMC Repo Clearing Limited

Your directors have the pleasure of presenting the Fourth Annual Report and Audited Financial Statements of the AMC Repo Clearing Limited ('ARCL' or 'Company') for the year ended March 31, 2025.

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

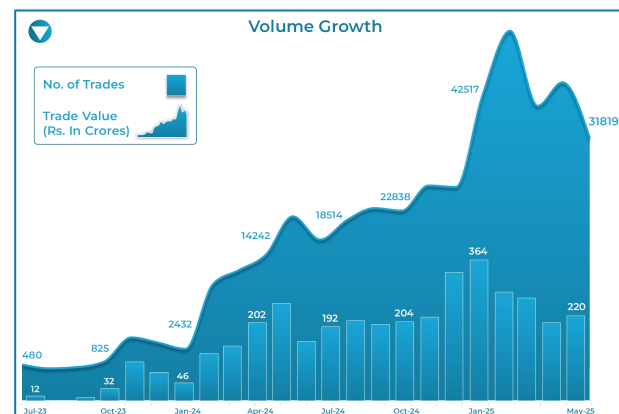
- Increasing maximum single order size from Rs. 50 crores to Rs. 250 crores.
- Waiver of transaction charges for a period of six months starting from December 11, 2023, to June 10, 2024.

Volume Growth

ARCL has reached an all-time monthly high volume of INR 42,156 crores for the month of January 2025.

The average daily volume has steadily increased from INR 681.22 crores in March 2024 to INR 1880.12 at the end of March 2025, a growth of 176%.

| Month | Traded Days | No of Trades | Traded Value (Rs. Cr) | Avg. Trade Size (Rs. Cr) | Avg. Daily Volume (Rs. Cr) |
|--------------|-------------|--------------|-----------------------|--------------------------|----------------------------|
| Mar 2025 | 19 | 266 | 35,722.20 | 134 | 1,880.12 |
| Feb 2025 | 18 | 281 | 32,778.40 | 117 | 1,821.02 |
| Jan 2025 | 23 | 364 | 42,156.90 | 116 | 1,832.91 |
| Dec 2024 | 21 | 333 | 34,134.50 | 103 | 1,625.45 |
| Nov 2024 | 18 | 217 | 22,644.10 | 104 | 1,258.00 |
| Oct 2024 | 22 | 204 | 22,838.00 | 112 | 1,038.09 |
| Sep 2024 | 20 | 198 | 19,693.00 | 99 | 984.65 |
| Aug 2024 | 21 | 207 | 20,014.00 | 97 | 953.05 |
| Jul 2024 | 22 | 192 | 18,514.00 | 96 | 841.55 |
| Jun 2024 | 19 | 154 | 16,076.00 | 104 | 846.11 |
| May 2024 | 20 | 252 | 18,987.00 | 75 | 949.35 |
| Apr 2024 | 18 | 202 | 14,241.90 | 71 | 791.22 |
| Mar 2024 | 18 | 142 | 12,262.00 | 87 | 681.22 |
| Feb 2024 | 20 | 122 | 10,524.00 | 86 | 526.20 |
| Jan 2024 | 21 | 46 | 2,432.00 | 53 | 115.81 |
| Dec 2023 | 20 | 74 | 3,225.00 | 44 | 161.25 |
| Nov 2023 | 20 | 100 | 3,870.00 | 39 | 193.50 |
| Oct 2023 | 20 | 32 | 825.00 | 26 | 41.25 |
| Sep 2023 | 18 | 8 | 160.00 | 20 | 8.89 |
| Aug 2023 | - | - | - | - | - |
| Jul 2023 | 2 | 12 | 480.00 | 40 | 240.00 |
| Total | 380 | 3406 | 331578 | | |



Term Repo

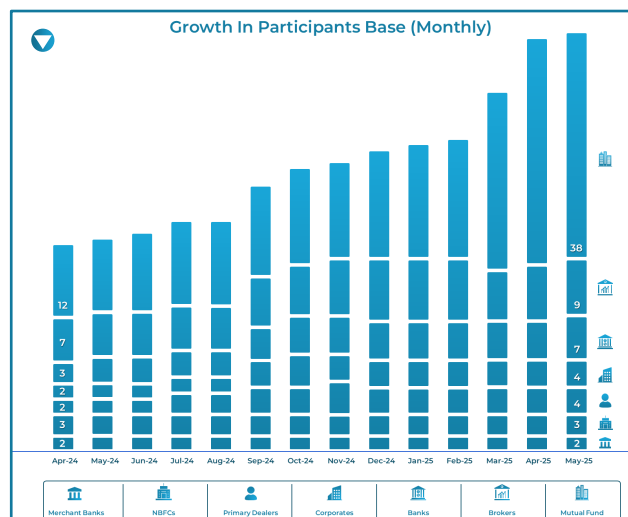
Predominantly the tri-party repo market is an overnight market. However, there were 12 repo transactions for 7-day tenor. This is a good development for the tri-party repo market in corporate debt securities. Your company is working with market participants to encourage the development of the "Term" repo market. The Term Repo market will help lower the cost for market participants.

Participants

ARCL has onboarded Banks, Primary Dealer (PDs), Mutual Funds, Stockbroker's, Corporates, NBFCs and SEBI regulated entities (excl. brokers and MF) on its platform as Members/Participants since launch. As on March 31, 2025, there are a total of 18 Members and 39 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.

As per RBI Directions for Central Counterparties (CCPs), 2024, the shares of an authorised CCP shall be held by persons who are users of the authorised CCP. Accordingly, to comply with the RBI CCP Directions, the Company has onboarded all Mutual Funds of AMCs as Participant on ARCL tri-party repo corporate bond platform during FY 2024-25. Further, to develop the tri-party repo corporate bond market, RBI has given exemption from the requirement that shares of a CCP should be held by users of the authorized CCP.

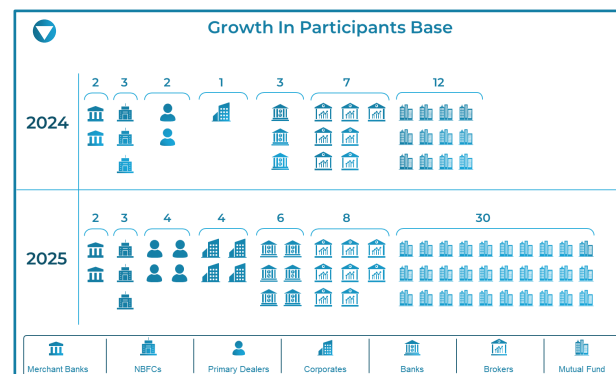


Participant Category

Mutual Funds are the largest category of participants on the platform followed by Brokers, Banks, NBFCs,

Primary Dealers, Corporates and Others. Mutual Funds are primary lenders in the market and supported by banks. While Primary Dealers, NBFCs, Corporates and Stock Brokers are borrowers in the market.

In order to comply with RBI Direction for Central Counterparties (CCPs), all Mutual Funds of AMCs who are shareholders of ARCL have registered as Participant.



New Eligible Instruments

Your Company is also making efforts to introduce tri-party repo with new eligible collateral as permitted by RBI under its Repo Transactions Directions, 2018. Along with corporate bonds, Commercial Paper (CP), Certificate of Deposit (CD) and Subordinated Tier-II bonds are now accepted as eligible collateral.

There has been an increase in eligible issuers from 122 on April 01, 2024, to 135 as on April 01, 2025.

CP and CD

The Company has introduced Commercial Paper (CP) and Certificate of Deposit (CDs) as eligible collateral for tri-party repo in corporate debt securities with effect from September 05, 2024.

CP and CDs issued by eligible issuers with A1+ rating are accepted as eligible collateral.

Subordinate Bonds (Tier II)

The Company has introduced tri-party repo with Subordinated Tier-II Bonds as eligible collateral with effect from October 1st, 2024.

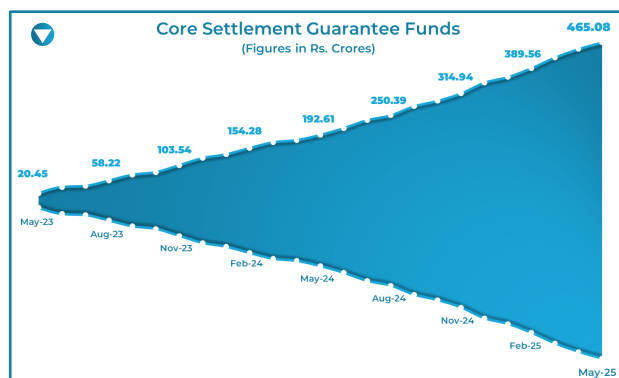
Subordinate Bonds issued by AAA rated eligible issuers are accepted as eligible collateral for tri-party repo.

Debt ETFs

The Company is planning to introduce tri-party repo with Debt ETFs as eligible collateral. The Company has received clarification from RBI 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 based on the feedback from market participants.

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, 2025, the contribution to Core SGF is as under:



Category of Issuers contributing towards Core SGF

| Category of Issuers | Core SGF (INR Crs) |
|-------------------------------|--------------------|
| Banks | 104.48 |
| Public Sector Undertakings | 148.86 |
| Public Financial Institutions | 60.59 |
| Corporates | 25.51 |
| Non-Bank Finance Companies | 34.49 |
| Housing Finance Companies | 28.71 |
| Total | 402.63 |

Rating wise Core SGF Contribution

| Rating | Core SGF Corpus (INR Crs) |
|--------------|---------------------------|
| AAA | 386.45 |
| AA+ | 12.11 |
| AA | 4.07 |
| Total | 402.63 |

Collecting Banks for Core SGF

| Clearing Banks | Core SGF Corpus (INR Crs) |
|----------------|---------------------------|
| HDFC Bank | 211.87 |
| AXIS Bank | 130.90 |
| ICICI Bank | 59.85 |
| Total | 402.63 |

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 following arrangements in compliance to SECC Regulations, 2018 and circulars issued by SEBI for LPCC mandating outsourcing of clearing and settlement activities to clearing corporations of recognised stock exchanges.

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 tri-party repo.

RBI

The Company is required to comply with Payment & Settlement Systems Act, 2007 as a Central Counterparty as well as ensure compliance with RBI Directions for Central Counterparties (CCPs).

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

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.

- 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.
- TDS is applicable on interest income generated from listed bonds, Clearing Corporation have to make such securities temporarily ineligible before the date of corporate action such as interest payment, put/call option, redemption etc. This creates inconvenience for market participant as they have to replace collateral at the time of such corporate actions.

- The outsourcing of core operational functions has resulted in delays to process optimization and ongoing development initiatives.

Your 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, 2025 | As on March 31, 2024 |
|---|-------------------------|-------------------------|
| Total Income | 1,10,360 | 1,06,239 |
| Less: Expenditure | 83,768 | 60,368 |
| Profit Before Tax | 26,592 | 45,871 |
| Add/ Less: Tax Expenses/ (Income) | 55,888 | 24,717 |
| Profit after Tax | (29,296) | 21,154 |
| Add: Other Comprehensive Income (Net) | - | - |
| Balance carried to Balance Sheet | (29,296) | 21,154 |

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 RBI DPSS 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.

In view of the losses during the year and regulatory restrictions on declaration of dividend as mentioned above, you Board of Directors have not recommended any dividend.

Transfer to Reserves

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. During the year under review, the Company has incurred a loss and hence no amount has been transferred to reserves.

Revision of Financial Statements

There was no revision in the Financial Statements during the financial year ended March 31, 2025.

Share Capital

The authorized and paid-up share capital of the Company as on March 31, 2025, is Rs. 15,00,000 thousand 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.

Pursuant to the Certificate of Authorization issued to the Company by RBI under PSS Act, 2007, it is required to take necessary steps for infusion of additional capital in phased manner to comply with the net worth requirement of Rs. 30,00,000 thousand (Rupees Thirty Lakh thousand) within five years from the date of RBI's approval i.e. before October 2027. In addition to the above regulatory requirement, the Company is required to maintain additional capital for capital expenditure as well operating expenditure requirements. The Company is exploring and meeting with potential investors to raise the paid-up share capital to Rs. 40,00,000 thousand subject to approval by the Regulators (SEBI and RBI), Board of Directors of the Company and the Shareholders of the Company. Your company has reached out to potential investors such as PSU banks, Financial Institutions, Multi-lateral Development Agencies and Asset Management Companies (AMCs) who are existing shareholders.

(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

Your 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 2024-25.

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.
- a) 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.
- b) Web Filtering – From an internet security perspective, restrictions have been imposed on accessing webpages which are malicious and can pose security threats.
- c) Endpoint Security – 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.
- d) Dedicated network connectivity – Implemented dedicated MPLS network connectivity with NSDL. This connectivity provides secured access to NSDL for collateral management while securing transactions over private network.
- e) Network Segmentation – Tested segmenting business critical endpoints into a separate VLAN. VLAN segmentation is expected to safeguard and isolate the business-critical endpoints from rest of the systems in the network, in the event of virus attack, cyber-attack, unauthorised access, and so on.
- f) Two Factor Authentication – Implemented Two Factor Authentication on all critical Web applications accessible over internet. Web Applications includes Microsoft 365, Web Portal and over its API integration, and Network Proxies
- g) Environmental Controls – Implemented measures for daily monitoring of temperature and humidity across critical facilities and rooms includes hub room and operational area.
- h) Third Party VAPT vendor is engaged and conducted Vulnerabilities Assessment and Penetration Testing on core business application, corporate website and its network critical devices.
- i) ARCL Connect 2 – Taken up large scale project for developing and moving from current manual process to first of its kind corporate web application for membership registrations, scrutiny, and approvals in a system-based workflows. This development project will further extend to internal processes covering departments – risk management, operations, HR and IT.
- j) Strategic Plan – Planning to host new technology projects on to cloud platform, complying with guidelines issued by regulators and requirements by MeitY. Comprehensive plan being worked on covering security services, including but not limited to SIEM, WAF, NFV, PAM, Backup and DR services.

ARCL is evaluating Cloud Service Providers for hosting its IT infrastructure required by Web Application project, approved by Governing Body.

Human Resource

As of March 31, 2025, ARCL has total 18 employees comprising of 6 KMPs. The officials who are designated as KMPs are Mr. Kashinath Katakdhond – Managing Director, Ms. Hetal Chauhan – Chief Financial Officer, Mr. Vedant Kamulkar – Company Secretary, Ms. Shweta Bhatt – Head of Operations, Mr. Amit Bodas – Chief Risk Officer and Ms. Sheela Burte – Chief Compliance Officer.

Post closure of the Financial Year 2024-25, the Company has appointed Mr. Ajit Phanse as the Chief Regulatory and Compliance Officer, Mr. Vijendra Gujar as Chief Information Security Officer and Mr. Deepak Upadhyay as Chief Risk Officer. Mr. Amit Bodas has been redesignated as Assistant Vice President – Risk. Further, Ms. Sheela Burte has resigned as Chief Compliance Officer w.e.f. April 30, 2025.

Disclosure under Sexual Harassment 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:

| 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 | 1 Awareness program for all employees has been conducted |
| 5 | Nature of action taken by the employer | Not applicable |

Your Company 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.

Compliance with the provisions of the Maternity Benefit Act, 1961

The Company has duly complied with the provision of the Maternity Benefits Act, 1961, during the period under review.

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, 2025, 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 your 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 Act, the Company had appointed M/s. Padmanabh Joshi & Co., Chartered Accountants as Internal Auditor for the FY 2024-25.

Your Company has maintained adequate internal financial controls as per the approved policies. These controls include:

- Maker-checker in bank transactions and investments.
- Recording of transactions in a manner that facilitates preparation of financial statements as per the Generally Accepted Accounting Practices.
- Maintaining records in reasonable detail, fairly and accurately reflects the transactions of ARCL.
- Ensuring that all expenditure and income are as per approval of the management.
- Bank reconciliation is done on a periodic basis.

These financial controls were operating effectively as of March 31, 2025.

Subsidiaries, Joint Ventures and Associate Companies

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

Deposits

Your Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Act, 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 by your Company, and no proceedings are pending under the Insolvency and Bankruptcy Code, 2016.

Extract of Annual Return

The Annual Return of the Company as on March 31, 2025, 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 Act, 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 SEBI SECC Regulations, 2018, the Governing Board of every recognized clearing corporation shall include:

- Public Interest Directors;
- Nominee Directors; and
- Managing Director.

As per RBI Directions for Central Counterparties (CCPs), 2024, the Governing Board of every authorised Central Counterparty (CCP) shall include:

- Nominee Director;
- Independent Director;
- Managing Director; and,
- such other Directors as may be notified by RBI from time to time.

The composition of the Governing Board is in conformity with the Act and regulatory guidelines, enjoying a specific combination of Executive, Non-Executive and Public Interest Director. The Chairman of the Governing Board is a Non-Executive & Independent Director.

As on March 31, 2025, following were the Directors of the Company:

| Sr. No. | Name of Director | Category |
|---------|--------------------------------|--|
| 1 | Mr. Srinivasan Varadarajan | Non-Executive & Independent Director (Public Interest Director) (Chairman) |
| 2 | Mr. Krishnamurthy Vaidyanathan | Non-Executive & Independent Director (Public Interest Director) |
| 3 | Ms. Huzan Mistry | Non-Executive & Independent Director (Public Interest Director) |
| 4 | Mr. Sumeet Kumar | Non-Executive Director (Nominee Director)* |
| 5 | Mr. Kashinath Katakdhond | Managing Director |

During the year under review:

- Ms. Suparna Tandon resigned as an Additional Director of the Company with effect from August 06, 2024.
- Re-appointment of Mr. Srinivasan Varadarajan as Chairman and Non-Executive Independent Director (Public Interest Director) and Mr. Krishnamurthy Vaidyanathan as Non-Executive Independent Director (Public Interest Director) of the Company for second term of three (3) years with effect from January 16, 2025 was approved by SEBI vide letter dated October 09, 2024. RBI vide letter dated January 16, 2025 had exempted the Company from seeking its approval as the said appointments of Directors were approved by the SEBI.
- Tenure of Mr. Vinod Chandrasekharan, who was appointed as an Additional Director by the Governing Board on August 09, 2024, and by the Shareholders as a Non-Executive Director under 'Nominee Director' category on September 20, 2024, ended on January 16, 2025.
- Mr. Sumeet Kumar was appointed as a Nominee Director (representative of Power Finance Corporation) w.e.f. January 16, 2025.

The Governing Board acknowledged and placed on record its appreciation for contributions by Ms. Suparna Tandon and Mr. Vinod Chandrasekharan for giving immensely valuable suggestions and insights during the deliberations at the meetings of various committees of the Governing Board and the Governing Board.

In terms of Section 152(6) of the Act read with the Articles of Association of the Company, Mr. Sumeet Kumar, Director, shall retire by rotation and being eligible has offered himself for re-appointment at the ensuing 4th Annual General Meeting ("AGM") of the Company.

Re- appointment of Mr. Srinivasan Varadarajan as Chairman and a Non-Executive Independent Director (Public Interest Director) and of Mr. Krishnamurthy Vaidyanathan as Non-Executive Independent Directors (Public Interest Director) of the Company for second term of three (3) years is subject to approval of the Shareholders of the Company at the ensuing 4th Annual General Meeting (AGM) of the Company.

Further, 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. Also, there were no acts of omission/commission by the company itself, leading to the disqualification of its directors.

Brief profile of Mr. Srinivasan Varadarajan, Mr. Krishnamurthy Vaidyanathan and Mr. Sumeet Kumar has been included in the notice convening the ensuing 4th AGM of the Company.

The Board of Directors are of the 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.

Key Managerial Personnels

Pursuant to SECC Regulations, 2018, the following are the Key Managerial Personnel as of March 31, 2025:

1. Mr. Kashinath Katakdhond, Managing Director
2. Ms. Hetal Chauhan, Chief Financial Officer
3. Mr. Amit Bodas, Chief Risk Officer
4. Ms. Sheela Burte, Chief Compliance Officer
5. Ms. Shweta Bhatt, Head – Operations
6. Mr. Vedant Kamulkar, Company Secretary

During the period under review:

- Mr. Amit Bodas was appointed as Chief Risk Officer of the Company w.e.f. April 01, 2024.
- Ms. Sheela Burte was 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.

Post closure of the Financial Year 2024-25:

- Ms. Sheela Burte, Chief Compliance Officer resigned w.e.f. April 30, 2025.
- Mr. Ajit Phanse has been appointed as Chief Regulatory and Compliance Officer w.e.f. May 02, 2025.
- Mr. Vijendra Gujar has been appointed as Chief Information Security Officer w.e.f. June 02, 2025.
- Mr. Deepak Upadhyay has been appointed as Chief Risk Officer w.e.f. June 24, 2025.
- Pursuant to restructuring, Mr. Amit Bodas was re-designated from Chief Risk Officer to Assistant Vice President – Risk w.e.f. June 24, 2025.

Board Meetings

The Governing Board met five (5) times during the year on May 17, 2024, August 09, 2024, November 07, 2024, January 09, 2025, and February 11, 2025. The maximum gap between any two meetings was less than one hundred and twenty days and in compliance with the Act.

For further details of the meetings of the Governing Board, please refer to the Corporate Governance Report, which forms part of this report. Details of the composition of Committees of the Governing 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 August 09, 2024, November 07, 2024, and March 27, 2025, 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 Governing Board as a whole, after assessing the quality, quantity and timeliness of flow of information between the Management and the Governing 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, and Para 8 of Section A of Directions for Central Counterparties, 2024, 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.

Fit and Proper declaration given by the Shareholders

As per the provisions of Regulation 20 of the SECC Regulations, 2018, and Para 4 of Section B of Directions for Central Counterparties, 2024, the recognised clearing corporation shall ensure that all its shareholders are fit and proper persons at all times. Accordingly, the Company has received the requisite declarations from all its shareholders.

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 2024-25. 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 Act.

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 Governing 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/otherdisclosures>

Directors Responsibility Statement

Your Directors confirm that –

- a) In preparation of the annual accounts, the applicable Accounting Standards are being followed and there is no material departure;
- b) The Company has 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;
- c) The Company has 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
- d) The Company has prepared annual accounts on a going concern basis.
- e) The Company has laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.
- f) The Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are 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 Governing 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 Governing Board, that of its committee(s) and individual Directors was carried out and the Governing Board expressed its satisfaction as to their performance of the Governing Board, its committees and individual directors for the Financial Year 2024-25.

