Public Disclosure on Liquidity Risk for the quarter ended March 31, 2023, pursuant to RBI circular dated 4 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

i. Funding Concentration based on significant counter party (both deposits and borrowings)

Sr. No.	Number of Significant counter parties	Amount[1] (₹ crore)	% of Total Deposits	% of Total Liabilities[2]
1.	9	2,085.68	N.A.	90.39%

ii. Top 20 large deposits (amount in ₹ crore and % of total deposits)

Not applicable

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

Amount (₹ crore) of Borrowings from Top 10 Lenders[1]	% of Total Borrowings
2,098.50	98.43%

iv. Funding Concentration based on significant instrument / product

Sr. No.	Name of Instrument / Product	Amount[1] (₹ crore)	% of Total Liabilities[2]
1.	Term Loans from Bank	1,596.52	69.19%
2.	Refinance from National Housing Bank	535.42	23.20%

v. Stock Ratios

Particulars	As a % of Total Public Funds	As a % of Total Liabilities[2]	As a % of Total Assets
Commercial Papers	N.A.	N.A.	N.A.
Non-convertible debentures (NCD's) (original maturity of less than a year)	N.A.	N.A.	N.A.
Other short-term liabilities	27.16%	24.99%	20.40%

vi. Institutional set-up for liquidity risk management

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has constituted the Risk Management Committee (RMC) which is responsible for monitoring the overall risk process within the Company.

The meetings of RMC are held at quarterly interval. The Risk owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. RMC ensures 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. RMC Develops risk policies and procedures and verify adherence to various risk parameters and prudential limits; review the risk monitoring system and ensure effective risk management.

The Company’s Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Board of Directors has constitution of Asset Liability Committee (ALCO). The Company’s ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the balance sheet. ALCO conducts quarterly reviews relating to the liquidity position and stress test assuming various ‘what if’ scenarios. The ALCO is a decision-making unit responsible for balance sheet planning from risk-return perspective including strategic management of interest rate and liquidity risks. The ALCO also evaluates the Borrowing Plan of subsequent quarters based on previous borrowings of the Company.

In assessing the Company's liquidity position, consideration is given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. In accordance with the Company’s policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale. Borrowings from banks and financial institutions and issue of debentures are considered as important sources of funds to finance lending to customers.

The minutes of ALCO meetings are placed before the RMC and the Board of Directors meeting for noting.

Notes:

1. The amount stated in this disclosure is based on the audited financial statements as at and for quarter ended March 31, 2023.

2. Total liabilities refer to the aggregate of financial liabilities and non-financial liabilities.