



## **Disclosure on Liquidity Risk**

### **Background:**

RBI has issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019. As per the said guidelines, NBFC are required to publicly disclose the below information related to liquidity risk on a quarterly basis. Accordingly, the disclosure on liquidity risk as on September 30, 2020 is as under:

### **(i) Funding Concentration based on significant counterparty**

<b>Sr. No</b>	<b>Number of Significant Counterparties</b>	<b>Amount (₹ crore)</b>	<b>% of Total deposits</b>	<b>% of Total Liabilities</b>
1.	15	2,278.50	0.00%	82.12%

### **Notes:**

- A “Significant counterparty” is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC- NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.
- Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines

**(ii) Top 20 large deposits (amount in ₹ crore and % of total deposits)** – Not Applicable



**(iii) Top 10 borrowings**

Amount (₹ crore)	% of Total Borrowings
2,049.43	80.77%

Note:

- Total Borrowing has been computed as Gross Total Debt basis extant regulatory ALM guidelines.

**(iv) Funding Concentration based on significant instrument / product**

Sr. No.	Name of the instrument/product	Amount (₹ crore)	% of Total Liabilities
1	Term Loan	1,598.78	57.62%
2	NCD	710.00	25.59%
3	CP	225.00	8.11%
	<b>Total</b>	<b>2,533.78</b>	<b>91.32%</b>

**Notes:**

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- Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines



**(v) Stock Ratios:**

Sr. No.	Stock Ratio	%
1	Commercial papers as a % of total liabilities	8.11%
2	Commercial papers as a % of total assets	6.78%
3	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	0.00%
4	Non-convertible debentures (original maturity of less than one year) as a % of total assets	0.00%
5	Other short-term liabilities as a % of total Liabilities	42.80%
6	Other short-term liabilities as a % of total assets	35.80%

Note:

- Commercial Paper for stock ratio is the Gross outstanding (i.e. Maturity amount).
- Other Short-term Liabilities has been computed as Total Short-term Liabilities less Commercial paper less Non-convertible debentures (Original maturity of less than one year), basis extant regulatory ALM guidelines.

**(vi) 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, to which the Company is exposed to in the course of conducting its business.

The Board of Directors had approved the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company.



The meetings of RMC will be held on quarterly basis. Further, the Board of Directors had already approved constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Company from risk-return perspective and within the risk appetite and guard-rails approved by the Board.

The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held at regular intervals. The Secretary of the committee shall place the minutes of the meeting before the RMC and the Board of Directors in its next meeting for its perusal/ratification.

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