This exercise was carried out through a structured questionnaire prepared separately for the Governing Board, Committees, and individual Directors. The questionnaire for Governing Board evaluation was prepared taking into consideration various aspects of the Governing Board's functioning such as adequacy of the composition and role of the Governing Board, Governing 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:

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 Governing Board such as Governing Board composition, Governing 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 Governing Board and Ensuring necessary financial and human resource support to achieve Company's objectives, etc.

Performance Evaluation of the Committees

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

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 Governing 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 Governing 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.

The Governing Board Evaluation Policy of the Company including the Performance evaluation criteria of the Governing 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

Your Company is committed to maintaining the highest standards of corporate governance and adhering to corporate governance requirements.

Your Company 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.

Your Company has always been involved in good governance practices and endeavours continuously to improve upon the same. A report on corporate governance for the FY 2024-25 is furnished as part

of the Annual Report for the information of all its stakeholders as Annexure B.

Committees of the Governing Board

Details of the composition of Committees of the Governing 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

Your Company is committed to maintaining a robust risk management framework that aligns with regulatory requirements prescribed by SEBI and RBI, as well as the internationally recognized Principles for Financial Market Infrastructures (PFMI). This framework encompasses comprehensive processes for the identification, assessment, and categorization of risks; including credit, market, liquidity, operational, and systemic risks. Your Company has implemented effective controls and mitigation strategies to safeguard the integrity and stability of the clearing and settlement ecosystem.

In compliance with SEBI regulations, your Company has established a Risk Management Committee (RMC), a dedicated sub-committee of the Governing Board, responsible for formulating, reviewing, and ensuring the effective implementation of the Risk Management Policy. The RMC meets regularly to evaluate the adequacy and effectiveness of risk controls, ensuring ongoing alignment with regulatory expectations and global best practices.

To further strengthen governance and operational oversight, your Company has constituted Advisory Committee and Credit Committee, which provides expert guidance on risk and operational matters. These Committees provide feedback related to review of eligible issuers list, new instruments to be made for acceptance of eligible collateral, provide market feedback, challenges faced by the market participants and measures to be taken to grow the tri-party repo market. This reinforces the Company's resilience and adaptive capacity of taking feedback from market participants to take measures to grow this market.

Recognizing the critical importance of technology in financial market infrastructure, your Company strictly adheres to SEBI and RBI guidelines on IT infrastructure, cybersecurity, and cyber resilience. It continuously enhances its systems and protocols to protect against evolving cyber threats and ensure uninterrupted, secure operations.

Through this comprehensive and proactive risk management approach, the Company continues to uphold the highest standards of safety, reliability, and transparency for its stakeholders, thereby contributing to the stability of the broader financial market infrastructure.

It may be noted that SEBI has mandated outsourcing of clearing and settlement activities to clearing corporations of recognised stock exchanges in order to leverage their existing IT infrastructure.

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

As the Company does not meet the criteria of Section 135 of the Act. The Company is not required to comply with the CSR requirements during the financial year 2024-25.

Vigil Mechanism/ Whistle Blower Policy

Your 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. During the period under review, there are no Whistle Blower Complaints reported.

The Whistle Blower Policy is available on the Company's website at –

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

Statutory Auditors

Pursuant to the provisions of Section 139 of the Act, and other applicable provisions and rules made thereunder, 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 consecutive years until the conclusion of Sixth Annual General Meeting. The Statutory Auditors have conducted the Statutory Audit of the Company for the Financial Year ended March 31, 2025.

The Statutory Auditors' Report for the Financial Year 2024-25 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 Act.

Secretarial Auditors

In accordance with Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Purwar & Purwar Associates LLP, Practicing Company Secretaries were appointed as Secretarial Auditors to conduct the Secretarial Audit of the Company for the Financial Year 2024-25. 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 qualifications, reservation or adverse remark or disclaimers, except as stated below:

- a) The Weblinks mentioned in Corporate Governance Report forming part of the Annual Report for the financial year 2023-24 are not specific and it does not redirect to the relevant document(s)/section of the website of the Company.
- b) Financial results as specified in Regulation 33 along-with the modified opinion(s) or reservation(s), if any, expressed by the auditor and notice given to the shareholders of the

Company is not published in Newspaper by the Company.

- c) (i)46(2)(q): newspaper publications with respect to the financial results and notice given to the shareholders pursuant to Regulation 47 not disseminated on the Website of the Company.
- d) (ii)46(3)(b): the contents of the website of the Company are not updated within two (2) working days.

Management Response

- a. Whenever the company updates the documents on the website, new links are generated, whereas the Annual Report contains old links. Going forward, instead of providing specific links, the Company will provide a general link in the Annual Report.
- b. The Company had written to SEBI for exemption from publishing the Financial Results and General Meeting notices in the newspaper. Going forward, the Company will publish Financial Results and General meeting notices in the newspaper.

The Secretarial Audit Report for the year ended March 31, 2025, is annexed as Annexure D herewith and forms part of this report.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024, issued by the SEBI dated December 12, 2024, the Company shall appoint Peer Reviewed Company Secretary as Secretarial Auditor with the approval of its Shareholders in its Annual General Meeting. The Governing Board recommends the appointment of M/s. Purwar & Purwar Associates, LLP, Practising Company Secretaries at the ensuing Annual General Meeting.

Particulars of Employees

As on March 31, 2025, there were 18 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 D. 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 E.

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 your Company since it is in the financial services sector.

Particulars of Foreign currency earnings and outgo

| Particulars | March 31, 2025 |
|---|----------------|
| 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 cooperate on 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 08, 2025
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.

Objectives of this Policy are

The Policy has been framed keeping in view the following objectives/purposes:

- 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
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 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 SEBI (LODR), 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 SEBI (LODR), 2015.

‘Key Managerial Personnel’ (the “KMP”) as defined under section 2(51) of the Companies Act, 2013, means:

- the Chief Executive Officer or the Managing Director or Manager;
- the Company Secretary;
- the Whole-time Director;
- the Chief Financial Officer;
- 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
- 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:

- Any person appointed as the managing director or executive director; or
- 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
- A person serving as the head of a core function as specified under Part-C of Schedule-II of these regulations; or
- 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 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 SEBI (LODR), 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 the 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 –

1. Governing Board & its members related aspects:

- i. Scrutinising and interviewing applicants for selecting the MD of the clearing corporation.
- ii. 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
- iii. 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.
- iv. Ensure compliance with governing board level skill diversity at the time of appointment, reappointment or extension of tenure of PIDs or NIDs.
- v. Framing & reviewing the policy to carry out internal evaluation of every director's performance, including that of PIDs.
- vi. Reviewing and recommending extension of the term of appointment and re-appointment of existing PIDs.
- vii. Appointment of Independent External Professionals (IEPs).

2. KMPs related aspects:

- i. Identifying KMPs based on the 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, people (including employees/consultants) drawing annual pay higher than any KMP(s).
- ii. 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.
- iii. The appointment and removal of KMPs other than resignations.
- iv. 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.
- v. 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.

- vi. Framing performance review parameters for evaluation of KMPs, including that of MD.
- vii. 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.
- viii. 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.
- ix. Determining and finalizing the KRAs of all KMPs at the beginning of the year. Review the same in line with organizational needs.
- x. Ensuring that no KMP reports to a non-KMP.

3. On other organisation level related aspects:

- i. 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.
- ii. Ensure that the hiring of consultants is based on a pre-defined SOP of the clearing corporation.
- iii. Framing, reviewing, implementing and monitoring SOP for imposing disciplinary actions against employees of clearing corporation.
- iv. 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:

- a. Nominee Director (ND)
- b. Public Interest Director (PID)
- c. 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 does not have any association, directly or indirectly, which in the opinion of the Board, is in conflict with his role.

- i. The committee shall recommend a person to be appointed as Public Director to the Board of Director.
- ii. 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:
 1. Qualification in the area of law, finance, accounting, economics, management, administration or any other area relevant to the financial markets.
 2. Atleast one person shall be inducted having experience and background in finance / accounts who may preferably be inducted in the audit committee.
 3. Persons currently holding positions of trust and responsibility in reputed organisations or person who have retired from such positions.
 4. 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 directors in the board of the promoter entity of the Stock Exchange or Clearing Corporation, shall be excluded.
 5. 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.

6. Independent directors of the associates of Public Financial Institution or Bank in public sector, who are clearing members and/or trading members 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.

- iii. 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 the appointment of PID.
- iv. A minimum of two names shall be submitted to SEBI for each vacancy of PID.
- v. The maximum age limit for PID shall be 70 years.
- vi. 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.

- i. The company shall identify top three issuers of debt securities during a financial year and subsequently to approach them for nomination of Nominee director.
- ii. The committee shall recommend a person to be appointed as Nominee Director to the Board of Director.

The names of persons to be appointed as Nominee directors shall first be approved by the governing board, followed by

- iii. shareholders' approval before submitting the same to SEBI for approval.
- iv. The Nominee Director shall be appointed every year on a rotational basis.
- v. 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.

- i. 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.
- ii. The Nomination and Remuneration Committee (NRC) shall be responsible for the selection of Managing Director.
- iii. 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.
- iv. At the time of seeking approval of SEBI for the appointment of the managing director, the stock exchange/clearing corporation seek approval for the compensation of the managing director from the SEBI.
- v. At least two names for the post of MD, without any order of preference, shall be forwarded to SEBI for approval.
- vi. The company shall also seek approval from RBI. *
- vii. 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.
- viii. 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 SEBI (LODR), 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 the Key Managerial Personnel (KMP) in the Regulatory Department for a term not exceeding five (5) years. Post the completion of first term, the Nomination and Remuneration Committee shall review the performance of the KMP and can re-appoint the KMP for another term of five (5) years. The KMPs can be appointed for any number of terms as may be decided by the Nomination and Remuneration Committee.

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, SEBI (LODR), 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.

A) 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.

B) 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.

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
- Misfeasance
- 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.

General parameters to consider increase in the remuneration

The salary increment budget would be ascertained by the Committee / Board every year, based on the following parameters:

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

c) 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 SEBI (LODR), 2015, the provisions of the SECC Regulations, 2018, the Companies Act, 2013 and rules made thereunder and the SEBI (LODR), 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](#)

- a) The period of appointment of the Nominee Director will be for maximum three year from the date of appointment of a Nominee director.
- b) 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 10, 2025, has renewed recognition to the Company as Limited Purpose Clearing Corporation for a period of one year commencing from January 17, 2025, and ending on January 16, 2026. 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 endeavours 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, 2025. As mandated by the regulator, the Governing Board of ARCL is independent from its shareholders i.e. there are no representation from shareholders on the Governing Board.

Board of Director

a) Composition of the Governing Board

As on March 31, 2025, the Governing Board consisted of 5 Directors of which 3 (three) are Non-Executive Independent Directors (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 Governing Board as a whole requires to be effective, keeping in mind SEBI and RBI 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 Governing Board and Directorship/ Committee positions of the Directors in other companies are as follows:

| Name and DIN | Date of Appointment | Member & Chairperson in other Companies |
|--|---------------------|---|
| Mr. Srinivasan Varadarajan (DIN: 00033882) Chairman – Public Interest Director (Non-executive Independent Director) | December 09, 2021 | <ul style="list-style-type: none"> India Debt Resolution Company Limited – Director and Chairperson of Audit Committee Institutional Investor Advisory Services India Limited – Director and Chairperson of Audit Committee Union Bank of India Limited – Chairperson and Member of Stakeholders Committee |
| Mr. Krishnamurthy Vaidyanathan (DIN: 00693204) Public Interest Director (Non-executive Independent Director) | December 09, 2021 | - |
| Ms. Huzan Mistry (DIN: 09208069) Public Interest Director (Non-executive Independent Director) | October 08, 2022 | <ul style="list-style-type: none"> Shravasti Trading Company Private Limited – Director Rao Properties Private Limited – Director |
| Mr. Sumeet Kumar (DIN: 10753910) Nominee Director (Non-executive Director) | January 16, 2025 | - |
| Mr. Kashinath Katakdhond (DIN: 07716501) Managing Director (Executive Director) | April 17, 2023 | - |

b) Changes during the year

Ms. Suparna Tandon resigned as an Additional Director of the Company w.e.f. August 06, 2024.

Mr. Srinivasan Varadarajan and Mr. Krishnamurthy Vaidyanathan were re-appointed as Non-Executive and Independent Director (Public Interest Director) of the Company for second term of three years with effect from January 16, 2025, in terms of the approval granted by SEBI vide its letter dated October 09, 2024, and RBI vide its letter dated January 16, 2025.

Tenure of Mr. Vinod Chandrasekharan who was appointed by the Governing Board as an Additional Director under the Nominee category on August 09, 2024, and by the Shareholders as a Non-Executive Director under the Nominee category in Annual General Meeting held on September 20, 2024, ended on January 16, 2025.

Mr. Sumeet Kumar (Chief General Manager – RMD – I, Power Finance Corporation) was appointed as Director (Non-executive Director) under the Nominee category on the Governing Board of the Company with effect from January 16, 2025.

c) Governing 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 Governing 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 | Mr. Sumeet Kumar | Mr. Kashinath Katakdhond |
|----------------|----------------------------|--------------------------------|------------------|------------------|--------------------------|
| Qualifications | ✓ | ✓ | ✓ | ✓ | ✓ |
| Experience | ✓ | ✓ | ✓ | ✓ | ✓ |
| Knowledge | ✓ | ✓ | ✓ | ✓ | ✓ |
| Technology | ✓ | ✓ | ✓ | ✓ | ✓ |
| Leadership | ✓ | ✓ | ✓ | ✓ | ✓ |
| Governance | ✓ | ✓ | ✓ | ✓ | ✓ |

d) Governing Board Diversity

ARCL has eminent persons from diverse fields to serve as Directors on its Board. Pursuant to the SEBI (LODR), ARCL has ensured the diversity of the Governing Board in terms of experience, knowledge, perspective, background, gender, age, and culture. ARCL has also in place Policy on Diversity of the Governing Board. The Policy on Diversity of Governing Board is available on the Company's website at –

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

e) Chairman of Governing Board

The Governing Board of ARCL had re-appointed Mr. Srinivasan Varadarajan, Non-Executive and Independent Director (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 May 30, 2025, till the expiry of his term as Non-Executive and Independent Director (Public Interest Director) on the Governing Board of ARCL, subject to Shareholder approval. Further, SEBI vide its letter dated March 03, 2025, has approved appointment of Mr. Srinivasan Varadarajan as Chairman of the Governing Board. Further, RBI vide its letter dated May 21, 2025, has exempted ARCL from the provision 4(2), 4(4) and 4(5) of Section A of RBI circular titled Directions for Central Counterparties, 2024. Thus, ARCL is not required to take approval from Reserve Bank of India for appointment/ re-appointment of Chairperson, provided, approval has been obtained from SEBI for the same.

The role and responsibilities of the Chairman are as under:

- i. 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;
- ii. Promoting and overseeing the highest standards of corporate governance within the Board;
- iii. 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;
- iv. Setting an agenda for the Board, which is focused on strategic matters, forward looking and evaluates and oversees the ARCL's business;
- v. Being a sounding board and mentor to the management team;
- vi. Representing ARCL with external parties; and
- vii. Fostering an open, inclusive discussion which challenges executives, where appropriate.

However,

- i. 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.

- ii. the Chairman abstains from influencing the employees of the Company in conducting their day-to-day activities.
- iii. the Chairman does not be directly involve in the function of appointment and promotion of employees unless specifically so decided by the Governing Board.

f) 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.

g) Governing Board Evaluation

One of the key functions of the Governing Board is to monitor and review the Governing Board evaluation framework. The Governing Board along with Nomination and Remuneration committee has laid down the evaluation criteria for performance of the Chairman, the Governing Board, the Committees and individual directors excluding the Director being evaluated. Accordingly, the Annual evaluation on the performance of the Governing Board, that of its committee(s) and individual Directors was carried out and the Governing Board expressed its satisfaction as to their performance for the Financial Year 2024-25.

h) Attendance of each Director at the Governing Board Meetings and at the Annual General Meeting (AGM)

During the financial year 2024-25, the Governing Board met five times on May 17, 2024, August 09, 2024, November 07, 2024, January 09, 2025, and February 11, 2025. The Governing 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 Governing Board was met as per the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, and Directions for Central Counterparties, 2024.

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 20, 2024 |
|--------------------------------|-----------------------------------|--|
| Mr. Srinivasan Varadarajan | 5 Out Of 5 | Yes |
| Mr. Krishnamurthy Vaidyanathan | 5 Out Of 5 | Yes |
| Ms. Huzan Mistry | 5 Out Of 5 | Yes |
| Ms. Suparna Tandon^ | 1 Out Of 1 | Na |
| Mr. Vinod Chandrasekharan@ | 2 Out Of 3 | Yes |
| Mr. Sumeet Kumar# | 1 Out Of 1 | Na |
| Mr. Kashinath Katakdhond | 5 Out Of 5 | Yes |

^ resigned with effect from August 06, 2024

@ tenure expired with effect from January 16, 2025

appointed as a Non-Executive Director (Nominee Director) with effect from January 16, 2025.

i) Independent Directors/ Public Interest Directors (PID)

Independent Directors on the Governing 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 Governing Board, the Independent Directors fulfil the conditions specified in the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, and Directions for Central Counterparties, 2024 and are independent of the management.

j) Details of Familiarization Programs 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/familiarisationprogram>

Code of Conduct

A code of conduct for Directors, Key Management Personnels and Employees of the Company is framed. Directors, Key Managerial Personnel and Employees 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/otherdisclosures>

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 Governing 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 2024-25 is as under:

| (Amount in Rs.) | |
|-----------------------------|--------------------------|
| Particulars of Remuneration | Mr. Kashinath Katakdhond |
| Basic Salary | 47,91,198 |
| HRA | 23,95,599 |
| Special Allowance | 23,95,599 |
| Variable Pay | 11,94,347 |
| Total | 1,07,76,743 |

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 2024-25 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 2024-25 is given below:

(Amount in Rs.)

| Name of Director | Board Meeting | Board Committee | Total |
|--|---------------|-----------------|-----------|
| Mr. Srinivasan Varadarajan | 5,00,000 | 10,50,000 | 15,50,000 |
| Mr. Krishnamurthy Vaidyanathan | 5,00,000 | 11,00,000 | 16,00,000 |
| Ms. Huzan Mistry | 5,00,000 | 10,50,000 | 15,50,000 |
| Ms. Suparna Tandon* | 1,00,000 | - | 1,00,000 |
| Mr. Vinod Chandrasekharan ^{&} | 1,00,000 | 1,00,000 | 2,00,000 |
| Mr. Sumeet Kumar [#] | 1,00,000 | 1,00,000 | 2,00,000 |

Note:

- *Resigned from the Governing Board of the Company with effect from August 06, 2024.
- &Resigned from the Governing Board of the Company with effect from January 16, 2025.
- #Appointed as Non-Executive Director (Nominee Director) on the Governing Board of the Company with effect from January 16, 2025.
- For Non-Executive Directors (Nominee Directors), sitting fees are paid to the Company/ Corporation whom they represent.

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

(Amount in Rs.)

| Name Of KMP | Company Secretary Mr. Vedant Kamulkar | Chief Financial Officer Ms. Hetal Chauhan |
|-------------------|--|--|
| Basic Salary | 3,27,600 | 4,87,500 |
| HRA | 1,63,800 | 2,43,750 |
| Special Allowance | 1,63,800 | 2,43,750 |
| Variable Pay | 69,503 | 19,657 |
| Total | 7,24,703 | 9,94,657 |

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 2024-25 as per SECC Regulations.

Senior Management

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

- Mr. Kashinath Katakdhond, Managing Director
- Ms. Hetal Chauhan, Chief Financial Officer

- Mr. Amit Bodas, Chief Risk Officer
- Ms. Sheela Burte, Chief Compliance Officer
- Ms. Shweta Bhatt, Head – Operations
- Mr. Vedant Kamulkar, Company Secretary

During the period under review, Mr. Amit Bodas, was appointed as Chief Risk Officer of the Company w.e.f. April 01, 2024, and Ms. Sheela Burte was 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.

Post closure of the Financial Year 2024-25, Ms. Sheela Burte, Chief Compliance Officer resigned w.e.f. April 30, 2025. Mr. Ajit Phanse has been appointed as Chief Regulatory and Compliance Officer w.e.f. May 02, 2025. Mr. Vijendra Gujar has been appointed as Chief Information Security Officer w.e.f. June 02, 2025. Mr. Deepak Upadhyay has been appointed as Chief Risk Officer w.e.f. June 24, 2025. Pursuant to restructuring, Mr. Amit Bodas was re-designated from Chief Risk Officer to Assistant Vice President – Risk w.e.f. June 24, 2025.

Committees of Governing 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 the 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, 2025, consisted of Ms. Huzan Mistry, Mr. Krishnamurthy Vaidyanathan and Mr. Sumeet Kumar as its member with Ms. Huzan Mistry as its Chairperson. The terms of reference of the Audit Committee are as per the provisions contained in the Act, SEBI (LODR) Regulations, 2015 and CCP Directions, 2024. The Committee met four times during the year, i.e. May 17, 2024, August 09, 2024, November 07, 2024, and February 11, 2025.

The details of the attendance of members of the 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. Vinod Chandrasekharan | 1 Out of 1 |
| Mr. Sumeet Kumar | 1 Out of 1 |

During the period under review, Ms. Suparna Tandon was appointed as a member of the 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.

Further, Mr. Vinod Chandrasekharan resigned from the Governing Board of the Company w.e.f. January 16, 2025, and accordingly, Mr. Sumeet Kumar was appointed as member of the committee w.e.f. January 16, 2025.

Terms of reference of the Audit Committee inter alia include the following:

- i. The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- ii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iii. 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;
- iv. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- v. Approval or any subsequent modification of transactions of the company with related parties;
- vi. Scrutiny of inter-corporate loans and investments (if any);
- vii. Valuation of undertakings or assets of the company, wherever it is necessary;
- viii. Evaluation of internal financial controls, risk management systems and risk-based auditing;
- ix. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- x. formulation and review of Compliance policy and ensuring adherence with the same;
- xi. 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;
- xii. Oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- xiii. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- xiv. 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;
- xv. discussion with internal auditors of any significant findings and follow up there on;
- xvi. 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;
- xvii. 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;
- xviii. 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;
- xix. to review the functioning of the whistle blower mechanism;
- xx. 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.

Further, as per the requirements of CCP Directions, the Company is required to constitute NRC consisting of three or more Non-Executive Directors out of which majority shall be Independent Directors. The Chairman of NRC shall be different from Chairman of the Board.

