Liquidity Risk Management Disclosures as on 30th September 2023

1. Disclosure on Liquidity Risk

Disclosures required under Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies vide circular - RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20.

a. Funding Concentration based on significant counterparty

Sr no	Number of significant counterparties *	Amount (INR Million)	% of Total deposits	% of Total Liabilities
1	2	36,298	N.A.	36%

* The Company consider an exposure from a single counterparty or group of connected or affiliated counterparties of 10% and above to be significant counterparties.

b. Top 20 large deposits - The Company is a non deposit taking NBFC and hence not applicable.

c. Top 10 borrowings amounts to INR 34,454 millions and 35% of total borrowings.

d. Funding Concentration based on significant instrument/product

Sr no	Name of the instrument/product *	Amount (INR Million)	% of Total Liabilities
1	External commercial borrowings	17,955	18%
2	Bank borrowings	36,409	36%
3	Non Convertible debentures	36,580	36%

* The Company consider an exposure from an instrument of 10% and above to be significant.

e. Stock Ratios

Sr no	Particulars	Total Public Funds	Total Liabilities	Total Assets
1	Commercial papers as a % of	8%	8%	7%
2	Non-convertible debentures (original maturity of less than one year) as a % of	NIL	NIL	NIL
3	Other Short-term liabilities (excluding 1 & 2 above and including current maturities of long term debt and other	32%	31%	26%
4	Other short-term liabilities (other than debt liabilities), if any	2%	2%	1%

For the computation of all the above disclosures the following has been considered:
i. Total liabilities means total assets less equity capital and other equity
ii. Total asset means total of asset side of the balance sheet
iii. Total Public Funds is equivalent to Total Borrowing at carrying value
iv. Borrowings have been considered at their carrying value

f. Institutional set-up for liquidity risk management

The Board of Directors has the overall responsibility of managing risk related to Asset Liability mismatches, including liquidity risk and market risk. The Board has constituted Asset Liability Management Committee (‘ALCO’) to identify & monitor the liquidity, market and foreign exchange risks from time to time. The Company’s ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet, in accordance with the liquidity risk thresholds/ limits decided by the Board. The ALCO is comprised of MD & CEO (chairperson) and other senior management to enable effective ALM risk management strategy of the Company.

The Company has a Board approved Asset Liability Management policy 'ALM policy', defining the liquidity risk management framework in line with RBI’s “guidelines on liquidity risk framework for NBFCs” which ensures that the Company maintains sufficient liquidity in line with the risk appetite framework, including a cushion of unencumbered, High Quality Liquid Assets to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. The Board approves the prudential limits defined in the ALM policy. The Company is maintaining LCR in line with regulatory requirements from December 2020.

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2. Disclosure on Liquidity Coverage Ratio

Disclosure pursuant to RBI notification DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4 November 2019 pertaining to Liquidity Risk Management Framework

(Amount- Rs Million)

	Particulars	**Quarter ended 30th Sep 2023**		**Quarter ended 30th June 2023**	
		Total Unweighted Value (average)*	**Total Weighted Value (average)****	**Total Unweighted Value (average)***	**Total Weighted Value (average)****
	High quality liquid assets				
1	Total high quality liquid assets	2,648.91	2,648.91	2,844.97	2,844.97
	- Cash	118.44	118.44	275.98	275.98
	- Government Securities	2,530.47	2,530.47	2,568.99	2,568.99
	Cash outflows				
2	Deposits (for deposit taking companies)	-	-	-	-
3	Unsecured wholesale funding	3,635.61	4,180.95	2,931.56	3,371.30
4	Secured wholesale funding	53.95	62.04	540.28	621.32
5	Additional requirements, of which	-		-	
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-
6	Other contractual funding obligations	657.68	756.33	660.81	759.93
7	Other contingent funding obligations	770.22	885.75	880.74	1,012.85
8	**Total cash outflows**	**5,117.45**	**5,885.07**	**5,013.39**	**5,765.39**
	Cash inflows				
9	Secured lending	-	-	-	-
10	Inflow from fully performing exposures	3,895.19	2,921.39	3,451.34	2,588.51
11	Other cashflows***	20,734.72	15,551.04	15,606.59	11,704.95
12	**Total cash inflows**	**24,629.90**	**18,472.43**	**19,057.94**	**14,293.45**
13	**Total HQLA**		**2,648.91**		**2,844.97**
14	**Total net cash inflows/(outflows)**		**1,471.27**		**1,441.35**
15	**Liquidity coverage ratio (%)**		**180.04%**		**197.38%**

* The average unweighted amounts are calculated by taking the simple average of Daily observations for calendar quarter.

** The average weighted amounts are calculated by applying the RBI predefined stress percentage to cash inflows and outflows.

*** Other cash inflows include available committed lines of credit .

Notes :

1 In order to strengthen and raise the standard of the Asset Liability Management (ALM) framework applicable to NBFCs, Reserve Bank of India ("RBI") has decided to revise the extant guidelines on liquidity risk management for NBFCs.
RBI has issued a circular in that aspect vide circular RBI/2019-20/88, DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4 November 2019 which requires NBFCs to adhere to guidelines of liquidity coverage ratio.
Liquidity coverage ratio (LCR) standard is introduced in order to ensure that a NBFC's has an adequate stock of unencumbered high quality liquid assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days.
LCR is defined as a ratio of HQLA to the total net cash outflows estimated for the next 30 calendar days. Total net cash outflows is defined as the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days.

2 As per the RBI guidelines, all non-deposit taking NBFCs with asset size of ₹ 5,000 crore and above but less than ₹ 10,000 crore, shall be required to minimum LCR in the phased manner from 1 December, 2020 as given below.

From	**1 December 2020**	**1 December 2021**	**1 December 2022**	**1 December 2023**	**1 December 2024**
Minimum LCR	30%	50%	60%	85%	100%

As per the RBI guidelines, all non-deposit taking NBFCs with asset size of ₹ 10,000 crore shall be required to minimum LCR in the phased manner from 1 December, 2020 as given below.

From	**1 December 2020**	**1 December 2021**	**1 December 2022**	**1 December 2023**	**1 December 2024**
Minimum LCR	50%	60%	70%	85%	100%

3 Liquidity management is driven by the ALM Policy, approved by the Board. The Treasury department of the Company reports to Asset Liability Management Committee (ALCO).

4 The Company has HQLA in form of Cash balances, Government Securities & T-bills issued by Central Government. No haircut is required on these assets for the purpose of LCR as per RBI circular.

5 Primary components of the outflows are repayment of existing debts, undrawn uncommitted lines, other contractual funding obligations, etc. Primary components of the inflows are collection from business receivables, fixed deposits with bank etc.

6 The average LCR of the company for the three months ended Sep 30,2023 was 180.04% as against 197.38%for the quarter ended June 30,2023. The LCR remains above the regulatory minimum requirement of 60% based on balancesheet size as on March 31,2023*
The average HQLA of the company for the three months ended Sep 30,2023 was Rs 2,648.91 Million as against Rs 2,844.97 Milion for the quarter ended Jun 30,2023

7 *As per RBI (NBFC Scale Based Regulation) Directions, 2023

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