

Public Disclosure on Liquidity Risk as on September 30, 2020

Background

RBI has issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019 vide circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/201920. As per the guidelines, NBFCs are required to publicly disclose the below information related to liquidity risk on a quarterly basis. Accordingly, the disclosures on liquidity risk as at September 30, 2020 are as under:

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

Sr No.	Number of Significant Counterparties	Amount (Rs. crore)	% of Total deposits	% of Total Liabilities
1	16	13,137.0	NIL	66.2%

(ii) Top 20 large deposits (amount in Rs. crore and % of total deposits): Not Applicable

(iii) Top 10 borrowings (amount in Rs. crore and % of total borrowings):

Amount in Rs. Crore	10,591.21
% of total borrowings	53.40%

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

Sr No.	Name of the instrument/product	Amount (Rs. crore)	% of Total Liabilities
1	NCD	5,615.74	28.31%
2	Borrowing From Banks/FIs	10,294.63	51.91%
3	Commercial Paper	1,440.41	7.26%
4	ECB	2,466.37	12.44%
	Total	19,817.15	99.92%

(v) Stock Ratios:

(a) Commercial papers as a % of total public funds, total liabilities and total assets:

Particulars	Weightage
CP as % of Total Public funds	7.26%
CP as % of Total Liabilities	6.86%
CP as % of Total Assets	5.32%

Note :

- 1) 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
- 2) Total Liabilities represent Total Liabilities and Equity as per Balance Sheet less Equity.

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total asset: **(Not Applicable)**

(c) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets:

Particulars	Weightage
Other short-term liabilities as % of Total Public funds	41.62%
Other short-term liabilities as % of Total Liabilities	39.29%
Other short-term liabilities as % of Total Assets	30.48%

(vi) Institutional set-up for liquidity risk management:

The Board of Directors has all responsibility for management of all the risks including liquidity risk. The Board shall decide the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits decided by it from time to time.

The Board of Directors approves the constitution of Risk Management Committee (RMC) for the effective supervision and management of various aspects including liquidity risks faced by the company.

In addition to this, ALM Committee of the Board consisting of Managing Director shall be responsible for taking strategic decisions and evaluating the liquidity risk.

The Asset-Liability Management Committee (ALCO) consisting of the NBFC's top management shall be responsible for monitoring risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the NBFC. The role of the ALCO is all about to guidance and decide with respect to Interest rate, source of funding, funding mix, maintenance of enough liquidity and investment of surplus funds.