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, 2025, 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 five times during the year i.e. May 17, 2024, August 09, 2024, November 07, 2024, January 09, 2025, and February 11, 2025.

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 | 5 Out of 5 |
| Mr. Srinivasan Varadarajan | 5 Out of 5 |
| Mr. Krishnamurthy Vaidyanathan | 5 Out of 5 |

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:

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.

Terms of reference as per SECC Regulations:

The Nomination and Remuneration Committee (NRC) shall –

1. **Governing Board & its Members related aspects:**
 - a. Scrutinising and interviewing applicants for selecting the MD of the clearing corporation.
 - b. 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
 - c. 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.
 - d. Ensure compliance with governing board level skill diversity at the time of appointment, reappointment or extension of tenure of PIDs or NIDs.
 - e. Framing & reviewing the policy to carry out internal evaluation of every director's performance, including that of PIDs.
 - f. Reviewing and recommending extension of the term of appointment and re-appointment of existing PIDs.

- g. Appointment of Independent External Professionals (IEPs).

2. KMPs related aspects:

- 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).
- 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.
- The appointment and removal of KMPs other than resignations.
- 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.
- 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.
- Framing performance review parameters for evaluation of KMPs, including that of MD.
- 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.
- 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.
- Determining and finalizing the KRAs of all KMPs at the beginning of the year. Review the same in line with organizational needs.
- Ensuring that no KMP reports to a non-KMP.

3. On other organisation level related aspects:

- 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.
- Ensure that hiring of consultants is based on a pre-defined SOP of the clearing corporation.
- Framing, reviewing, implementing and monitoring SOP for imposing disciplinary actions against employees of clearing corporation.

- d. 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 as on March 31, 2025, consists of Ms. Huzan Mistry (PID) (Chairperson), Mr. Krishnamurthy Vaidyanathan (PID), Mr. Srinivasan Varadarajan (PID) and Mr. Rahul Ghosh (IEP). The Committee met four times during the year i.e. May 15, 2024, August 08, 2024, November 07, 2024, February 11, 2025.

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 | 4 Out of 4 |
| Mr. Srinivasan Varadarajan | 4 Out of 4 |
| Mr. Krishnamurthy Vaidyanathan | 4 Out of 4 |
| Mr. Rahul Ghosh | 3 Out of 4 |
| Mr. Siddhartha Roy | 4 Out of 4 |

During the period under review, the tenure of Mr. Siddhartha Roy, Independent External Professional, ended on March 31, 2025.

Post closure of the financial year, Mr. Natarajan Ramasamy was appointed as an Independent External Professional w.e.f. April 01, 2025. Further, the tenure of Mr. Rahul Ghosh ended on April 14, 2025.

The brief terms of reference of RMC are as follows:

- 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.
- The RMF shall include the following:

- a. The framework for identification of internal and external risks;
- b. Measures for risk mitigation including systems and processes for internal control and;
- c. Business continuity plan.
- iii. Monitor each risk associated with the functioning of the clearing corporation more specifically for functions under vertical 1 and 2.
- iv. Review the RMF & risk mitigation measures at least once annually taking into account the changing industry dynamics and evolving complexity.
- v. Monitor and review enterprise-wide risk management plan and lay down procedures to inform governing board about the risk assessment and mitigation procedures.
- vi. RMC shall coordinate with other committees. In case of overlap with activities of other committees, RMC may consider views of such committees.
- vii. Monitor implementation of the RMF and also keep the governing board informed about implementation of the RMF and deviation, if any.
- viii. 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.
- ix. Comply with the roles and responsibilities as provided under the Companies Act 2013 and the SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015.

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, 2025, consisted of Ms. Huzan Mistry (PID), Mr. Sumeet Kumar (ND) and Mr. Kashinath Katakdhond, Managing Director. The Committee met once during the year i.e. on January 09, 2025.

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. Vinod Chandrasekharan* | 1 Out of 1 |
| Mr. Kashinath Katakdhond | 1 Out of 1 |

*Mr. Vinod Chandrasekharan resigned from the Governing Board of the Company with effect from January 16, 2025, and ceased to be a member of the Committee and accordingly, Mr. Sumeet Kumar was appointed as a member of the committee w.e.f. January 16, 2025.

The brief terms of reference of SRC are as follows:

- i. 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;
- ii. Review of measures taken for effective exercise of voting rights by shareholders;
- iii. Review of adherence to the service standards adopted by the CC in respect of various services being rendered by the Registrar & Share Transfer Agent;
- iv. 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 2024-25.

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 2024-25 is enclosed at the end of the report.

General Body Meetings

a) 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.

- The Third Annual General Meeting was held on September 20, 2024, at Unit No. 503, Windsor, Off CST Road, Kalina, Santacruz East, Mumbai, Maharashtra – 400098.
- b) 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.
 - No Special resolutions were passed in the Second and Third Annual General Meetings.

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 Fourth Annual General Meeting of ARCL will be held on Wednesday, September, 24, 2025, at 4:00 p.m. through Video Conferencing or Other Audio-Visual Means. The deemed venue for the 04th 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. 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. 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. The Company has issued circular in this regard vide Circular No. ARCL/Secretarial/2024-25/113 dated January 24, 2025.

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, 2025, 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

The non-compliances as observed by the Secretarial Auditors and management response thereof mentioned in the Board report be referred.

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.

The Whistle Blower Policy is available on the Company's website at –

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

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.

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, 2025, 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 2024-25, which are mandatorily required to be accepted.

i) 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 | 4,50,000 |
| Certification Matters | 30,000 |
| Out of Pocket | 6,350 |
| Total | 4,86,350 |

j) As of March 31, 2025, no complaint was filed during Financial Year 2024-25 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 2024-25.

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.

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

- i) board of directors and senior management is attached herewith and forms part of the Corporate Governance Report.

ANNEXURE C – SECRETARIAL AUDIT REPORT

FORM NO. MR-3

Secretarial Audit Report

For the Financial Year ended March 31, 2025
[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]

UDIN: F005769G000251630

To,

The Members,

AMC REPO CLEARING LIMITED

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

We 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 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, we hereby report that in our opinion, the Company has, during the financial year ended March 31, 2025 (“**audit 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:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained

by the Company during the audit period under review, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) read with Securities Contracts (Regulation) Rules, 1957 and any other rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 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 (‘SECC Regulations’);
 - b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable (“**Listing Regulations**”);
 - 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 audit period under review**);
 - e. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (**Not Applicable to the Company during the audit 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 audit 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 audit 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 audit period under review);

- i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not Applicable to the Company during the audit period under review**);
- j. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not Applicable to the Company during the audit period under review**);
- v. The Payment and Settlement Systems Act, 2007 read with Payment and Settlement Systems Regulations, 2008 and any other regulations made/directions issued there under ('PSS Regulations').

We report that during the audit period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Master Directions etc. as mentioned above, except the following:

| | |
|---|---|
| SEBI (Listing obligations and Disclosures Requirement) Regulations, 2015 | (a) <u>Non-compliance of Regulation 34 (3) read with Schedule V, Part C</u> The Weblinks mentioned in Corporate Governance Report forming part of the Annual Report for the financial year 2023-24 are not specific and it does not redirect to the relevant document(s)/section of the website of the Company. |
| | (b) <u>Non-compliance of Regulation 47:</u> Financial results as specified in Regulation 33 along-with the modified opinion(s) or reservation(s), if any, expressed by the auditor and notice given to the shareholders of the Company is not published in Newspaper by the Company |
| | (c) <u>Non-Compliance of Regulation 46:</u> - 46(2)(q): newspaper publications with respect to the financial results and notice given to the shareholders pursuant to Regulation 47 not disseminated on the Website of the Company - 46(3)(b): the contents of the website of the Company are not updated within two (2) working days |

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Companies Secretaries of India.

We further report that the Board of Directors of the Company is duly constituted in accordance with the provisions of the Act, SECC Regulations and

Directions for Central Counterparties under PSS Regulations.

The following changes took place in the composition of the Board of Directors and KMPS during the audit period under review:

- a. Appointment of Mr. Amit Bodas as Chief Risk Officer of the Company with effect from April 01, 2024.
- b. Appointment of Ms. Sheela Burte as Chief Compliance Officer of the Company with effect from May 17, 2024.
- c. Re-designation of Mr. Vedant Kamulkar from Company Secretary & Compliance Officer to Company Secretary with effect from May 17, 2024.
- d. Resignation of Ms. Suparna Tandon (DIN: 08429718), as an Additional Director of the Company with effect from August 06, 2024.
- e. Appointment of Mr. Vinod Chandrasekharan (DIN: 10697875), as an Additional Director of the Company under 'Nominee Director' category with effect from August 09, 2024.
- f. Appointment of Mr. Vinod Chandrasekharan (DIN: 10697875), as a Non-Executive Director of the Company under 'Nominee Director' category by the Shareholders at the Annual General Meeting held on September 20, 2024.
- g. Appointment of Mr. Sumeet Kumar (DIN: 10753910), as a Non-Executive Director of the Company under 'Nominee Director' category with effect from January 16, 2025.
- h. Resignation of Mr. Vinod Chandrasekharan (DIN: 10697875), a Nominee Director of the Company with effect from January 16, 2025.
- i. Re-appointment of Mr. Srinivasan Varadarajan (DIN:00033882) as a Chairman and Non-Executive Independent Director (Public Interest Director) of the Company for a second term of three (3) year with effect from January 16, 2025 as approved by SEBI and RBI vide letters dated October 9, 2024 and January 16, 2025 respectively.
- j. Re-appointment of Mr. Krishnamurthy Vaidyanathan (DIN: 00693204) Non-Executive Independent Director (Public Interest Director) of the Company for a second term of

three (3) year with effect from January 16, 2025 as approved by SEBI and RBI vide letters dated October 9, 2024 and January 16, 2025 respectively.

Adequate notice is given to all Directors/ Committee members to schedule the Board Meetings / Committees meetings, agenda and detailed notes on agenda were sent at least seven days in advance in most cases and meeting convened at shorter notice were held with the consent of the Board / Committee Members. Further, 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.

We 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 laws, rules, regulations and guidelines.

Further, during the audit period under review, the following events have occurred:

1. Re-constitution of Audit Committee, Stakeholder Relationship Committee, Member and Core Settlement Guarantee Fund Committee, Credit Committee, Investment Committee at the Board meeting held on May 17, 2024.
2. Constitution of Membership Committee at the Board meeting held on May 17, 2024.
3. Change in the name of Member and Core Settlement Guarantee Fund Committee to Member Committee with effect from July 09, 2024, as mandated by SEBI.
4. Change in the name of Membership Committee to Internal Committee at the Board meeting held on August 09, 2024.
5. Re-constitution of Audit Committee, Stakeholder Relationship Committee, Member Committee, Investment Committee, Internal Committee at the Board meeting held on August 09, 2024.
6. Subject to the approval of the Securities and Exchange Board of India, the Bye-laws of the Company were amended in the Board Meeting held on May 17, 2024, and the Regulations were

amended in the Board Meeting held on August 09, 2024.

7. Re-constitution of Internal Committee at the Board meeting held on November 07, 2024
8. Re-constitution of Audit Committee, Stakeholder Relationship Committee, Member and Core Settlement Guarantee Fund Committee at the Board meeting held on January 09, 2025.
9. Appointment of M/s. Aneja Associates as Business Process Auditor of the Company vide Resolution passed by the Board of Directors of the Company at their meeting held on February 11, 2025 to identify the gaps in the existing process, identify the areas of improvements and suggest improvements that eliminate the errors.
10. Appointment of M/s. Padmanabhan Joshi & Co. as the Concurrent Auditor of the Company, to conduct the Concurrent Audit on a monthly basis from January 1, 2025 as advised by RBI.
11. Re-constitution of Risk Management Committee and Regulatory Oversight Committee at the Board meeting held on February 11, 2025.

For Purwar & Purwar Associates LLP
[Unique Identification No. L2023MH013700]
PR: 6666/2025]

SD/-
Pradeep Kumar Purwar
Managing Partner
Membership No.: Fcs: 5769
Certificate Of Practice No.: 5918

Place: Thane
Date: May 02, 2025

Secretarial Compliance Report of AMC Repo Clearing Limited

for the financial year ended March 31, 2025

UDIN: F005769G000252268

To,

AMC Repo Clearing Limited

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

We, Purwar & Purwar Associates LLP, Practicing Companies Secretaries Firm have conducted the review of the compliances of the applicable statutory provisions and the adherence to good corporate practices by **AMC Repo Clearing Limited** (hereinafter referred to as '**the Company**') (CIN: **U65929MH2021PLC3591081**) having its Registered Office at Unit No. 503, Windsor, Off CST Road, Kalina, Santacruz East, Vidyanagari, Mumbai- 400098 during the financial year ended on March 31, 2025 ('**Review period**'). Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and to provide our observations thereon.

We have examined:

- (a) all the documents and records made available to us and explanation provided by the Company,
- (b) the filings/ submissions made by the Company,
- (c) website of the Company,
- (d) any other document / filing, as may be relevant, which has been relied upon to make this certification,

for the Review period in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') and the regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ('**SCRA**'), rules made thereunder and the regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ('**SEBI**');

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to the Company (hereinafter referred to as '**Listing Regulations**');
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not Applicable to the Company during the Review period**)
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (**Not Applicable to the Company during the Review period**)
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (**Not Applicable to the Company during the Review period**)
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (**Not Applicable to the Company during the Review period**)
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (**Not Applicable to the Company during the Review period**)
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015: (**Not Applicable during the Review period**)
- (h) Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred as '**SECC Regulations**').

and circulars/ guidelines issued thereunder.

And based on the above examination, we hereby report that, during the Review period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below: -

| Sr. No. | Particulars | Compliance status (yes/no/na) | Observations / remarks by pcs* |
|----------------|---|-------------------------------|--|
| 3. | Maintenance and disclosures on website: <ul style="list-style-type: none"> The company is maintaining a functional website. Timely dissemination of the documents / information under a separate section on the website. Web-links provided in annual corporate governance reports under regulation 27(2) are accurate and specific which redirects to the relevant document(s)/section of the website. | No No Yes | (A) The company has not disseminated newspaper publications under reg 46(2)(q) on the website of the company (B) The company has not disseminated documents / data within prescribed time of two working days on its website after the change as required under reg 46(3)(b) - |
| Not applicable | | | |

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

| Sr. No. | Particulars | Compliance status (yes/no/na) | Observations / remarks by pcs* |
|----------------|--|-------------------------------|---|
| 4. | Disqualification of directors: None of the directors of the company are disqualified under section 164 of companies act, 2013 as confirmed by the company | Yes | - |
| 5. | Details related to subsidiaries of the company have been examined w.r.t.: <ul style="list-style-type: none"> Identification of material subsidiary companies. Requirements with respect to disclosure of material as well as other subsidiaries | N.A. | The company does not have any subsidiary company |
| 6. | Preservation of documents: The company is preserving and maintaining records as prescribed under sebi regulations and disposal of records is as per policy of preservation of documents and archival policy prescribed under listing regulations | Yes | - |
| 7. | Performance evaluation: The company has conducted performance evaluation of the board, independent directors and the committees on annual basis as prescribed in sebi regulations. | Yes | - |
| 8. | Related party transactions: The company has obtained prior approval of audit committee for all related party transactions; In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved / ratified / rejected by the audit committee. | Yes N.A. | - The company has obtained prior approval for all related party transactions |
| 9. | Disclosure of events or information: The company has provided all the required disclosure(s) under regulation 30 along with schedule iii of listing regulations within the time limits prescribed thereunder. | Yes | - |
| 10. | Prohibition of insider trading: The company is in compliance with regulation 3(5) & 3(6) sebi (prohibition of insider trading) regulations, 2015. | N.A. | The securities and exchange board of india (prohibition of insider trading) regulations, 2015 are |
| Not Applicable | | | |

We hereby report that, during the Review period the compliance status of the listed entity with the following requirements:

| Sr. No. | Particulars | Compliance status (yes/no/na) | Observations / remarks by pcs* |
|---------|--|-------------------------------|--------------------------------|
| 1. | Secretarial standards: The compliances of the company are in accordance with the applicable secretarial standards (ss) issued by the institute of company secretaries of india (icsi), as notified by the central government under section 118(10) of the companies act, 2013 and mandatorily applicable. | Yes | - |
| 2. | Adoption and timely updation of the policies: <ul style="list-style-type: none"> All applicable policies under sebi regulations are adopted with the approval of the board of directors / committees of the company. All the policies are in conformity with SEBI regulations and have been reviewed and updated on time, as per the regulations / circulars / guidelines issued by SEBI. | Yes | - |

| Sr. No. | Particulars | Compliance status (yes/no/na) | Observations / remarks by pcs* |
|---------|---|-------------------------------|--|
| 3. | Maintenance and disclosures on website: <ul style="list-style-type: none"> The company is maintaining a functional website. Timely dissemination of the documents / information under a separate section on the website. Web-links provided in annual corporate governance reports under regulation 27(2) are accurate and specific which redirects to the relevant document(s)/section of the website. | No No Yes | (A) The company has not disseminated newspaper publications under reg 46(2)(q) on the website of the company (B) The company has not disseminated documents / data within prescribed time of two working days on its website after the change as required under reg 46(3)(b) - |
| 4. | Disqualification of directors: None of the directors of the company are disqualified under section 164 of companies act, 2013 as confirmed by the company | Yes | - |
| 5. | Details related to subsidiaries of the company have been examined w.r.t.: <ul style="list-style-type: none"> Identification of material subsidiary companies. Requirements with respect to disclosure of material as well as other subsidiaries | N.A. | The company does not have any subsidiary company |
| 6. | Preservation of documents: The company is preserving and maintaining records as prescribed under sebi regulations and disposal of records is as per policy of preservation of documents and archival policy prescribed under listing regulations | Yes | - |
| 7. | Performance evaluation: The company has conducted performance evaluation of the board, independent directors and the committees on annual basis as prescribed in sebi regulations. | Yes | - |
| 8. | Related party transactions: The company has obtained prior approval of audit committee for all related party transactions; In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved / ratified / rejected by the audit committee. | Yes N.A. | - The company has obtained prior approval for all related party transactions |
| 9. | Disclosure of events or information: The company has provided all the required disclosure(s) under regulation 30 along with schedule iii of listing regulations within the time limits prescribed thereunder. | Yes | - |
| 10. | Prohibition of insider trading: The company is in compliance with regulation 3(5) & 3(6) sebi (prohibition of insider trading) regulations, 2015. | N.A. | The securities and exchange board of india (prohibition of insider trading) regulations, 2015 are |

| Sr. No. | Particulars | Compliance status (yes/no/na) | Observations / remarks by pcs* |
|---------|---|-------------------------------|--|
| | | | not applicable to the company |
| 11. | <u>Actions taken by sebi or stock exchange(s), if any:</u> No action(s) has been taken against the company / its promoters / directors/ subsidiaries either by sebi or by stock exchanges (including under the standard operating procedures issued by sebi through various circulars) under sebi regulations and circulars/ guidelines issued thereunder. | Yes | - |
| 12. | <u>Resignation of statutory auditors from the company or its material subsidiaries:</u> In case of resignation of statutory auditor from the company or any of its material subsidiaries during the financial year, the company and / or its material subsidiary (ies) has / have complied with paragraph 6.1 and 6.2 of section v-d of chapter v of the master circular on compliance with the provisions of the listing regulations by listed entities. | N.A. | There was no event of resignation of statutory auditors. Further, the company does not have any subsidiary company |
| 13. | <u>Additional non-compliances, if any:</u> No additional non-compliances observed for any sebi regulation/circular/guidance note etc. | No | (A) <i>The weblinks mentioned in corporate governance report annexed to the board's report for fy 2023-24 are not specific and it does not redirect to the relevant document (s) / section of the website</i> (B) <i>Financial results as specified in regulation 33 along-with the modified opinion(s) or reservation(s), if any, expressed by the auditor and notice given to the shareholders of the company is not published in newspaper</i> |

*Observations/Remarks by PCS are mandatory if the compliance status is provided as 'No' or 'NA'

Assumptions & limitation of scope and review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the Company.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the Listing Regulations and 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.

For Purwar & Purwar Associates LLP
[Unique Identification No. L2023MH013700]
PR: 6666/2025]

SD/-
Pradeep Kumar Purwar
Managing Partner
Membership No.: Fcs: 5769
Certificate Of Practice No.: 5918

Place: Thane
Date: May 02, 2025

ANNEXURE D

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, 2025

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

| S. r. N o . | Empl o yee name | Desig natio n | Gross remun eratio n paid (in rs.) | Educa tional quali fication | Expe rienc e (year s) | Date of joini ng | A ge | Previ ous empl o yment and desig nation |
|-------------|------------------------------|------------------------------|------------------------------------|---|-----------------------|----------------------|------|--|
| 1 | Mr. Kashin ath Katak dhond # | Mana ging direct or | 1,27,76,529 | Be compu ter engine er, global execut ive MBA | 34 | April 17, 2023 | 56 | Rams un netwo rk – head of busine ss allianc es & partne rship |
| 2 | Mr. Amit Bodas # | Chief risk officer | 35,00,000 | PGDM, certifie d FRM | 17 | April 01, 2024 | 41 | MSCI servic es pvt ltd - senior associ ate risk analys t |
| 3 | Ms. Shwet a Bhatt# | Head – operat ions | 26,22,995 | PGDM, M.com | 19 | Janu ary 19, 2023 | 46 | MCCI L - senior mana ger |
| 4 | Ms. Sheel a Burte# | Chief compl iance officer | 22,20,449 | BSC, pursui ng llb | 30 | April 10, 2025 | 52 | NCDE X - AVP- memb ership , ipft, sebi inspec tion |
| 5 | Ms. Hetal Chauh an# | Chief financ ial officer | 13,00,000 | M.com | 10 | Nov emb er 16, 2023 | 32 | Contin uum group – assist ant mana ger |
| 6 | Mr. Vedan t Kamul kar# | Comp any secret ary | 8,73,600 | Comp any secret ary, LLB | 2.9 | April 03, 2023 | 25 | Purwa r & purwa r associ ates, llp, pcs – associ ate |
| 7 | Mr. Vivek Visariya | Asst. Mana ger - risk | 7,84,004 | PGDM BBI | 3.7 | Dec emb er 08, 2022 | 28 | MCCI L – mana geme nt trainee |
| 8 | Ms. Aksha ya Birje | Asst. Mana ger - operat ions | 3,75,820 | PGDM | 2.5 | Sept emb er 18, 2023 | 29 | Mizuh o bank – officer |

| S. r. N o . | Empl o yee name | Desig natio n | Gross remun eratio n paid (in rs.) | Educa tional quali fication | Expe rienc e (year s) | Date of joini ng | A ge | Previ ous empl o yment and desig nation |
|-------------|----------------------|------------------------------|------------------------------------|-----------------------------|-----------------------|----------------------|------|---|
| 9 | Mr. Siddh arth Gurav | Assist ant mana ger - risk | 7,79,849 | MMS | 5.5 | July 07, 2023 | 29 | Wings ure – actuar ial analys |
| 10 | Ms. Sneha Kagi | Sr. Execu tive - operat ions | 5,87,996 | Mms | 5.5 | Sept emb er 11, 2023 | 30 | MCCI L – execut ive |

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.
- Company has complied with the statutory requirements for Provident Fund.

