

DISCLOSURE ON LIQUIDITY RISK AS ON MARCH 31, 2023

Background:

RBI has issued guidelines on 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 dated 04th November 2019. According to the said guidelines, NBFCs` with asset size of ₹ 100 Crores and above, are required to publicly disclose the below information related to liquidity risk on a quarterly basis. Accordingly, the disclosures on liquidity risk as at 31st March 2023 are as under:

I. Funding Concentration based on significant counterparty (both deposits and borrowings)

Sl. No.	Number of Significant Counterparties	Amount (₹ in Crores)	% of Total Deposits	% of Total Liabilities
1	29	507.30	N.A.	97.66%

II. Top 20 large deposits (amount in ₹ Crores and % of total deposits): Not Applicable

III. Top 10 borrowings (amount in ₹ Crores and % of total deposits):

Amount (₹ in Crores)	254.27
% of Total Borrowings	50.1%

IV. Funding Concentration based on significant instrument/product:

Sl. No.	Name of the Instrument / product	Amount (₹ in Crores)	% of Total Liabilities
1	Borrowings from Banks	155.05	29.85%
2	Borrowings from FIs	322.78	62.14%
3	Other Loans	29.48	5.68%
	Total	507.30	97.66%

V. Stock Ratios:

Particulars	Weightage
Commercial Paper as a % of Total Public Funds	N.A.
Commercial Paper as a % of Total Liabilities	N.A.
Commercial Paper as a % of Total Assets	N.A.
Non-convertible debentures (NCDs)(original maturity of less than one year) as a % of Total Public Funds	N.A.
Non-convertible debentures (NCDs)(original maturity of less than one year) as a % of Total Liabilities	N.A.
Non-convertible debentures (NCDs)(original maturity of less than one year) as a % of Total Assets	N.A.
Other Short-term Liabilities to Total Public Funds	1.14%
Other Short-term Liabilities to Total Liabilities	1.11%
Other Short-term Liabilities to Total Assets	0.83%

(i) Institutional set-up for Liquidity Risk Management

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk. The Board approves the governance structure, policies, strategy, and the risk tolerance limit for the management of liquidity risk.

The Board of Directors also functions as the strategic decisionmaking body for the asset-liability management of the Company from risk-return perspective and within the risk appetite and tolerance limits approved by the Board. The role of the BOD also includes periodic revision of interest rates, diversification of source of funding and its mix, maintenance of enough liquidity and investment of surplus funds.

Note:

1) Significant counterparty and Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

3) Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

4) Public funds are as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.