

Disclosure on Liquidity Risk

(Currency : Indian rupees in million)

43.28 Disclosure on liquidity risk

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

	<u>As at June 30, 2021</u>	<u>As at March 31, 2021</u>
Number of significant counterparties*	3	4
Amount of borrowings from significant counterparties **	5,852.50	5,157.82
% of Total deposits	NA	NA
% of Total liabilities	31.31%	36.39%

* "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 total liabilities.

** Represents principal amount

ii) Top 20 large deposits

The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India, does not accept public deposits.

iii) Top 10 borrowings

	<u>As at June 30, 2021</u>	<u>As at March 31, 2020</u>
Amount of Borrowings from top 10 lenders*	6,785.50	5,807.82
% of Total Borrowings **	41.14%	42.28%

* Represents principal amount

** Total borrowings represents debt securities + borrowings (other than debt securities) + subordinated liabilities

iii) Funding Concentration based on significant instrument/product

Name of the product	<u>As at June 30, 2021</u>		<u>As at March 31, 2021</u>	
	Amount	% of Total Liabilities	Amount	% of Total Liabilities
Debentures				
Market linked debentures	10,729.43	57.41%	8,003.62	56.47%
Public issue	2,254.10	12.06%	2,210.05	15.59%
Borrowings other than Debt Securities				
Loan from related parties	3,368.24	18.02%	3,363.86	23.73%
Subordinated Liabilities				
Preference Shares - privately placed	143.17	0.77%	160.00	1.13%
Total	16,494.93	88.26%	13,737.53	96.92%

iv) Stock ratios:

	<u>As at June 30, 2021</u>	<u>As at March 31, 2021</u>
Commercial papers		
as a % of total public funds *	NA	NA
as a % of total liabilities	NA	NA
as a % of total assets	NA	NA
Non-convertible debentures (original maturity of less than one year)		
as a % of total public funds *	2.69%	6.47%
as a % of total liabilities	2.38%	6.27%
as a % of total assets	1.76%	4.29%
Other short-term liabilities**		
as a % of total public funds*	58.91%	60.87%
as a % of total liabilities	51.99%	58.99%
as a % of total assets	38.37%	40.42%

* Total public funds represents debt securities + borrowings (other than debt securities) + subordinated liabilities

** Other Short- term liabilities represent all the liabilities whose maturity is less than 12 months

iv) Institutional set-up for liquidity risk management

The Board of Directors of the Company has constituted the Asset Liability Management Committee and the Risk Management Committee.

The Asset Liability Management Committee, inter alia -

- Implement and administer guidelines on Asset-Liability Management approved by the Board and its revision, if any
- Monitor the asset liability gap and overcome the asset-liability mismatches, interest risk exposure, etc.; Strategize action to mitigate risk associated with the asset liability gap;
- Develop risk policies and procedures and verify adherence to various risk parameters and prudential limits; review the risk monitoring system and ensure effective risk management; and
- Ensure that the credit and investment exposure to any party / Company / group of parties or companies does not exceed the internally set limits as well as statutory limits as prescribed by Reserve Bank of India from time to time.

The Company ensures sufficient Liquidity Cushion is maintained in the form of Cash and cash equivalents and Investments in liquid securities. These assets carry minimal credit risk and can be liquidated in a very short period of time. This takes care of immediate obligations while continuing to honour our commitments as a going concern. The Company continues to focus on developing a diversified funding model to achieve an optimum cost of funds while balancing liquidity.