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 2024-25:

| | |
|------------------------------------|--|
| Director's remuneration: | Rs. 1,27,76,529/- |
| Employees remuneration: | Rs. 1,59,34,330/- (excluding director) |
| Median of employee's remuneration: | Rs. 5,52,263.67 /- |

The ratio of remuneration of the Managing Director to the median remuneration of the employees of the company for the financial year is 23.13 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 of employee | Designation | Percentage increase in remuneration |
|--------|--------------------------|-------------------|-------------------------------------|
| | Mr. Kashinath Katakdhond | Managing director | 6% |
| 2 | Mr. Vedant kamulkar | Company secretary | 12% |

- 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 44%.](#)
- The number of permanent employees on the rolls of the company: [18 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 E

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 | 1,27,76,529 | 5,87,996 | 21.73 |
| 2 | Mr. Amit Bodas | 35,00,000 | 5,87,996 | 5.95 |
| 3 | Ms. Shweta Bhatt | 26,22,995 | 5,87,996 | 4.46 |
| 4 | Ms. Sheela Burte | 22,20,449 | 5,87,996 | 3.78 |
| 5 | Ms. Hetal Chauhan | 13,00,000 | 5,87,996 | 2.21 |
| 6 | Ms. Vedant Kamulkar | 8,73,600 | 5,87,996 | 1.49 |



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 2024-25.

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

SD/-

**Name: Kashinath Katakdhond
Managing Director**

Date: May 30, 2025

Place: Mumbai

MD – CFO CERTIFICATION

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

Dear Sir/ Madam,

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, 2025, 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, 2025, which are fraudulent, illegal and violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting 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, that there are no deficiencies in the design or operation of internal controls, 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, 2025;
 2. there were no significant changes in accounting policies during the year ended March 31, 2025; 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

Sd/-
Hetal Chauhan
Chief Financial
Officer

Date: May 30, 2025
Place: Mumbai

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 3, 2025.
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, 2025, 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, 2025.
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: 6666/2025]

Sd/-
Pradeep Kumar Purwar
Designated Partner
DPIN: 01179697
CoP No.: 5918
FCS No.: 5769
UDIN: F005769G000963275

Place: Thane
Date: August 08, 2025

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, 2025, 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. Sumeet Kumar | 10753910 | January 16, 2025 |
| 5. | Mr. Kashinath Katakdhond | 07716501 | April 17, 2023 |

*Mr. Srinivasan Varadarajan was re-appointed as Chairman and Independent Director for a second term of three (3) years w.e.f. January 16, 2025, vide SEBI letter dated December 23, 2024, and RBI letter dated January 16, 2025.

Mr. Krishnamurthy Vaidyanathan was re-appointed as Independent Director for a second term of three (3) years w.e.f. January 16, 2025 vide SEBI letter dated December 23, 2024 and RBI letter dated January 16, 2025.

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: 5769G000963407

Place: Thane
Date: August 08, 2025

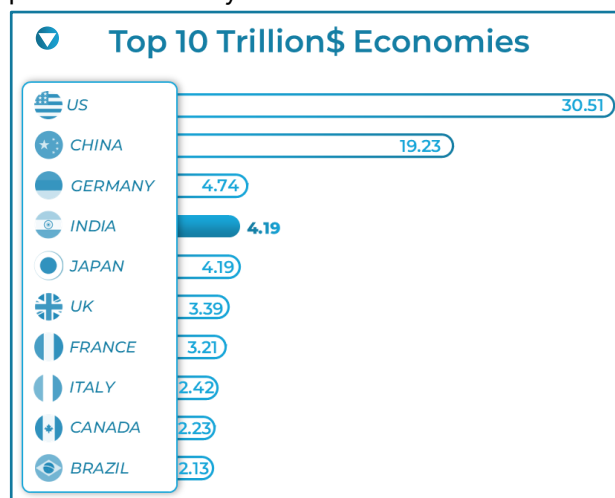
Global & Indian Economy Outlook

Due to sharp increase in policy uncertainty the global economic growth prospects have been revised lower relative to January projections. Heightened uncertainty can exert a paralyzing effect on consumers and businesses worldwide, discouraging investment, delaying hiring decisions, and suppressing spending.

Further, the rising trade tensions and growing policy uncertainty are expected to slow global growth in 2025 to its lowest level since 2008, excluding periods of global recession. These challenges have resulted in downgraded growth forecasts for nearly 70 percent of economies worldwide, affecting countries across all regions and income levels.

Global growth is now forecasted to decelerate to 2.3 percent in 2025—about half a percentage point lower than earlier predictions made at the start of the year. A modest recovery is projected over 2026-27, with average growth reaching only 2.5 percent, leaving global output well below the projections made in January. Although a global recession is not expected, the data indicates that average growth during the first seven years of the 2020s will be the slowest recorded since the 1960s.

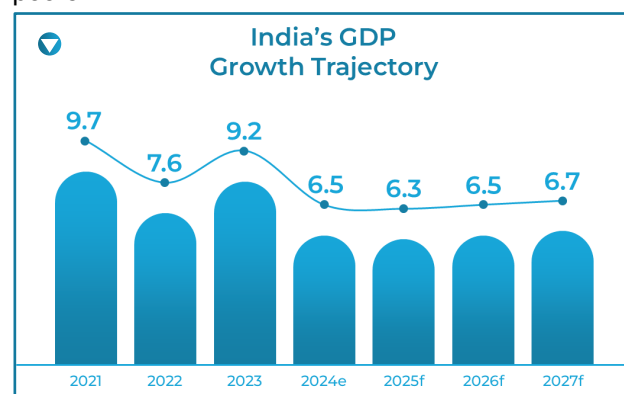
The signing bilateral trade deals by USA with India, China and other major economies along with the recently announced ceasefire between Israel and Iran is expected to further help bring down the geopolitical uncertainty.



Source: NITI Aayog

However, India's rise to the world's fourth-largest economy, with a nominal GDP of over \$4.18 trillion, marks a significant milestone in its evolution as a global hub for capital and investment. Government of India, NITI Aayog, and the Reserve Bank of India are all working towards making India the third-largest economy in the near future. The gap between the third and the fourth largest economies is very small.

According to International Monetary Fund (IMF) projections, India is poised to once again lead the global economy, as the fastest-growing major economy over the next two years. According to the April 2025 World Economic Outlook (WEO), India's GDP is expected to grow by 6.2% in 2025 and 6.3% in 2026, staying well ahead of global and regional peers.



Source: Global Economic Prospects 2025, World Bank Group

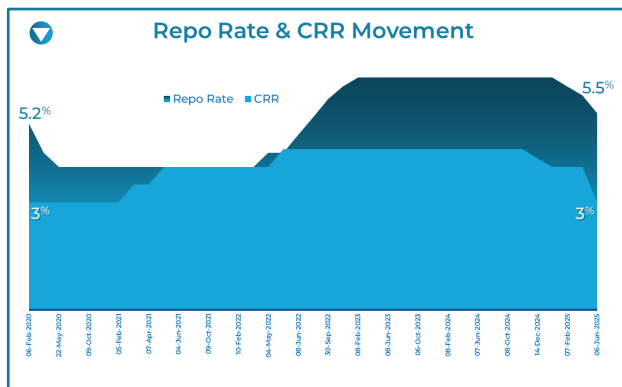
Impact of Monetary Policy

The RBI Monetary Policy Committee reduced the repo rate by 50 basis points from 6.0% to 5.5%. The objective of this rate cut was to stimulate the domestic private consumption and investment amid shifting growth and inflation dynamics. With the rate cut, RBI is signalling its intent to supporting growth through frontloaded rate cuts.

After a cumulative 100 basis point cut in the repo rate between February 2025 and June 2025, RBI now has limited room to further boost growth, prompting a shift in its stance from accommodative to neutral.

RBI also announced a 100-basis point reduction in the Cash Reserve Ratio (CRR), bringing it down to 3% of net demand and time liabilities in order to maintain adequate liquidity in the banking system. This cut will be phased in across four equal instalments of 25 basis points each, on September 6, 2025, October 4,

2025, November 1, 2025, and November 29, 2025. These measures are expected to collectively inject around INR 2.5 lakh crore of primary liquidity into the banking system by December 2025.

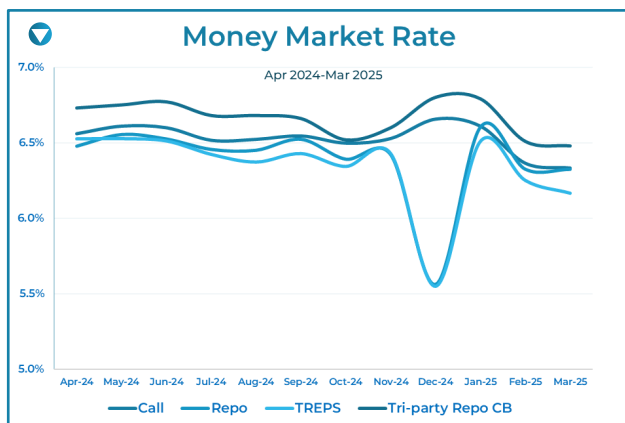


Source: RBI

Financial Markets

The average interest rate on term deposits with maturities exceeding one year decreased for the second consecutive month, falling to 6.52% in May from 6.61% in April. Actual rates ranged between 6.00% and 7.03%. The average Marginal Cost of Funds-based Lending Rate (MCLR) edged down slightly to 8.22% in May from 8.30% in April, with rates ranging between 8.15% and 8.28%. Banks have reduced or in the process of reducing External Benchmark Lending Rate (EBLR) as well as Repo Lending Rate (RPLR).

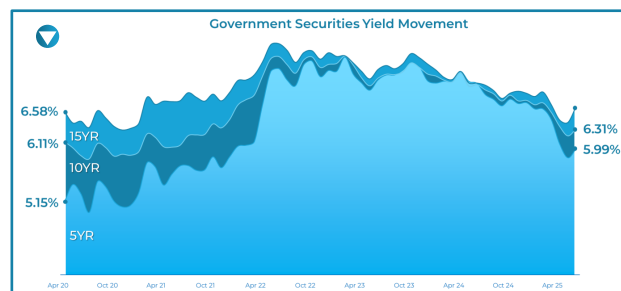
Data released by the RBI in early June 2025 shows that the yield on 10-year government benchmark bonds fell by 18 basis points to a 44-month low of 6.27% in May, down from 6.46% in April. This decline was driven by a persistent drop in CPI inflation and rising expectations of further rate cuts by the RBI.



Source: CCIL & ARCL

According to the data published by the RBI in the first week of June 2025, the yield on 10-year government bonds (the benchmark) decreased by 18 basis points, reaching a 44-month low of 6.27% in May 2025, down from 6.46% in April 2025. The decline in bond yields was attributed to a consistent decrease in CPI inflation and heightened expectations for additional rate cuts by the RBI.

The average interest rate on term deposits with a maturity period exceeding one year was reduced for the second consecutive month to 6.52% in May 2025, down from 6.61% in April 2025, with actual rates varying between 6.00% and 7.03%. Additionally, the average MCLR also saw a slight reduction, falling to 8.22% in May 2025 from 8.30% in April 2025, with the actual MCLR fluctuating between 8.15% and 8.28% during the month.

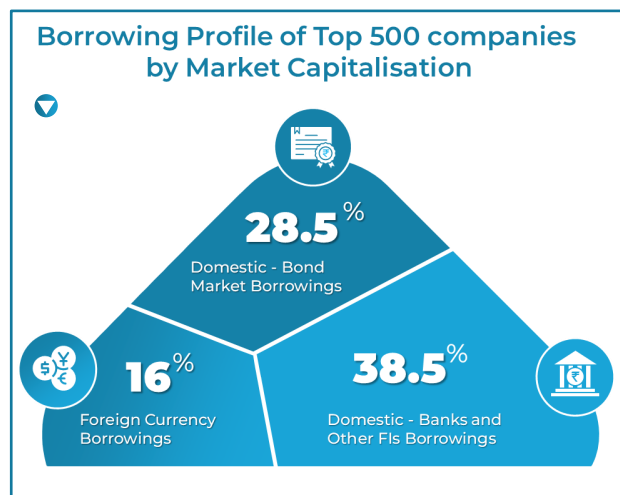


Corporate Bond Market Outlook

Over the last ten years, India's bond market has evolved from a niche sector into a fundamental component of corporate finance. The volume of issuances has increased from Rs. 4.4 trillion in FY2015 to a projected Rs. 11.2 trillion in FY2025, reflecting an annual compound growth rate of almost 10%. However, beneath this optimistic growth narrative exists a more complex situation characterized by market dominance, concealed government assistance, and possible fiscal weaknesses.

Currently, around 25% of the additional commercial credit in India is sourced through bond issuance, a trend largely influenced by the increasing participation of institutional investors, including mutual funds, insurance companies, and pension funds.

SEBI requires listed companies with a credit rating of 'AA' or higher and long-term borrowings exceeding INR 1,000 crore to raise at least 25% of their annual incremental borrowings through bond issuances. This obligation is to be fulfilled over a continuous three-year period, commencing from fiscal year 2025.



Source: CRISIL

Similarly, RBI also mandates that all companies with an aggregate sanctioned credit limit (ASCL) from the banking system exceeding ₹10,000 crore must meet at least 50% of their annual incremental funding requirements through capital market sources.

49% of the total domestic borrowings by the top 500, financial companies is from corporate bond market. The high exposure to corporate bond market for both non-banking financial companies (NBFCs) and banks is primarily driven by structural and regulatory aspects.

With substantial capital at their disposal, these investors have emerged as crucial components of the domestic debt market, concentrating on long-term, high-quality assets.

Despite the expansion of the market, the Indian corporate bond sector continues to be significantly concentrated regarding both the makeup of issuers and pricing trends. More than 80% of bonds, in terms of volume, are issued by entities rated AA or above, highlighting a substantial reliance on a small group of creditworthy issuers.

The emphasis is currently on the methods by which Indian corporations will fund this upcoming phase of vigorous growth. Although bank loans and equity markets have traditionally offered assistance for corporate financing, corporate bonds are gaining greater significance, as evidenced by a record issuance of INR 9.9 lakh crore in 2024-25. However, retail involvement remains comparatively low, accounting for approximately 4% of the total bond market volume.

The corporate bond market is increasingly gaining momentum as Indian firms seek not only capital but also more strategic and cost-efficient funding options. For enterprises looking to lower financing expenses, maintain control, and enable scalable growth, corporate bonds have emerged as a preferred choice. This trend is apparent, and comprehending its underlying reasons elucidates why Indian companies are growing more assured in tapping into bond markets.

In the last decade, India's financial landscape has seen a profound shift. Indian households, once focused on fixed deposits, gold, and real estate, are increasingly exploring a wider range of investment avenues. Equity markets have especially gained momentum, propelled by the growth of digital investment platforms and enhanced financial literacy among investors.

Bonds are coming into focus as Indian investors start to recognize the advantages of including fixed-income products in building a well-diversified portfolio.

Deepening of the corporate bond market is essential not only for financing the private sector but also for sustaining long-term economic growth of the country. A stronger and more vibrant bond market is crucial in unlocking private capital expenditure.

ESG - Social, Sustainability, and Sustainability-Linked Bonds Framework

India's capital markets are undergoing a pivotal transformation. The Securities and Exchange Board of India (SEBI) has introduced a new Framework for ESG Debt Securities (excluding green bonds),

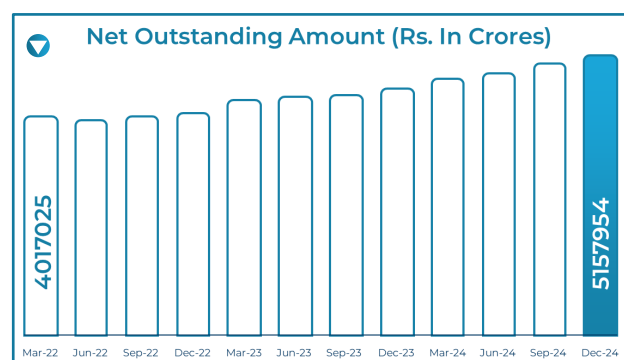
ushering in a more robust and transparent regime for social, sustainability, and sustainability-linked bonds.

This marks a critical shift from voluntary ESG disclosures to enforceable, verifiable standards that helps in strengthening the financial accountability and also aligning India with evolving global norms. As demand for ESG investing intensifies and international scrutiny increases, this regulatory milestone positions India to lead with integrity and strategic foresight in the ESG debt landscape.

The framework seeks to eliminate "purpose-washing" i.e. misrepresentation of environmental, social, or governance (ESG) benefits by placing disclosure, alignment, and third-party assurance at the core of ESG bond issuance. It introduces specific obligations at every stage of the bond lifecycle: pre-issuance, post-issuance, and ongoing reporting. These obligations are supported by instrument-specific guidance, ensuring that each type of ESG-labelled bond is held to rigorous and relevant standards.

Corporate Bond Outstanding

The outstanding in corporate bonds has increased from Rs. 35.15 lakh crores to Rs. 51.58 lakh crores, an increase of 45.75%. This reflects the growing trend of issuers tapping the bond market for their long-term funding needs. With the focus on improving infrastructure by the government and issuance of large corporates guidelines by the SEBI will further encourage corporates to tap the corporate bond market.



Source: SEBI

Primary Issuances in Corporate Bonds

Private placements dominate the primary issuances in corporate bonds accounting for more

than 99.95% of total issuances. This indicates the preferred choice by issuers of corporate bonds.

Public Debt Issuances

In India, public issuance of corporate bonds is generally more expensive than private placement due to higher compliance and marketing costs. Private placements, on the other hand, are quicker, less regulated, and involve fewer investors, making them a more cost-effective option for some companies.

| Year | Issuances | Amount (Rs Crores) |
|----------|-----------|--------------------|
| 2019-20 | 35 | 15,146 |
| 2020-21 | 18 | 10,585 |
| 2021-22 | 27 | 10,710 |
| 2022-23 | 32 | 7,444 |
| 2023-24 | 48 | 20,787 |
| 2024-25 | 45 | 8,408 |
| 2025-26* | 9 | 1,752 |

Source: Prime Database, *As on June 30, 2025

Private Placements

Private placement is the most common method used by companies to issue bonds. In this process, bonds are offered to a select group of investors—typically institutional investors or high-net-worth individuals—rather than to the general public.

As per regulatory norms, a privately placed bond cannot be offered to more than 200 investors in a financial year, excluding Qualified Institutional Buyers (QIBs).

A key feature of private placements is the price discovery mechanism, which is conducted through an Electronic Bidding Platform (EBP) operated by stock exchanges. This anonymous platform facilitates competitive bidding, ensuring transparency in pricing. Consequently, investors receive fair value for their investments, while issuers benefit from the efficiency and exclusivity of the process.

| YEAR | ISSUANCES | AMOUNT (RS CRORES) |
|----------|-----------|--------------------|
| 2019-20 | 2330 | 6,82,927 |
| 2020-21 | 2690 | 7,63,279 |
| 2021-22 | 2403 | 6,48,383 |
| 2022-23 | 2999 | 8,60,926 |
| 2023-24 | 3528 | 10,34,386 |
| 2024-25 | 3557 | 11,27,595 |
| 2025-26# | 763 | 3,51,847 |

Source: Prime Database, #As on June 30, 2025

Listed Private Placements

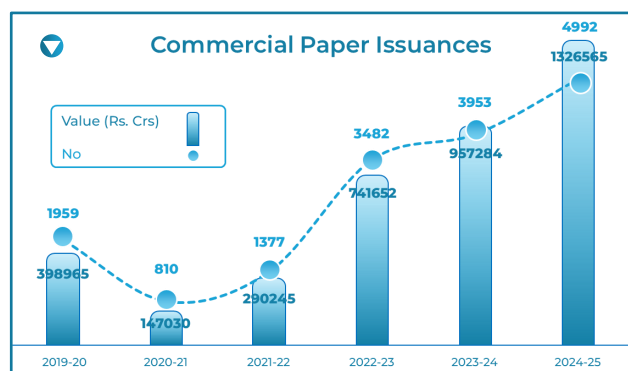
| Year | Issuances | Amount (Rs Crores) |
|---------|-----------|--------------------|
| 2019-20 | 1787 | 6,74,703 |
| 2020-21 | 1995 | 7,71,840 |
| 2021-22 | 1405 | 5,88,037 |
| 2022-23 | 1524 | 7,54,467 |
| 2023-24 | 1347 | 8,37,756 |
| 2024-25 | 1659 | 9,87,056 |

Source: Prime Database, #As on June 30, 2025

Commercial Paper Issuances

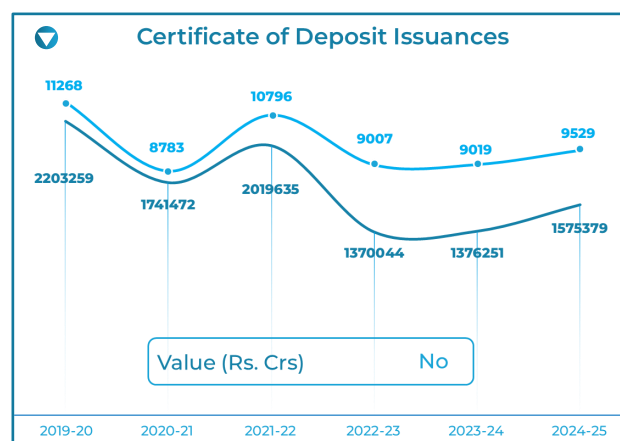
Commercial Paper (CP) is an unsecured money market instrument issued in the form of a promissory note. It enables the highly rated corporate borrowers to diversify their sources of short-term financing and to provide investors with an additional investment instrument. Primary dealers and satellite dealers have also been permitted to issue CPs to help them meet their short-term funding requirements for operational purposes.

