Public Disclosure on Liquidity Risk as on June 30, 2023 pursuant to RBI circular dated 4th November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies:

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

Sl. No.	Number of Significant counter parties	Amount (₹ in cr.)	% of Total Deposits *	% of Total Liabilities
1	14	23,096.03	-	66.3

** None of the Depositors hold more than 1% of the Total deposits*

(ii) Top 20 large deposits

Amount (₹ in cr.)	252.95
% of Total Deposits	4.9

(iii) Top 10 borrowings

Amount (₹ in cr.)	21,420.31
% of Total Borrowings	62.5

(iv) Funding Concentration based on significant instrument / product

Sl. No.	Name of the Instrument / product	Amount (₹ in cr.)	% of Total Liabilities
1	Non-Convertible Debentures	12,038.14	34.6
2	Term loan	11,436.77	32.8
3	Public Deposits	5,135.45	14.8
4	Commercial paper	3,486.87	10.0
5	Other Bank borrowings	2,184.54	6.3

(v) Stock Ratios

Sl. No.	Name of the Instrument / Product	As a % of Total Public Funds	As a % of Total Liabilities	As a % of Total Assets
1	Commercial Paper	10.2	10.0	8.1
2	Non-Convertible Debentures *(original maturity < 1 year)*	-NA-	-NA-	-NA-
3	Other Short- term Liabilities	38.8	38.2	31.1

Institutional set-up for liquidity risk management:

Board has setup the Asset Liability Management Committee (ALCO) and Risk Management Committee to manage various risks of the Company. ALCO meets on a regular basis and is responsible for ensuring adherence to the risk tolerance/limits set by the Board including the Liquidity risk of the Company. The performance of the ALCO is reviewed by Audit Committee / Board.

The Company has formulated a policy on Liquidity Risk Management Framework. Accordingly, the Company,

- Performs stress testing on a quarterly basis which enables the Company to estimate the liquidity requirements as well as adequacy and cost of the liquidity buffer under stressed conditions.
- Has also formulated a contingency funding plan as a part of the outcome of stress testing results.
- Monitors liquidity risk based on 'Stock' approach to liquidity by way of pre-defined internal limits for various critical ratios pertaining to liquidity risk.

The Company has diversified source of funding to ensure that there is no significant source, the withdrawal of which could trigger liquidity problems.

The Company monitors cumulative mismatches across all time buckets by establishing internal prudential limits. The Company maintains adequate liquidity buffer of readily marketable assets, to protect itself against any liquidity risk at the same time is mindful of the cost associated with it.

Notes

1. As per the circular issued by RBI on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies dated 04th November 2019, "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the total liabilities and "Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the total liabilities.

2. Total Liabilities represent 'Total Liabilities and Equity' as per Balance sheet less Equity.

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

4. Other Short term liabilities represent all Short-term borrowings other than CPs.

Disclosure on Liquidity Coverage Ratio (LCR):

As part of the Liquidity Risk Management Framework for NBFCs, RBI has mandated maintenance of Liquidity Coverage Ratio (LCR) effective 1st Dec 2020. The Company is required to maintain adequate unencumbered High Quality Liquid Asset (HQLA) to meet its liquidity needs for a 30 calendar-day time horizon under a significantly severe liquidity stress scenario. The objective of the LCR is to promote the short-term resilience of the liquidity risk profile. Presently, the Company is mandated to maintain a minimum LCR of 70%, effective December 1, 2022, progressively reaching up to the required level of 100% by December 1, 2024.

The LCR is calculated by dividing the company's stock of HQLA by its total net cash outflows over a 30-day stress period. "High Quality Liquid Assets (HQLA)" means liquid assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios. Total Net cash outflows is defined as total expected cash outflows minus total expected cash inflows in the specified stress scenario for the subsequent 30 calendar days. The main drivers of LCR are adequate HQLAs and lower net cash outflow.

Major source of borrowings for the Company are Non-Convertible Debentures, Term loans from Banks, Commercial paper and Public deposits. Details of funding concentration from Significant counter party are given above under Public disclosure.

The average LCR for the quarter ended 30th June 2023 is 123% which is well above the regulatory requirement of 70%.

Liquidity Coverage Ratio (LCR)

(₹ in Cr.)

	Particulars	**Apr - Jun 2023**	
		Unweighted Value (Average)	**Weighted Value (Average)**
	High Quality Liquid Assets		
1	**Total High Quality Liquid Assets (HQLA)		**690.22**
	Cash Outflows		
2	Deposits (for deposit taking companies)	253.75	291.81
3	Unsecured wholesale funding	470.22	540.76
4	Secured wholesale funding	786.66	904.66
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	159.19	183.07
6	Other contractual funding obligations	267.06	307.12
7	Other contingent funding obligations	9.76	11.23
8	**TOTAL CASH OUTFLOWS**	**1,946.65**	**2,238.65**
	Cash Inflows		
9	Secured lending	-	-
10	Inflows from fully performing exposures	1,867.18	1,400.39
11	Other cash inflows	2,421.85	1,816.39
12	**TOTAL CASH INFLOWS**	**4,289.03**	**3,216.77**
			Total Adjusted Value
13	**TOTAL HQLA**		**690.22**
14	**TOTAL NET CASH OUTFLOWS**		**559.66**
15	**LIQUIDITY COVERAGE RATIO (%)**		**123.3%**

**	**Components of HQLA**	
	- Cash	4.65
	- Balance with Banks	16.14
	- Government Securities	385.44
	- Treasury Bills	283.99
	Total HQLA	**690.22**