A surge in Commercial Paper (CP) issuances in India is primarily driven by companies—particularly Non-Banking Financial Companies (NBFCs) primarily seeking to diversify their funding sources. This trend has been further accelerated by the Reserve Bank of India's (RBI) decision to increase risk weights on bank loans to NBFCs. As a result, many companies are turning to CPs as a more cost-effective and flexible alternative to traditional bank loans, especially to meet their short-term financing requirements.



Source: CCIL

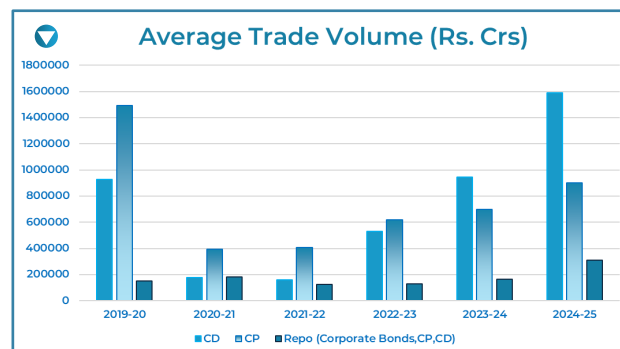
Certificate of Deposit



Source: CCIL

Secondary Market

Volumes in CP and CD have picked over the last few years as compared to the volumes in repo market. Volumes in repo have increased by 87% as compared to 69% for CDs and 28% for CPs.



Source: CCIL

Corporate Bonds

The secondary market trading in corporate bonds is primarily bilateral in nature with mandatory reporting of trades on CBRICS platform.

The RFQ platform allows the investor to get better quotes and making the intention to buy or sell either to the market or to select few counterparties.

The CBRICS and RFQ platforms are offered by NSE and BSE. These secondary market trades are settled through the respective clearing corporations i.e. NCL and ICCL.

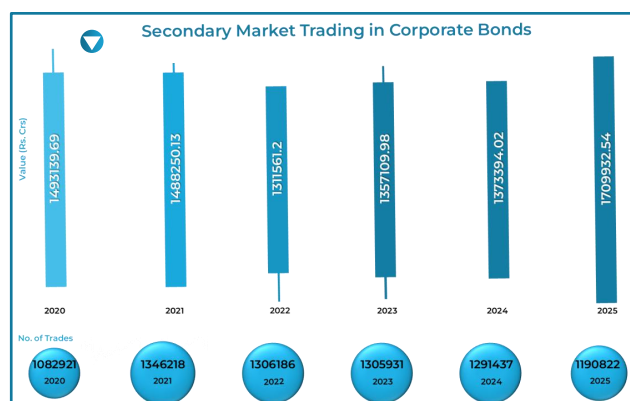
The daily average volume in the secondary market for corporate bonds is approx. INR 10,000 crores.

Indian investors are increasingly turning to bonds as an attractive investment option, recognizing their potential to provide stability and consistent income. As a key driver of economic development, the bond market plays a crucial role in financing long-term growth. In recent years, corporate bond issuance in India has been steadily gaining momentum, though the overall corporate debt market still holds significant room for expansion.

A notable trend is the rising participation of retail investors, particularly younger demographics. The

increased traction is spurred by the accessibility and convenience offered by digital investment platforms. Amidst periods of equity market volatility, many investors are seeking the relative safety and predictability that bonds can offer.

To sustain and accelerate this positive shift, greater emphasis must be placed on financial education, particularly highlighting the role of bonds in a well-diversified portfolio. As awareness grows, India's bond market is well-positioned to evolve in ways similar to the equity market, offering broader participation, enhanced liquidity, and a reliable source of diversification and income for a wide range of investors.



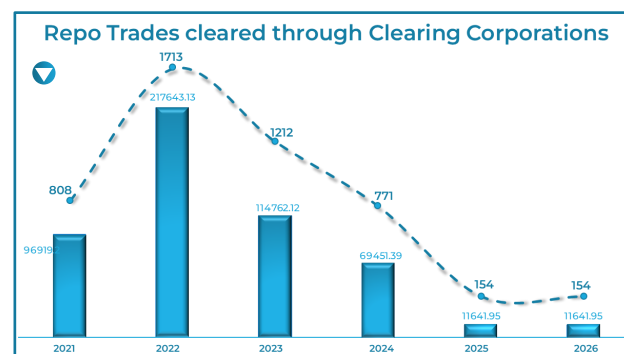
Source: SEBI

OTC Repo

In India, the majority of corporate bond repo transactions are carried out over-the-counter (OTC), which indicates that they are negotiated directly between the involved parties. Although electronic

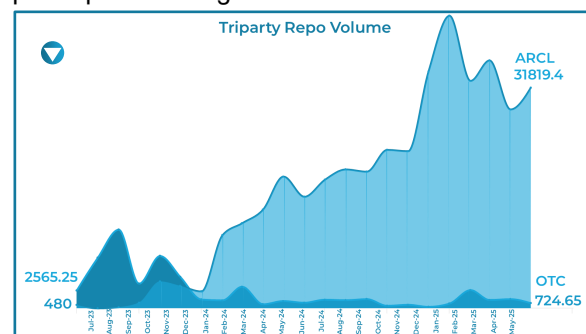
trading platforms and exchanges exist, a significant number of transactions still occur within the OTC environment. To enhance transparency and ensure regulatory oversight, these trades are reported to on the F-TRAC platform operated by Clearing Corporation of India Ltd (CCIL) and are settled through clearing corporations – NSE Clearing Limited and ICCL.

There has been significant decrease in OTC repo transactions. After the launch of ARCL Tri-party Repo in corporate debt securities there has been significant decrease in OTC repo transactions. The primary reason being the ability of the participants to deal in an anonymous manner reflecting the preference for Tri-party Repo and finer rates as compared to bilateral transactions.



Source: SEBI

The primary reason for decline in OTC market repo in corporate bonds is that these players have shifted to ARCL, there is a need for bilateral GMRA agreement to be signed between the participants, the rates depend on the creditworthiness of the participants and then there are sectoral limits as well as counterparty exposure limits. In case of ARCL tri-party repo product, ARCL provides settlement guarantee and also acts as a counterparty which increases ease of doing business while allowing participants to negotiate finer rates.



Source: SEBI, ARCL

Role of ARCL

In Corporate Bond Market

The primary objective of setting up ARCL is to have a vibrant repo market in corporate bonds and providing settlement guarantee for such repo transactions. ARCL has reached a stage where issuers are requesting their bonds to be added as eligible collateral for tri-party repo. This feedback from issuers indicates the privilege that issuers command once their bonds are eligible for tri-party repo.

The company intends to do a comprehensive study on the impact of adding issuers and their bonds as eligible collateral and the impact of this on the new issuances – whether it has helped issuers in lower cost of issuances through lower coupon rates.

Financial

Section

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, 2025, 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, 2025, its loss and its cash flow 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 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. The management has represented to us that

(a) This situation is temporary in nature.

(b) It does not intend to function as a non-banking financial institution

and therefore it has not applied for any such registration. Our opinion is not modified in respect of this matter.

We draw attention of the reader to Note 41 of the financial statement as well which provides details about the contributions received and income credited to the Core SGF Fund. Under the Section 10 (23EE) of Income Tax Act, 1961, the receipts of Core SGF in the form of contribution from clearing corporation, exchanges and clearing members, interest income of the Core SGF and income by way of penalties and fines credited to this Fund are exempt from the Income tax provided this fund is notified by the Central Government in the official gazette. The Company has applied for the exemption under section 10(23EE) of the Income Tax Act, 1961 to the Income Tax Department and the same is under processing. The Company has paid and borne the tax on the interest income received by the Core SGF. Further, it may be noted that the contributions from the issuers of debt securities to Core SGF is not getting covered in aforesaid exemption. The Company has obtained a legal opinion in respect of the taxability of the contributions received from the Issuers to Core SGF till date and the legal expert has opined that, being a capital receipt, these contributions shall not be subjected to income tax. On that basis, the company has not considered contribution from issuer as well as contribution from ARCL as income, for tax computation purpose. Our opinion is not modified in respect of this matter as well.

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 skepticism 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:

- 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;
- 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;
- 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;
- 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;
- On the basis of written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- 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.;
- 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 we considered reasonable and appropriate in the

circumstances, nothing has come to our notice that has caused us 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. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2025, which has a feature of recording audit trail (edit log) facility and the same has been operated with effect from January 01, 2024 for all relevant transactions recorded in the software thereafter. Further, during the course of audit we did not come across any instance of the audit trail feature being tampered with from the date of its implementation and according to the information provided to us, 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

Santosh More
Partner
M. No. 114236
Place: Mumbai
Date: May 30, 2025
UDIN:25114236BMLPFZ7023

"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, 2025:

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 Company has a regular program of physical verification of its PPE by which all PPE are verified once in a period of 3 years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The physical verification of tangible items was performed in previous year and accordingly no physical verification was carried out in current financial year.

(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, 2025 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;

xxi) 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

Santosh More
Partner
M. No. 114236
Place: Mumbai
Date: May 30, 2025
UDIN: 25114236BMLPFZ7023

“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, 2025 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, 2025, 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

Santosh More
Partner
M. No. 114236
Place: Mumbai
Date: May 30, 2025
UDIN: 25114236BMLPFZ7023

Audited Balance Sheet as at March 31, 2025

(Figures in Rs. Thousands)

| Particulars | Note No. | As at 31.03.2025 | As at 31.03.2024 |
|---|----------|------------------|------------------|
| I. Equity and Liabilities | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 15,00,000 | 15,00,000 |
| Reserves and Surplus | 3 | (41,096) | (11,801) |
| Core Settlement Guarantee Fund (Core SGF) | 4 | 43,35,193 | 17,85,449 |
| Non-Current Liabilities | | | |
| Other Long-term liabilities | 5 | 6,700 | 3,200 |
| Long-term provisions | 6 | 1,565 | 694 |
| Current Liabilities | | | |
| Trade Payables | | | |
| A) Total outstanding dues of micro and small enterprises | 7 | 693 | 387 |
| B) Total outstanding dues of creditors other than micro and small enterprises | | 1,224 | 797 |
| Other Current Liabilities | 8 | 1,14,185 | 58,362 |
| Short Term Provisions | 9 | 92,957 | 30,300 |
| TOTAL | | 60,11,421 | 33,67,388 |
| ii. ASSETS | | | |
| Non-current Assets | | | |
| Property Plant and Equipment | | 1,464 | 1,985 |
| Intangible Assets | 10 | 3,885 | 32 |
| Capital Work - in - progress | | - | - |
| Intangible assets under development | | - | 2,040 |
| Non-Current Investments | 11 | 44,86,298 | 27,31,986 |
| Deferred Tax Asset (Net) | 12 | 2,942 | 1,330 |
| Other Non-Current Assets | 13 | 16,531 | 16,531 |
| Current Assets | | | |
| Current Investments | 14 | 10,77,368 | 3,75,112 |
| Trade Receivables | 15 | - | 118 |
| Cash and cash equivalents | 16 | 1,43,149 | 92,888 |
| Short term Loans and Advances | 17 | 1,05,702 | 38,325 |
| Other Current Assets | 18 | 1,74,082 | 1,07,039 |
| TOTAL | | 60,11,421 | 33,67,388 |

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 30, 2025



Statement of Profit & Loss for the year ended March 31, 2025

(Figures in Rs. Thousands)

| Particulars | Note No. | Year ended March 31, 2025 Audited | Year ended March 31, 2024 Audited |
|---|----------|-----------------------------------|-----------------------------------|
| Revenue: | | | |
| Revenue from Operations | 19 | 6,574 | 2,212 |
| Other Income | 20 | 1,03,786 | 1,04,027 |
| Total Income | | 1,10,360 | 1,06,239 |
| Expense | | | |
| Employee Benefits expense | 21 | 30,427 | 22,830 |
| Finance Costs | 22 | 3,063 | 842 |
| Premium Amortisation | | - | 5,879 |
| Depreciation and amortization expense | 10 | 1,999 | 683 |
| Other expenses | 23 | 48,279 | 30,134 |
| Total Expenses | | 83,768 | 60,368 |
| Profit before Exceptional, Extraordinary items & Tax | | 26,592 | 45,871 |
| Exceptional Items | | - | - |
| Profit before Extraordinary items & Tax | | 26,592 | 45,871 |
| Extraordinary items | | - | - |
| Profit before Tax | | 26,592 | 45,871 |
| Tax Expense: | | | |
| Current Tax | | | |
| Tax on Core SGF Income | | 49,188 | 13,558 |
| Tax on Others | | 8,312 | 11,942 |
| Deferred Tax Charge / (Credit) | | (1,612) | (459) |
| Income Tax for Earlier Years | | - | (324) |
| Profit/(Loss) for the period from continuing operations | | (29,296) | 21,154 |
| Profit/ (Loss) from discontinuing operations | | - | - |
| Tax expense of discontinuing operations | | - | - |
| Profit/(Loss) from discontinuing operations (after tax) | | - | - |
| Profit for the period | | (29,296) | 21,154 |
| Earnings per share | 24 | | |
| Basic | | (0.20) | 0.14 |
| Diluted | | (0.20) | 0.14 |

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 30, 2025



Cash Flow Statement for the year ended March 31, 2025

(Figures in Rs. Thousands)

| Particulars | | Year ended 31.03.2025 | Year ended 31.03.2024 |
|-------------|---|--------------------------|--------------------------|
| A | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Net Profit before Taxation | 26,592 | 45,871 |
| | Adjustments for: | | |
| | Depreciation on Property Plant & Equipment (PPE) | 1,999 | 683 |
| | Premium Amortisation | - | 5,879 |
| | Discount Amortisation on T Bill | (18,044) | (16,725) |
| | Interest From Govt Securities | - | (31,442) |
| | Interest received / accrued | (85,741) | (55,776) |
| | Operating Profit / (Loss) before Working Capital changes | (75,195) | (51,510) |
| | Adjustments for: | | |
| | (Increase) / Decrease in Trade Receivables | 118 | (118) |
| | Increase / (Decrease) in Other Current Liabilities | | 57,837 |
| | Increase / (Decrease) in Short Term Provisions | 55,823 | 1,682 |
| | (Increase) / Decrease in Short Term Loans & Advances | 5,157 | (9,015) |
| | (Increase) / Decrease in Other Non-Current Assets | (10,211) | (15,480) |
| | Increase / (Decrease) in Other Non-Current Liabilities | - | - |
| | Increase / (Decrease) in long term provision | | 158 |
| | Increase / (Decrease) in Trade Payables | - | 820 |
| | Cash generated from Operations | (22,704) | (15,626) |
| | Income Tax Paid | (57,165) | (23,595) |
| | Net Cash Inflow from / (outflow) from Operating Activities | (79,869) | (39,221) |
| B | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | Purchase of Fixed Assets & capital advances | (3,290) | (4,477) |
| | Proceed / (Purchase) of Investment | 10,084 | 68,241 |
| | Proceed / (Purchase) of Investment in Core SGF | (24,66,651) | (17,06,462) |
| | Net Cash used in Investing Activities | (24,59,858) | (16,42,698) |
| C | CASH FLOW FROM FINANCING ACTIVITIES | | |
| | Proceeds from issue of shares | - | - |
| | CORE SGF Contribution received | 23,54,306 | 16,71,956 |
| | Income Received from Core SGF | 1,95,438 | 53,869 |
| | Cash Margin Deposit received | 3,500 | 3,200 |
| | Interest Received | 36,742 | 41,974 |
| | Proceeds / (Repayments) of borrowings (net) | | |
| | Net Cash used in financing activities | 25,89,987 | 17,71,000 |
| | Net increase / (decrease) in cash and cash equivalents (A+B+C) | 50,261 | 89,080 |
| | Cash and cash equivalents at the beginning of the year | 92,888 | 3,808 |
| | Cash and cash equivalents at the end of the year (see Note 1) | 1,43,149 | ss92,888 |
| | NOTES: | | |
| | 1) Cash and cash equivalents comprise of: | | |
| | Cash in hand | | - |
| | Cash at Bank | 1,43,149 | 92,888 |
| | | 1,43,149 | 92,888 |

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 30, 2025

Notes forming part of the Balance sheet as at 31st March 2025 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 on triparty repo in corporate debt securities with robust risk management along with guarantee mechanism.

i. Basis of Preparation of Accounts:

The financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. Indian GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘Act’).

The accounts should be 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 to be used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

All assets and liabilities should be 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.
- Transaction fees are charged to members at the applicable rates based on the volume of transactions entered into by the members through the ARCL.
- Admission fees collected from new members/participants for joining the ARCL are recognized when received and the member / participant is approved by Membership Committee.
- Interest income is recognized on time proportion basis.
- Annual subscription fees are recognized on accrual basis.
- Other fees/ penalties collected from members /participants are recognized on receipt basis.

iii. Operating Cycle:

Based on the nature of its activities, the company has determined its operating cycle as 12 months for the purpose of classification of its Assets and Liabilities as current and non-current.

iv. 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

v. 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 |
| Office Equipment | 5 |
| Software | 10 |
| Leasehold Improvement | 5 |

vi. 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.

vii. Employee Benefits:

Short Term Employee Benefits are estimated and provided for. Post Employment Benefits and Other Long term Employee Benefits are treated as follows:

a. Defined Contribution plans

i. Gratuity

The company provides for gratuity for employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity, The amount of Gratuity is payable on retirement/termination of the employee's last drawn basic salary per month multiplied

for the number of years of service. The gratuity plan is a non-funded plan. Provision for Gratuity is made as per actuarial valuation as at the end of the year. Actuarial gains/losses at the end of the year accrued to the defined benefit plans are taken to the Statement of Profit & Loss for the respective financial year and are not deferred.

ii. Other Long-Term Benefits

Provision for Leave encashment is made on the basis of actuarial valuation as at the end of the year.

Contributions to the defined contribution plans are charged to Statement of Profit & Loss for the respective financial year.

b. Variable Pay Withheld

ARCL recognises a liability and an expense for variable pay. ARCL recognises a provision where

contractually obliged or where there is a past practice that has created a constructive obligation.

SEBI has laid down certain norms in terms of the compensation policy for the key management personnel which is as under:

The variable pay component shall be within a range of 25% to 50% of total pay.

50% of the variable pay shall be paid on a deferred basis after a minimum period of three years subject to performance review.

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. Dividends

Final dividend on shares is recorded as a liability on the date of approval by the equity shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

xi. Trade Receivables

Final dividend on shares is recorded as a liability on the date of approval by the equity shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

xii. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Operating lease rentals are recognized as an expense in the Statement of Profit & Loss in accordance with Accounting Standard 19 – Leases.

xiii. Prepaid Expense

Expenses incurred during the year which provide benefit in several accounting years has been treated as revenue expense only for the period relating to the current year and balance is treated as prepaid expenses to be adjusted on pro-rata time basis in the future accounting year.

xiv. 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 diluted 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.

xv. 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.

xvi. Taxes

xvi. 1 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.

xvi. 2 Income Tax

Provision for current tax is made on the basis of relevant provisions of the Income tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable/virtual certainty that these would be realised in future.

xvii. Accounting for Taxes:

Tax expenses are comprised of current tax expense and deferred tax charge or credit.

xvii. 1 Current Tax

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.

xvii. 2 Deferred Tax

Deferred tax on timing difference between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantively 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.

xviii. 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.

xix. Core Settlement Guarantee Fund(s)

As per SEBI vide circular no. CIR/MRD/DRMNP/25/2014 dated August 27, 2014, every recognised clearing corporation shall establish and maintain a Fund for each segment, to guarantee the settlement of trades executed in that respective segment of a recognised stock exchange.

The Clearing Corporation shall have a fund called Core SGF for each segment of each Recognised Stock Exchange to guarantee the settlement of trades executed in the respective segment of the Stock Exchange. In the event of a clearing member(member) failing to honour settlement commitments, the Core SGF shall be used to fulfil the obligations of that member and complete the settlement without affecting the normal settlement process.

The Core SGF shall be contributed by Clearing Corporation, Stock Exchanges and the clearing members, in a manner as prescribed by SEBI. This fund is represented by earmarked Core SGF investments. The income earned on such investments is credited to the respective contributor's funds and adjusted towards incremental requirement of Minimum Required Corpus (MRC) as per SEBI letter reference no. SEBI/HO/MRD/DRMNP/OW/P/2018/4559/1 dated February 12, 2018. Penalties and fines levied by the Company are transferred to Core SGF as Other Contributions.

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

NOTE 2

(Figures in Rs. Thousands)

| Share Capital Particulars | 31.03.2025 | 31.03.2024 |
|---|------------------|------------------|
| 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 | 31.03.2025 | | 31.03.2024 | |
|---|---------------|----------------|---------------|----------------|
| | No. of Shares | Figure In '000 | No. of Shares | Figure In '000 |
| At The Beginning of the Period | 15,00,00,000 | 15,00,000 | 15,00,00,000 | 15,00,000 |
| Add: Equity Shares Issued During the Year | - | - | - | - |
| 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 | 31.03.2025 | | 31.03.2024 | |
|--|-------------|-----------|-------------|-----------|
| | 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 | 13.37% | 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% |
| Bandhan AMC Limited | 1,02,43,895 | 6.83% | 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

| Particulars | 31.03.2025 | 31.03.2024 |
|--|-----------------|-----------------|
| 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 | (29,296) | 21,154 |
| | (41,096) | 9,353 |
| Less: Appropriations to Core Settlement Guarantee fund | - | 21,154 |
| Balance at the end of the period | (41,096) | (11,801) |

NOTE 4 CORE SETTLEMENT GUARANTEE FUND

| Particulars | 31.03.2025 | 31.03.2024 |
|---|------------------|------------------|
| Contribution to Core Settlement Guarantee Fund | | |
| Balance at the beginning of the period | 17,85,449 | 38,470 |
| Add-Addition to Core SGF | 23,54,306 | 16,71,956 |
| Add-Accrued interest on Core SGF | 1,69,166 | 53,869 |
| Add -Discount Amortisation on Core SGF T-bill | 26,272 | |
| Add -Appropriation from Profit & Loss Account | - | 21,154 |
| Balance at the end of the period | 43,35,193 | 17,85,449 |

NOTE 5 OTHER LONG-TERM LIABILITIES

| Particulars | 31.03.2025 | 31.03.2024 |
|---------------------------------------|--------------|--------------|
| Long term liabilities - Others | | |
| Interest Free Deposits from Members | 6,700 | 3,200 |
| | 6,700 | 3,200 |

NOTE 6 LONG-TERM PROVISIONS

| Particulars | 31.03.2025 | 31.03.2024 |
|--|--------------|------------|
| Provision for employee benefits | | |
| Leave Encashment | 736 | 407 |
| Gratuity | 829 | 287 |
| | 1,565 | 694 |

NOTE 7 TRADE PAYABLE

(Figures in Rs. Thousands)

| Trade Payable Particulars | As at 31.03.2025 | | | | | As at 31.03.2024 | | | | |
|------------------------------|--|--------------|--------------|-------------------------|-------|------------------------|--------------|--------------|-------------------------|-------|
| | 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 | 693 | - | - | - | 693 | 387 | - | - | - | 387 |
| II) Others | 1,224 | - | - | - | 1,224 | 797 | - | - | - | 797 |
| III) Disputed Dues - MSME | - | - | - | - | - | - | - | - | - | - |

| Trade Payable Particulars | As at 31.03.2025 | | | | | As at 31.03.2024 | | | | |
|------------------------------|--|--------------|--------------|-------------------------|-------|------------------------|--------------|-----------|-------------------------|-------|
| | 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 | 693 | - | - | - | 693 | 387 | - | - | - | 387 |
| II) Others | 1,224 | - | - | - | 1,224 | 797 | - | - | - | 797 |
| 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

| Particulars | 31.03.2025 | 31.03.2024 |
|--|------------|------------|
| Margin Received from Members (refer Note 43) | 1,12,100 | 57,600 |
| Income Received In advance | 400 | 200 |
| Statutory Liabilities | 1,005 | 562 |
| Others Liabilities | 680 | - |
| | 1,14,185 | 58,362 |

NOTE 9 SHORT TERM PROVISION

| Particulars | 31.03.2025 | 31.03.2024 |
|--|------------|------------|
| Provision for Employee Benefits | | |
| Performance Incentive | 8,973 | 4,247 |
| Leave Encashment | 4 | 41 |
| Gratuity | 120 | 2 |
| Other Provisions | | |
| For Expenses | 860 | 510 |
| For Tax | 83,000 | 25,500 |
| | 92,957 | 30,300 |

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 1.04.2024 | Additions | Deletion/ Adjustments | As at 31.03.2025 | As at 01.04.2024 | For the year | Deletion/ Adjustments | As at 31.03.2025 | As at 31.03.2025 | As at 31.03.2024 |
| Property, plant and equipment | | | | | | | | | | |
| Computer Systems | 1,599 | 611 | - | 2,211 | 832 | 607 | - | 1,439 | 772 | 767 |
| Office Equipment | 253 | 27.00 | - | 280 | 24 | 108 | - | 131 | 149 | 229 |
| Leasehold Improvements | 1,200 | | - | 1,200 | 211 | 446 | - | 657 | 543 | 989 |
| Total (A) | 3,053 | 638 | - | 3,691 | 1,067 | 1,160 | - | 2,227 | 1,464 | 1,985 |
| Intangible Asset | | | | | | | | | | |
| Software | 347 | 4,692 | - | 5,038 | 314 | 839 | - | 1,154 | 3,885 | 32 |
| Total (B) | 347 | 4,692 | - | 5,038 | 314 | 839 | - | 1,154 | 3,885 | 32 |
| Intangible Assets under development | 2,040 | | 2,040 | - | - | - | | - | | 2,040 |
| Total (C) | 2,040 | | 2,040 | - | - | - | - | - | | 2,040 |
| TOTAL (A+B+C) | 5,439 | 5,330 | 2,040 | 8,729 | 1,381 | 1,999 | - | 3,381 | 5,348 | 4,058 |

NOTE 11 NON-CURRENT INVESTMENTS

| Particulars | 31.03.2025 | 31.03.2024 |
|--|------------------|------------------|
| Investments (Unquoted) | | |
| Fixed Deposits with Banks | 13,90,553 | 10,22,925 |
| Fixed Deposits with Banks w.r.t Core SGF | 30,95,745 | 17,09,062 |
| | 44,86,298 | 27,31,986 |

NOTE 12 DEFERRED TAX ASSET (NET)

| Particulars | 31.03.2025 | 31.03.2024 |
|---|--------------|--------------|
| Deferred Tax Asset / (Liability) | | |
| On Account of Depreciation | 258 | 75 |
| On account of expenses | 2,684 | 1,255 |
| | 2,942 | 1,330 |

NOTE 13 OTHER NON-CURRENT ASSETS

| Particulars | 31.03.2025 | 31.03.2024 |
|------------------|---------------|---------------|
| Security deposit | 16,531 | 16,531 |
| | 16,531 | 16,531 |

NOTE 14 CURRENT INVESTMENTS

| Particulars | 31.03.2025 | 31.03.2024 |
|--|------------------|-----------------|
| Investment in Government or trust securities (Quoted) | | |
| Investment in T-bill | - | 3,75,112 |
| Investment in T-bill w.r.t. Core SGF | 10,77,368 | - |
| | 10,77,368 | 3,75,112 |

NOTE 15 TRADE RECEIVABLES

(Figures in Rs. Thousands)

| Particulars | 31.03.2025 | 31.03.2024 |
|----------------------------|------------|------------|
| Billed Revenue | | |
| Secured, Considered Good | - | 118 |
| Unsecured, Considered Good | - | - |
| Total | - | 118 |

Trade Receivables Ageing as on 31.03.2025

| 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 | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - |

Trade Receivables Ageing as on 31.03.2024

| 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

| Particulars | 31.03.2025 | 31.03.2024 |
|----------------------------------|-----------------|---------------|
| Cash and Cash Equivalents | | |
| Balances with Banks | | |
| Core SGF | 23,621 | 4,003 |
| Members | 1,12,100 | 57,600 |
| Others | 7,428 | 31,285 |
| Cash on Hand | - | - |
| | 1,43,149 | 92,888 |

NOTE 17 SHORT TERM LOANS & ADVANCES

| Particulars | 31.03.2025 | 31.03.2024 |
|--|-----------------|---------------|
| Balances with government authorities: | | |
| GST Input/Credit receivable | 17,459 | 9,174 |
| Income Tax Paid In Advance | 82,625 | 25,460 |
| Prepaid Expenses | 5,617 | 3,691 |
| | 1,05,702 | 38,325 |

NOTE 18 OTHER CURRENT ASSETS

(Figures in Rs. Thousands)

| Particulars | 31.03.2025 | 31.03.2024 |
|--|-----------------|-----------------|
| Interest Accrued on Investments | 56,920 | 58,598 |
| Interest Accrued on Core SGF Investments | 1,16,154 | 48,441 |
| Other Receivables | 582 | - |
| Advance paid to Creditors | 426 | - |
| | 1,74,082 | 1,07,039 |

NOTE 19 REVENUES FROM OPERATIONS

| Particulars | 31.03.2025 | 31.03.2024 |
|---------------------------------|--------------|--------------|
| Transaction Charges | 4,834 | 162 |
| Other Operating Revenue | | |
| Membership Admission Fees | 1,450 | 1,550 |
| Annual Subscription Fee | 290 | - |
| SEBI Fees From Clearing Members | - | 500 |
| | 6,574 | 2,212 |

NOTE 20 OTHER INCOME

| Particulars | 31.03.2025 | 31.03.2024 |
|-----------------------------------|-----------------|-----------------|
| Interest Income on Fixed Deposits | 85,741 | 55,776 |
| Interest on Income Tax Refund | - | 84 |
| Discount Amortisation on T Bill | 18,044 | 16,725 |
| Interest From Govt Securities | - | 31,442 |
| | 1,03,786 | 1,04,027 |

NOTE 21 EMPLOYEE BENEFIT EXPENSES

| Particulars | 31.03.2025 | 31.03.2024 |
|----------------------------|---------------|---------------|
| Salaries and Wages | 29,145 | 22,429 |
| Contribution to other fund | 990 | 279 |
| Staff Welfare Expenses | 291 | 122 |
| | 30,427 | 22,830 |

NOTE 22 FINANCE COST

| Particulars | 31.03.2025 | 31.03.2024 |
|----------------------|--------------|------------|
| Interest Cost | - | - |
| Other Borrowing Cost | 3,063 | 842 |
| | 3,063 | 842 |

NOTE 23 OTHER EXPENSES

| Particulars | 31.03.2025 | 31.03.2024 |
|---|------------|------------|
| Auditors' Remuneration: | | |
| Audit Fees | 450 | 340 |
| Others | 30 | 10 |
| Out of Pocket Expenses | 6 | 5 |
| Advertising & Business Promotion Expenses | 300 | 350 |
| Brokerage expenses | - | 500 |
| Clearing & Settlement Charges' | 1,143 | 170 |
| CSR -Expenses | - | 390 |
| Director Sitting Fees | 5,200 | 3,850 |
| Insurance Premium | 253 | - |
| Membership Fees and Subscriptions | 527 | - |
| Office Expenses | 280 | 86 |
| Electricity Charges | 722 | 220 |
| Office Admin Expenses | 358 | 195 |
| Security and Housekeeping Charges | 1,436 | 540 |
| Printing Stationery | 111 | 68 |
| Publication Charges | 14 | 839 |
| Processing & Custody fees | 1,156 | 154 |
| Legal and Professional Fees | 11,782 | 9,823 |
| Travelling & Transport Charges | 138 | 136 |

| Particulars | 31.03.2025 | 31.03.2024 |
|--------------------------------------|---------------|---------------|
| Website design & Maintenance charges | 111 | 157 |
| Rent | 16,583 | 9,007 |
| Repairs & Maintenance Charges | 164 | 146 |
| Rates and Taxes | 11 | 495 |
| Technical Related Expenses | 7,259 | 2,093 |
| SEBI Fees-Clearing Members | - | 500 |
| Miscellaneous Charges | 245 | 61 |
| | 48,279 | 30,134 |

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:

| Particulars | 31.03.2025 | 31.03.2024 |
|--|--------------|--------------|
| Net Profit/(Loss) for Calculation of Basic and Diluted EPS | (29,296) | 21,154 |
| Weighted Average Number of Equity Shares Outstanding During the Period | 15,00,00,000 | 15,00,00,000 |
| Basic and Diluted Earnings Per Share (Face Value - Rs. 10 Each) | (0.20) | 0.14 |

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

Trade Payable include Rs. 693/- Thousands (Previous Year Rs. 387/- 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

| Particulars | 31.03.2025 | 31.03.2024 |
|------------------------------|------------|------------|
| Expenses in Foreign Currency | - | - |
| Earning in Foreign Exchange | - | - |

28. DETAILS OF MOVEMENT IN PROVISIONS AND CONTINGENCIES

| Particular | Opening Balance 01.04.2024 | Addition During the Year | Settlement During the Year | Closing Balance 31.03.2025 |
|---------------------------------|-------------------------------|--------------------------|----------------------------|-------------------------------|
| Provision for Employee Benefits | 4,985 | 7,514 | 1,837 | 10,662 |
| Provision for Expenses | 510 | 860 | 510 | 860 |
| Provision for Income Tax | 25,500 | 57,500 | | 83,000 |

| 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 |
| Provision for Income Tax | 12,830 | 25,500 | 12,830 | 25,500 |

29. RELATED PARTY DISCLOSURES

i. Parties that exercise Control

| Name of the Party | Relationship | w.e.f. date |
|--------------------------------------|------------------------------------|-------------|
| Srinivasan Varadarajan | Chairman, Public Interest Director | 16-Jan-25 |
| Krishnamurthy Vaidyanathan | Public Interest Director | 16-Jan-25 |
| Huzan Mistry | Public Interest Director | 08-Oct-22 |
| Ashok Jena till 04-Mar-24 | Public Interest Director | 09-Dec-21 |
| Suparna Tandon till 06-Aug-24 | Shareholder Director | 11- Mar-24 |
| Vinod Chandrasekharan till 16-Jan-25 | Shareholder Director | 09-Aug-24 |
| Sumeet Kumar | Shareholder Director | 16-Jan-25 |
| Kashinath Katakdhond | Managing Director | 17-Apr-23 |
| Vedant Kamulkar | Company Secretary (KMP) | 12-May-23 |
| Hetal Chauhan | Chief Financial officer (KMP) | 29-Mar-24 |

ii. Transactions with Related Parties

| Particulars | Transactions for FY 2024-25 | Balance As On 31.03.2025 | Transactions for FY 2023-24 | Balance As On 31.03.2024 |
|----------------------------|-----------------------------|--------------------------|-----------------------------|--------------------------|
| Remuneration to KMP | | | | |
| Natarajan Ramasamy | - | - | 2,465 | 900 |
| Rajendra Utpat | - | - | 1,450 | 71 |
| Vedant Kamulkar | 874 | 288 | 647 | 139 |
| Kashinath Katakdhond | 12,777 | 4,388 | 11,237 | 2,389 |
| Hetal Chauhan | 1,300 | 326 | 83 | 3 |

| Particulars | Transactions for FY 2024-25 | Balance As On 31.03.2025 | Transactions for FY 2023-24 | Balance As On 31.03.2024 |
|------------------------------|-----------------------------|--------------------------|-----------------------------|--------------------------|
| Director Sitting Fees | | | | |
| Srinivasan Varadarajan | 1,550 | - | 1,050 | - |
| Krishnamurthy Vaidyanathan | 1,600 | - | 1,200 | - |
| Alok Chandra Jena | - | - | 550 | - |
| Huzan Mistry | 1,550 | - | 1,050 | - |
| Suparna Tandon | 100 | - | - | - |
| Vinod Chandrasekharan | 200 | - | - | - |
| Sumeet Kumar | 200 | - | - | - |

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 collected charges and 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

| Particular | FIGURES IN '000 | |
|---|-----------------|------------|
| | 31.03.2025 | 31.03.2024 |
| (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 | 16,094 | 15,266 |
| Later Than One Year and Not Later Than Five Years | 46,703 | 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:

| Particular | As at 31.03.2025 | As at 31.03.2024 |
|---|------------------|------------------|
| Current Service Cost | 423 | 178 |
| Net Interest Cost | 21 | 8 |
| Actuarial (Gains)/Losses | 7 | 0 |
| Expenses Recognized in the Statement of Profit or Loss | 451 | 185 |

The amount recognized in the Balance Sheet as follows

| Particular | As at 31.03.2025 | As at 31.03.2024 |
|--|------------------|------------------|
| Present Value of Benefit Obligation at the end of the Period | 740 | 289 |
| Fair Value of Plan Assets at the end of the Period | - | - |
| Net Liability Recognized in the Balance Sheet | 740 | 289 |

Change in the Present Value of Defined Benefit Obligation

| Particular | As at 31.03.2025 | As at 31.03.2024 |
|---|------------------|------------------|
| Present Value of Benefit Obligation at the Beginning of the Period | 289 | 104 |
| Interest Cost | 21 | 8 |
| Current Service Cost | 423 | 178 |
| Actuarial (Gains)/Losses | 7 | |
| Present Value of Benefit Obligation at the End of the Period | 740 | 289 |

Assumptions Used

| Particular | As at 31.03.2025 | As at 31.03.2024 |
|----------------------------------|--|--|
| Expected Return on Plan Assets | N.A. | NA |
| Rate of Discounting | 6.71% | 7.19% |
| Rate of Salary Increase | 10.00% | 10.00% |
| Rate of Employee Turnover | 10.00% | 10.00% |
| Mortality Rate During Employment | Indian Assured Lives Mortality 2012-14 (Urban) | 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 | 31.03.2025 | 31.03.2024 |
|--|------------|--|
| 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 | NA |
| Nature Of CSR Activities | NA | 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 dated 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:

| Contributor | 31.03.2025 | 31.03.2024 |
|-----------------------------|------------------|------------------|
| Issuers of Corporate Bonds* | 40,26,262 | 16,71,956 |
| Clearing Members** | - | - |
| ARCL | 59,623 | 59,623 |
| Interest Income | 2,49,307 | 53,869 |
| Penalties and Others | - | - |
| Total | 43,35,193 | 17,85,449 |

*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.

**As the Core SGF corpus exceeds the required Minimum Reserve Corpus (MRC), no contribution is required from Clearing Members.

As per the provisions of Section 10(23EE), the receipts of Core SGF in the form of contribution from clearing corporation, exchanges and clearing members, interest income of the Core SGF and income by way of penalties and fines credited to this Fund are exempt from the Income tax provided this fund is notified by the Central Government in the official gazette. The Company has applied for the exemption under section 10(23EE) of the Income Tax Act, 1961 to the Income Tax Department and the same is under processing. The Company has paid and borne the tax on the interest income received by the Core SGF. Further, it may be noted that the contributions from the issuers of debt securities is not getting covered in the aforesaid exemption. Regarding the contributions received from the issuers, the Company has obtained legal opinion which stated that the contributions received from the issuers, being a capital receipt, are not liable to tax. The company has therefore, considered such contributions as well as its own contribution to Core SGF as capital receipts and has not considered these contributions as income while making the tax provision in the books of accounts.

42. The Company has transferred Profit after tax Rs. NIL (Previous Year Rs. 21,154/-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 margins received in the form of cash. Collaterals received from members in the form of Corporate Bond (Non-Cash) stands to Rs 4,31,98,247/- thousand (Previous Year Rs. 1,05,50,000/- thousands)

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.

| Note 47 | Ratios Particular | Numerator / Denominator | 31.03.2025 Amount in '000'(Rs.) | Ratio | 31.03.2024 Amount in '000'(Rs.) | Ratio | 31.03.2024 Variation | Reasons for variation of >25% |
|---------|---------------------------------|--|------------------------------------|------------|------------------------------------|-------|-------------------------|--|
| a) | Current Ratio | Current Assets Current Liabilities | 15,00,301 2,09,059 | 718% | 6,13,483 89,846 | 683% | 5% | NA |
| b) | Return on Capital Employed | Earnings Before Interest & Tax Capital Employed | 26,592 14,58,904 | 2% | 45,871 14,88,199 | 3% | -41% | Due to decrease in profit before Interest & Tax |
| c) | Return on Equity | Net Profit after tax Shareholder's Equity | (29,296) 14,58,904 | -2% | 21,154 14,88,199 | 1% | -241% | Lower of profit after tax as compared to last year due to increase in Tax expense the profitability is impacted. |
| d) | Net Profit Ratio | Net Profit Turnover | (29,296) 1,10,360 | -27% | 21,154 1,06,239 | 20% | -233% | Decreased is due to increased in expenses on commencement of operations. |
| e) | Debt - Equity Ratio | Total Debt Shareholder's Equity | - 14,58,904 | - | - 14,88,199 | NA | | |
| f) | Debt Service Coverage Ratio | Net Operating Income Total annual Debt Obligation | 28,591 - | | 46,554 - | NA | | |
| g) | Inventory turnover Ratio | Total Sales Average inventory | 6,574 - | | 2,212 - | NA | | |
| h) | Trade Receivable Turnover Ratio | Net credit sales Average trade receivables | 6,574 59 | 11142 % | 2,212 59 | 1874% | 197% | Due to increase in sales |
| i) | Trade Payables Turnover Ratio | Net credit purchases Average trade payables | 48,279 367 | 13171 % | 30,134 182 | 7348% | -20% | Due to commencement of business operations and increase in expenses. |
| j) | Net capital turnover Ratio | Net Annual Sales Working capital | 6,574 12,10,117 | 1% | 2,212 4,46,898 | 0% | 1% | |
| k) | Return on Investment | Net Return on Investment Cost of Investment | 1,03,786 13,90,553 | 7% | 1,03,943 14,00,637 | 7% | 1% | |



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

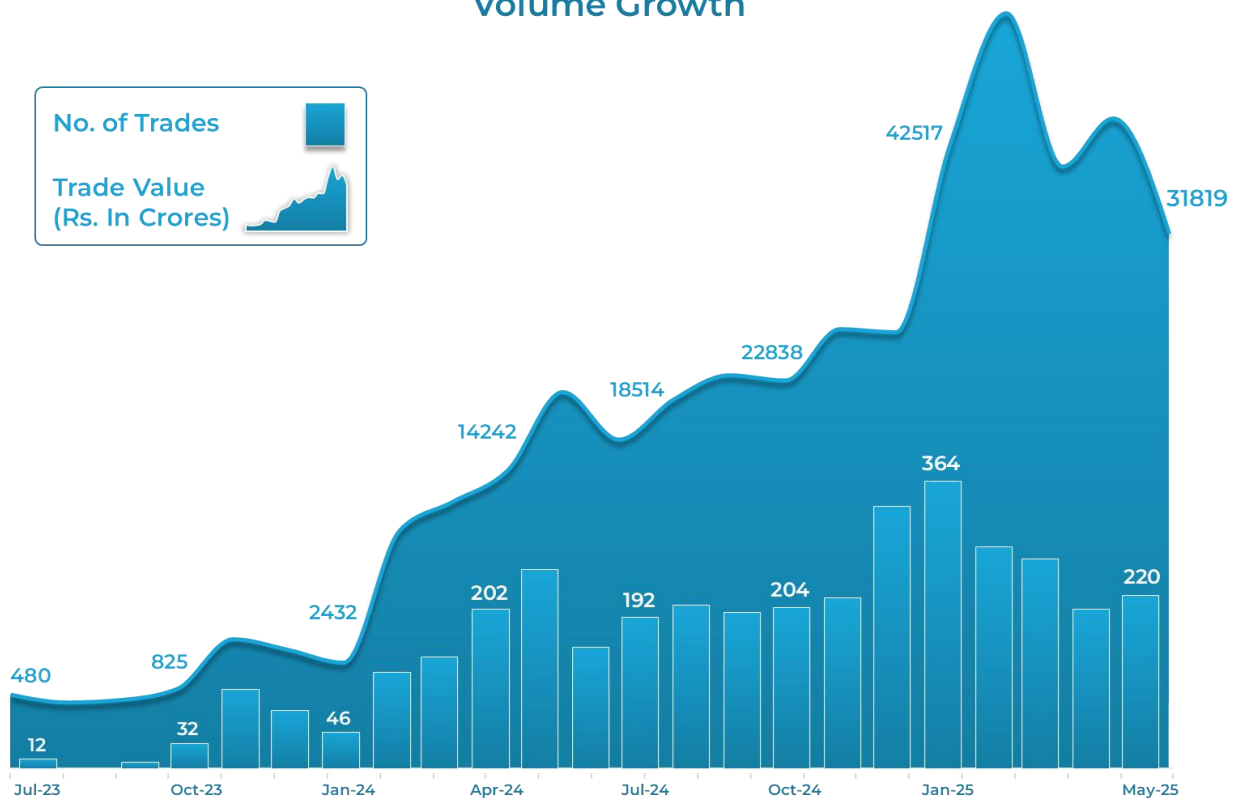
Place: Mumbai

Date: May 30, 2025

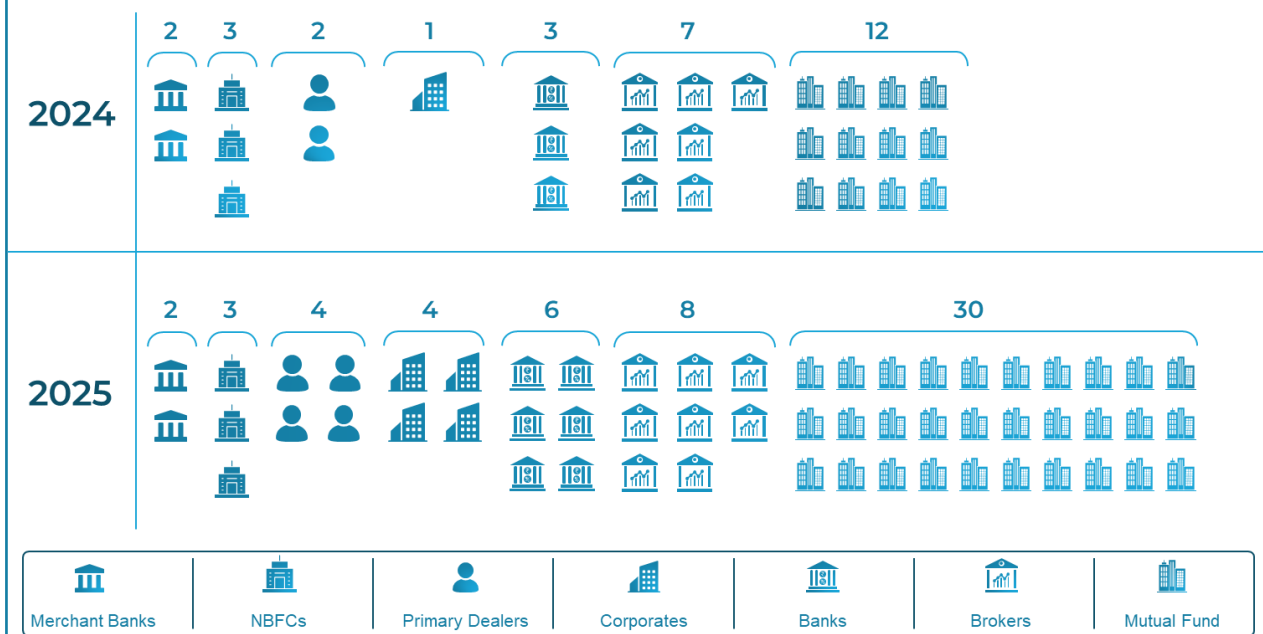
Volume Growth

No. of Trades

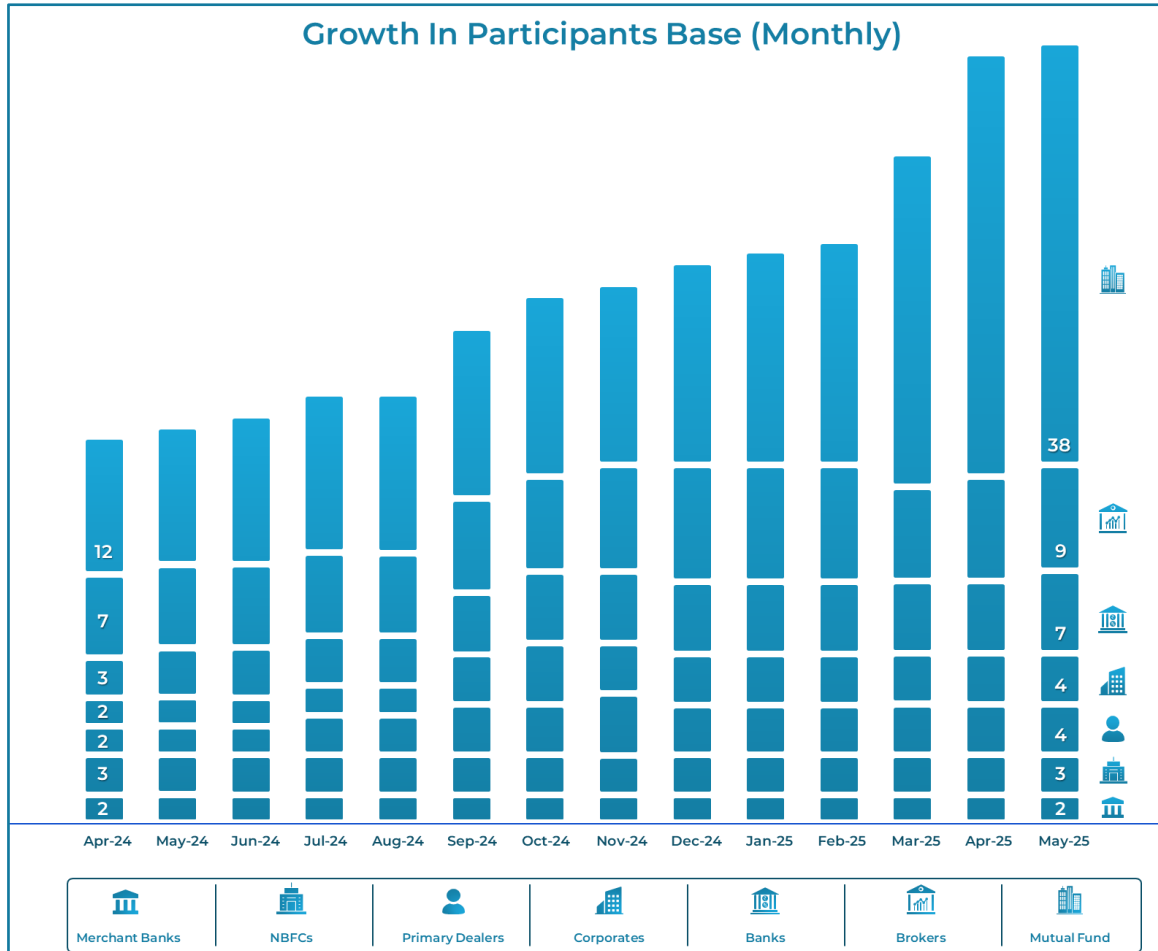
Trade Value
(Rs. In Crores)



Growth In Participants Base

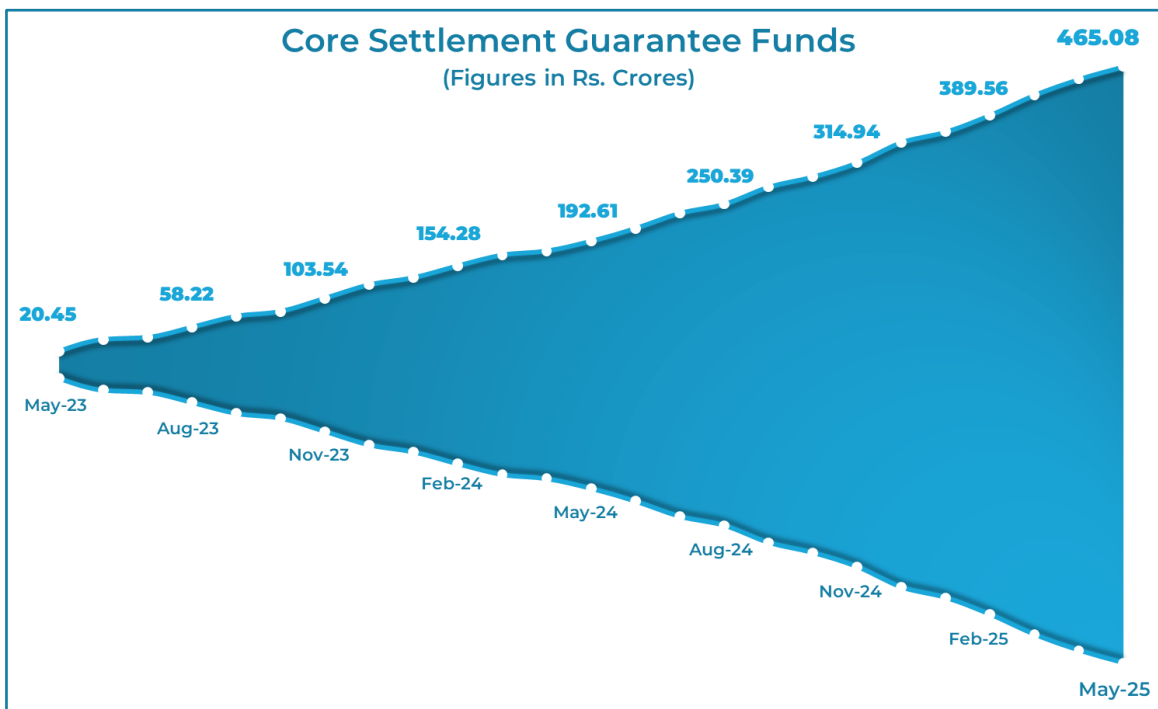


Growth In Participants Base (Monthly)

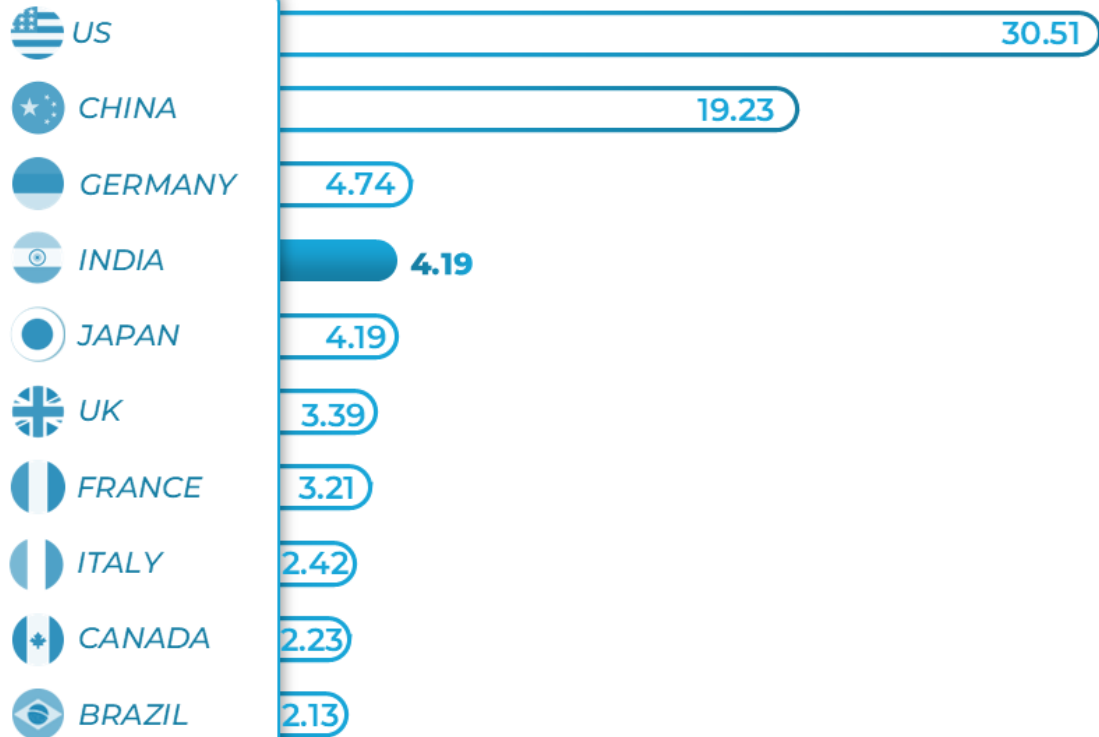


Core Settlement Guarantee Funds

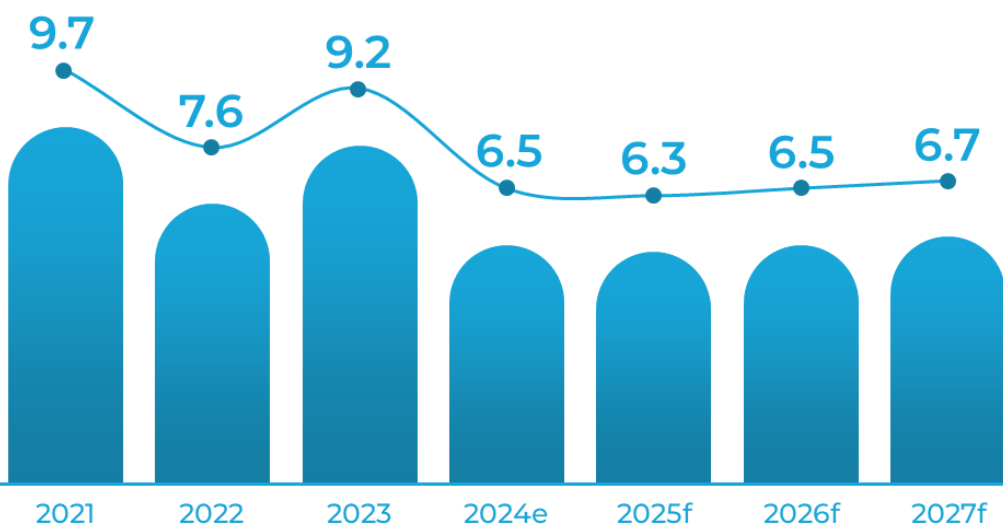
(Figures in Rs. Crores)



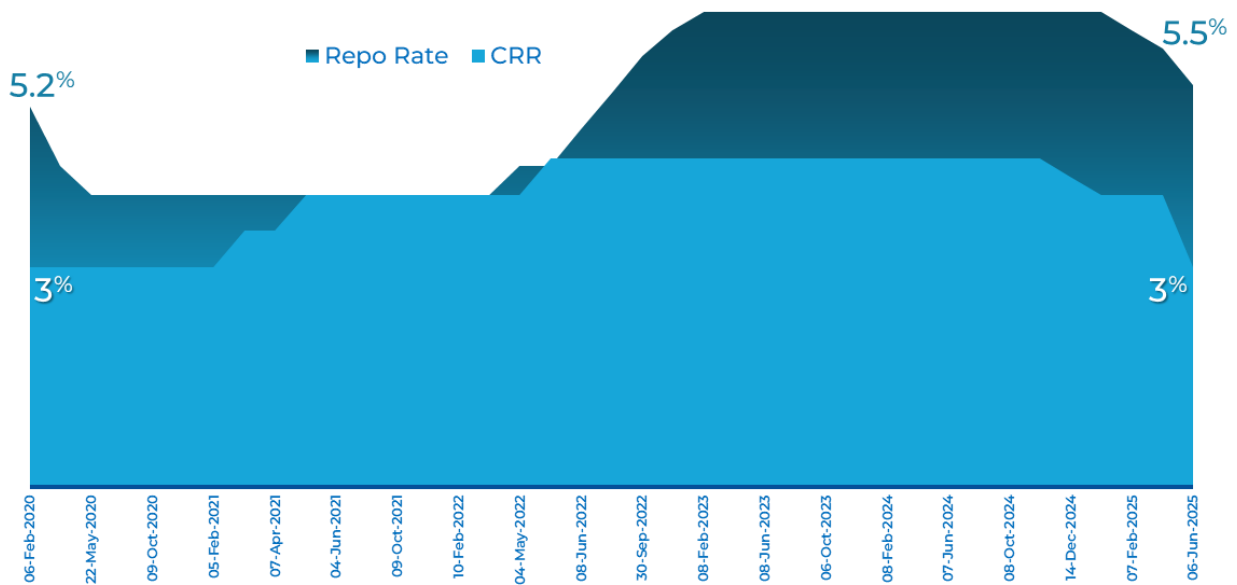
Top 10 Trillion\$ Economies



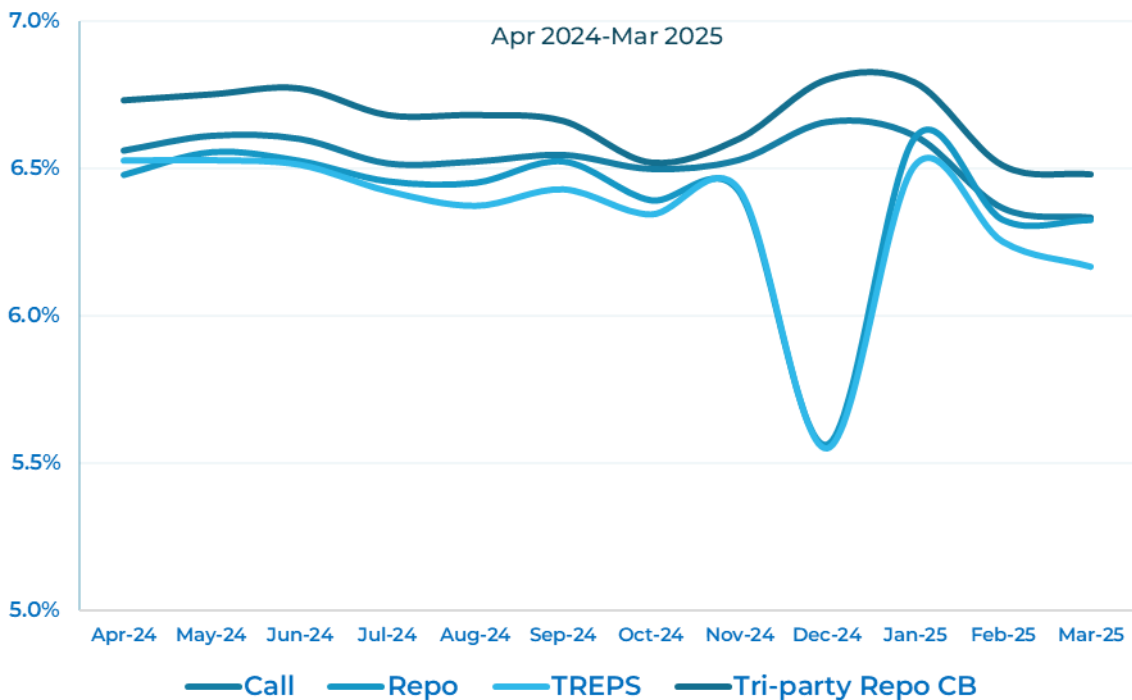
India's GDP Growth Trajectory



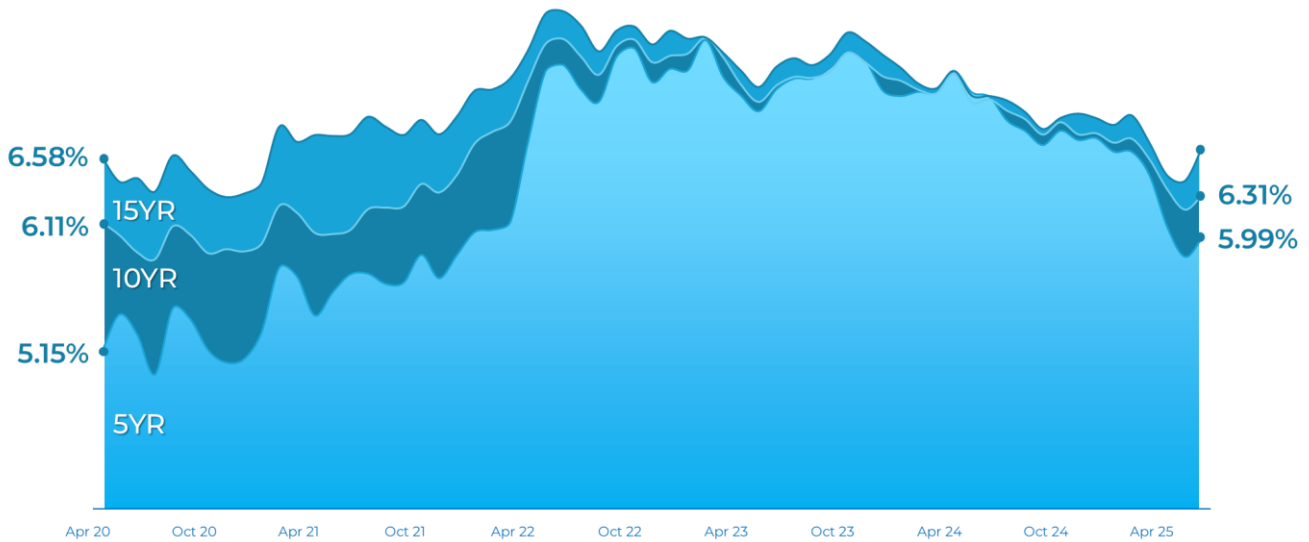
Repo Rate & CRR Movement



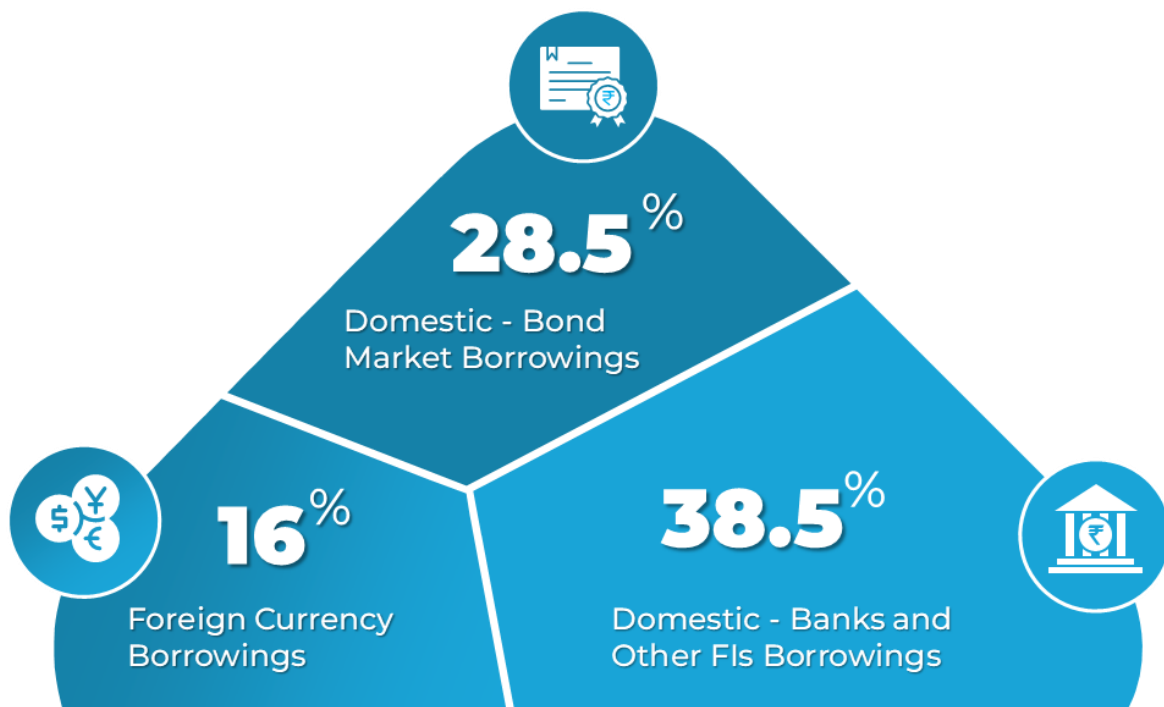
Money Market Rate



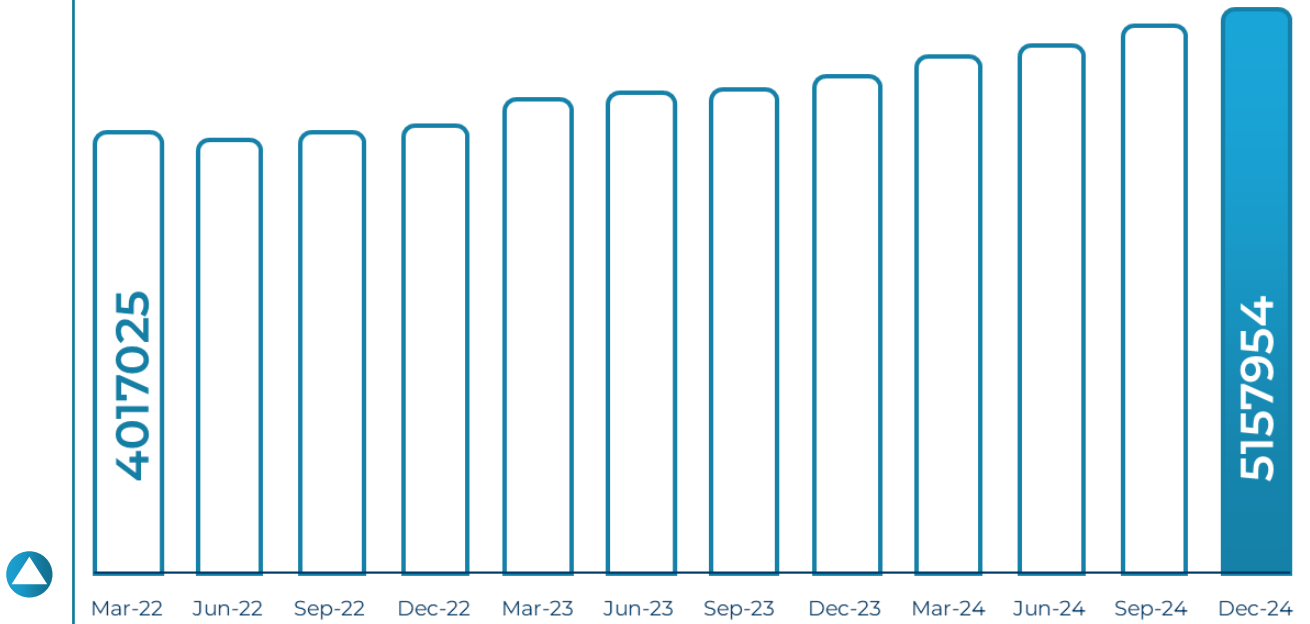
Government Securities Yield Movement



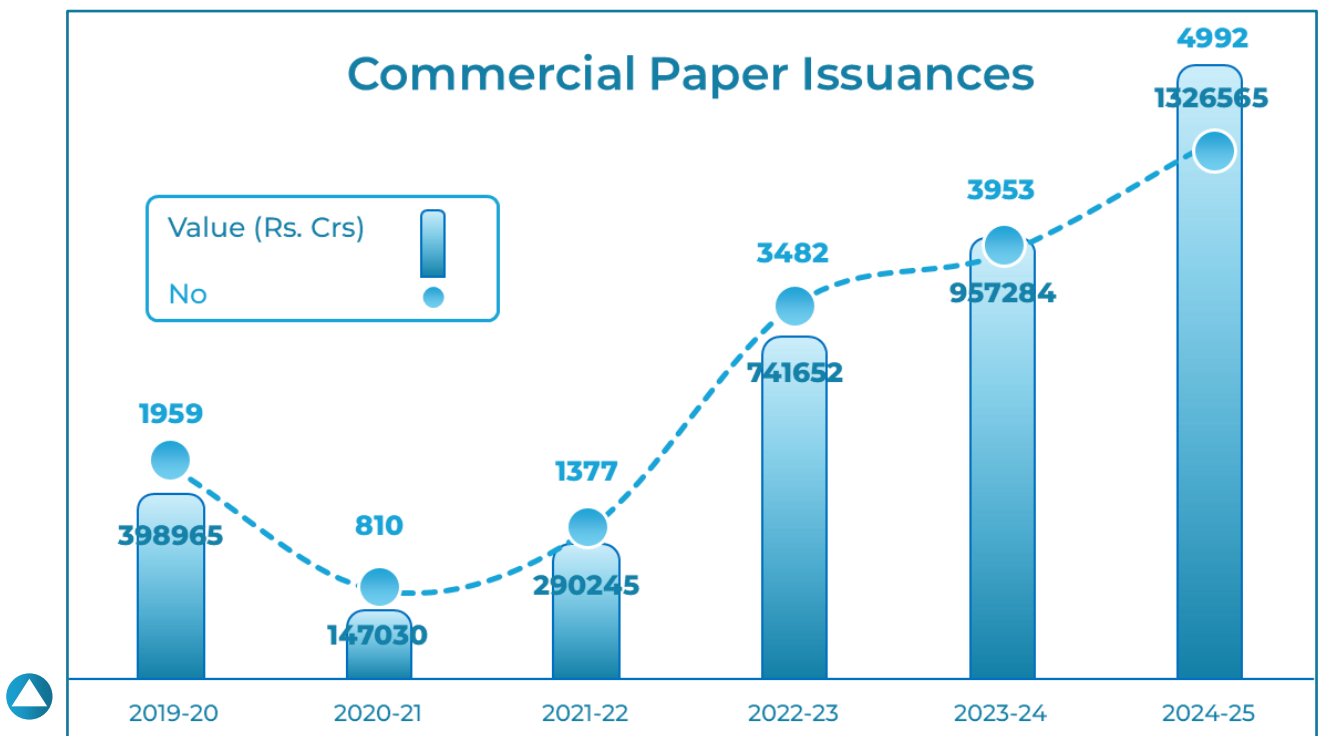
Borrowing Profile of Top 500 companies by Market Capitalisation

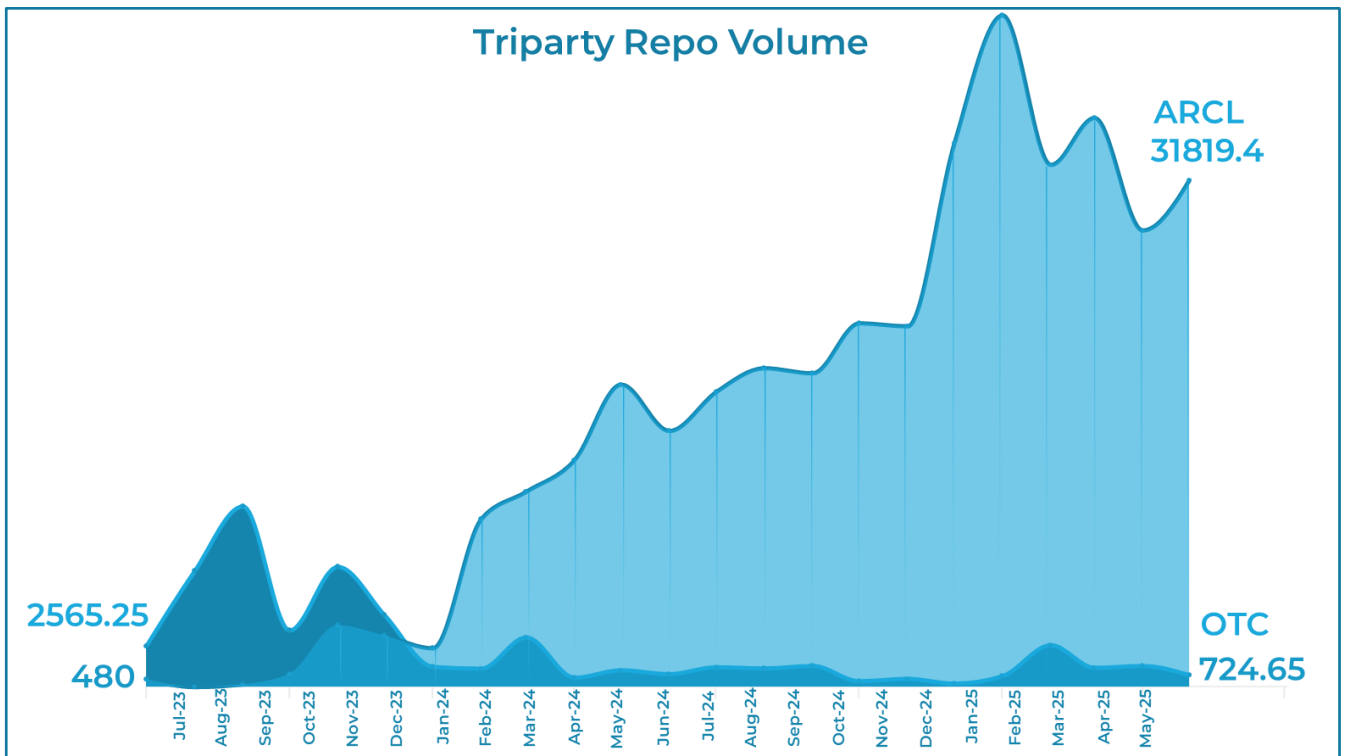
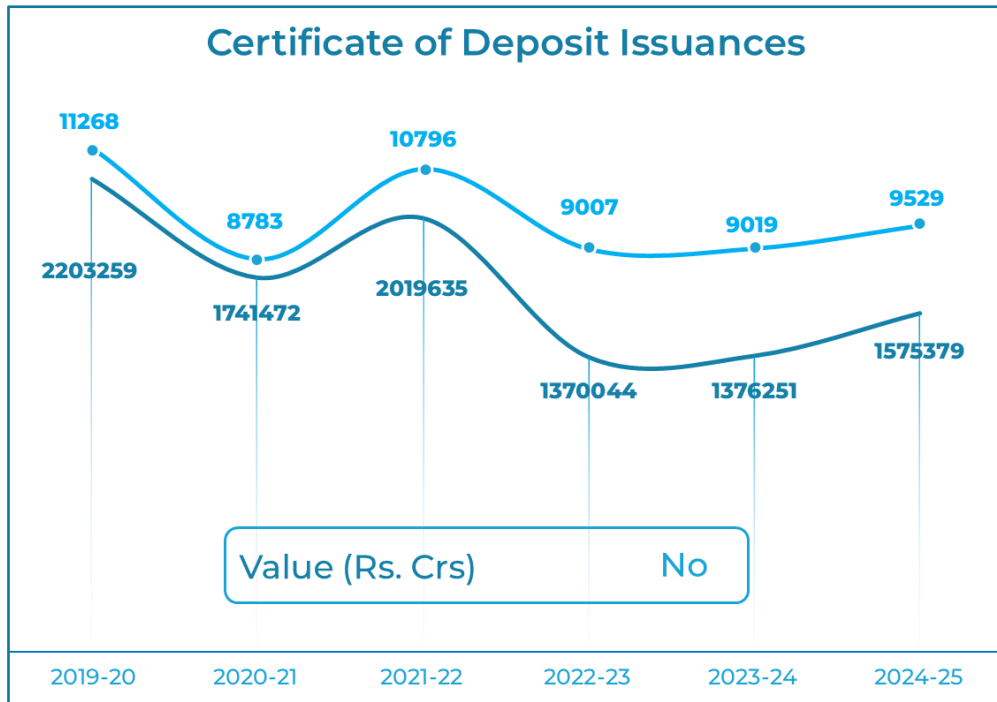


Net Outstanding Amount (Rs. In Crores)

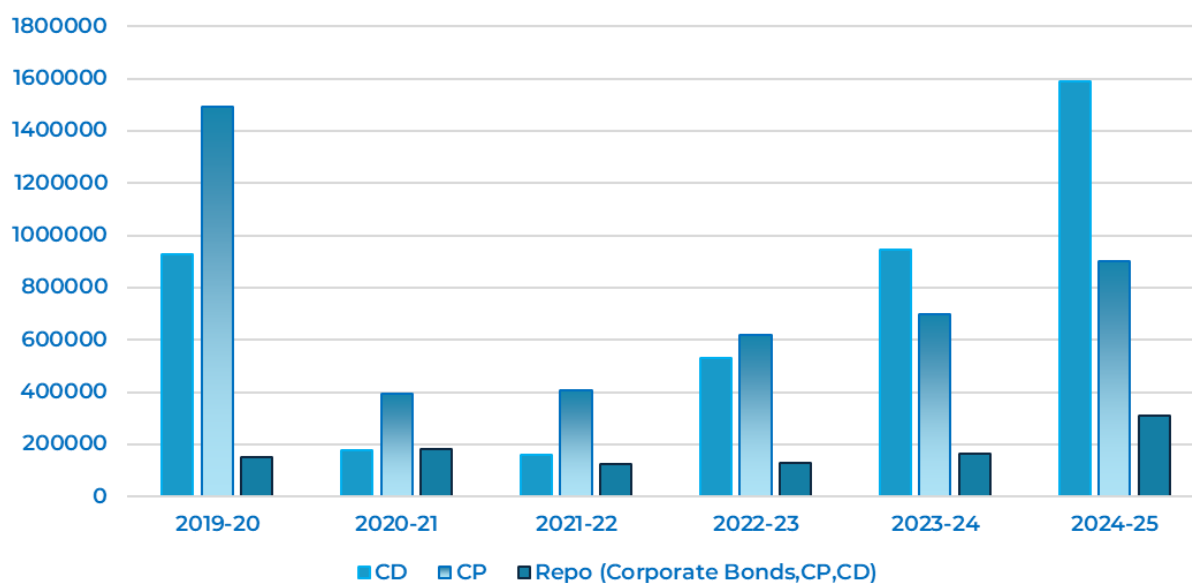


Commercial Paper Issuances

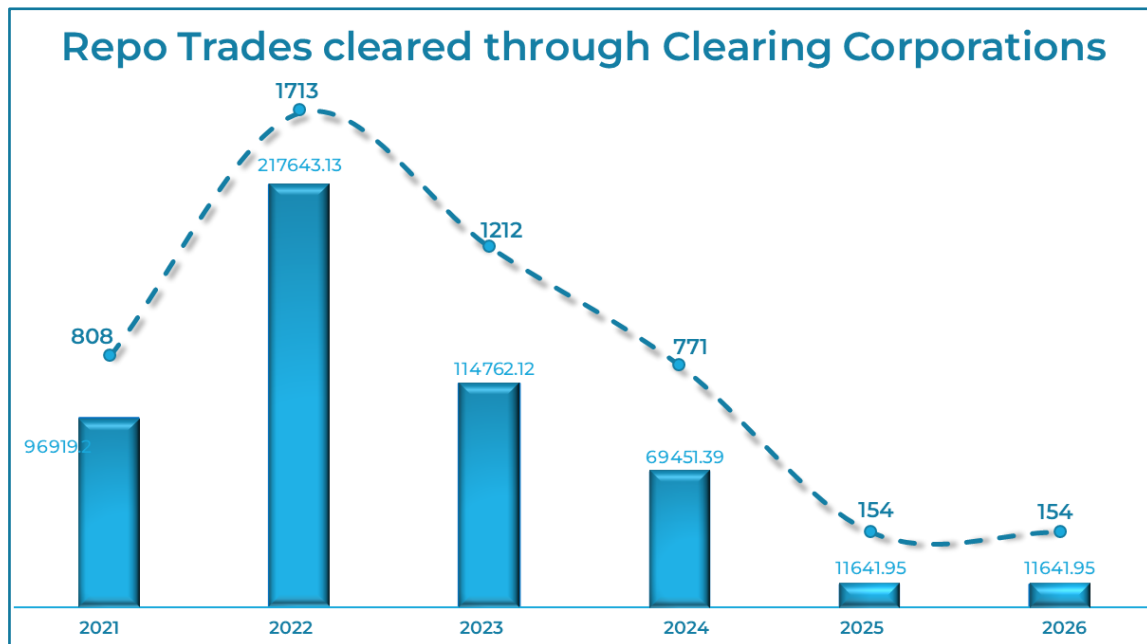
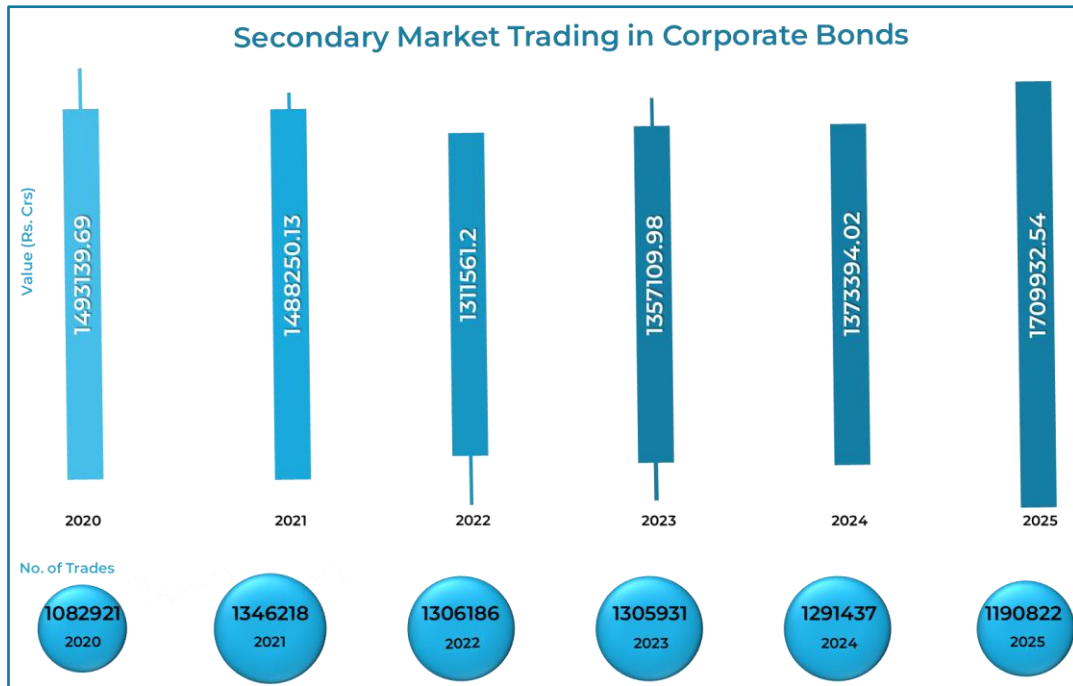


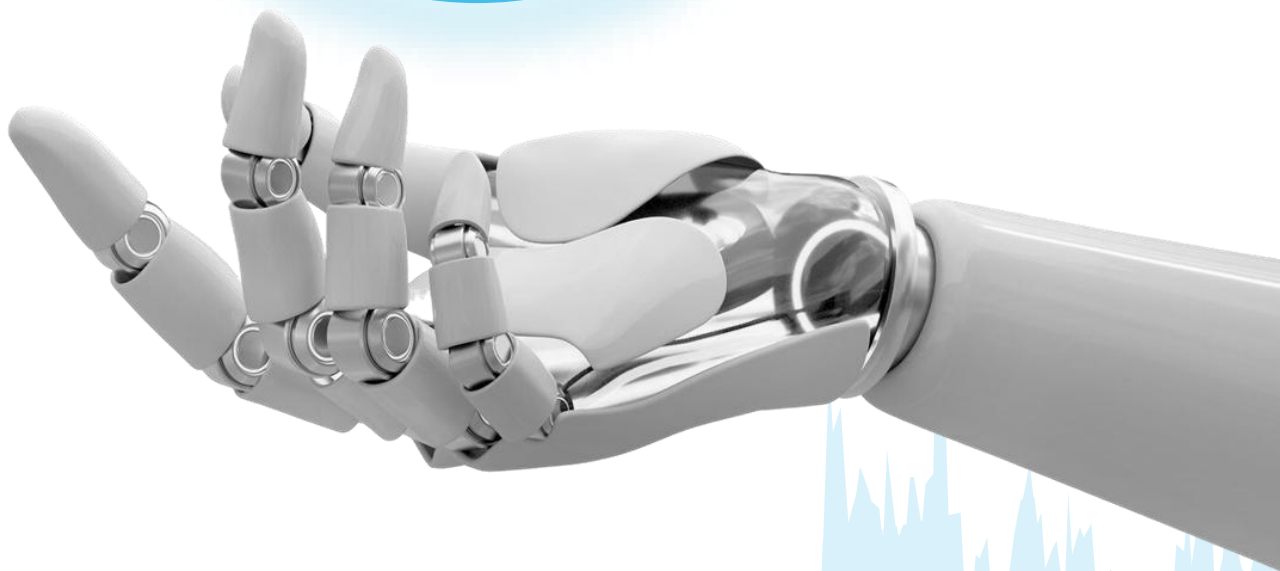


Average Trade Volume (Rs. Crs)



| Period | CD | CP | Repo (Corporate Bonds,CP,CD) |
|---------|---------|---------|------------------------------|
| 2019-20 | 927912 | 1492042 | 149336 |
| 2020-21 | 178672 | 394473 | 182396 |
| 2021-22 | 160267 | 406189 | 126462 |
| 2022-23 | 531963 | 616965 | 127741 |
| 2023-24 | 943420 | 699604 | 166237 |
| 2024-25 | 1589799 | 899767 | 310706 |





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