

Public disclosure on liquidity risk for the period ended 31st March 2024

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

Sr. No.	Number of Significant Counterparties	Amount (₹ lac)	% of Total deposits	% of Total Liabilities
1.	Asian Development Bank	11,11,935.88	-	16.98%
2.	World Bank	1,07,041.82	-	1.63%
3.	European Investment Bank	1,40,116.34	-	2.14%
4.	Japan International Cooperation Agency	1,96,525.20	-	3.00%

- ii. Top 20 large deposits (amount in ₹ crore and % of total deposits) – NIL as IIFCL is registered to commence/carry on the business of non-banking financial institution without accepting public deposits.

- iii. Top 10 borrowings (amount in ₹ Lac and % of total borrowings) - ₹ 49,90,194.75 lac and 100%.

- iv. Funding Concentration based on significant instrument/product:

Sr. No.	Name of the instrument/product	Amount (₹ lac)	% of Total Liabilities
1.	Secured Bonds	11,39,336.50	17.40%
2.	Unsecured Bonds	11,50,000.00	17.56%
3.	Foreign Currency Borrowings	15,68,625.56	23.95%
4.	Bank Overdraft/STL from Banks	11,32,232.67	17.29%

- v. Stock Ratios:

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

(b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets -NIL

(c) Other short-term liabilities as a % of Total public funds – NIL

Other short-term liabilities as a % of Total liabilities 32.14%

Other short-term liabilities as a % of Total assets 25.14%

vi. Institutional set-up for liquidity risk management:

IIFCL endeavours to maintain sufficient Liquidity to take care of its business requirements as per Resource and Treasury Policy of IIFCL. Further, the Liquidity Risk Management of IIFCL has undertaken through the Asset Liability Management Framework of IIFCL (ALM Policy) and the organizational setup for the same is as below:

- Board of Directors
- Risk Management Committee
- Asset-Liability Management Committee
- Risk Management Department
- ALM Support Group

Also, the Risk Management Committee, which reports to the Board and consists of Directors, Managing Director, Deputy Managing Director is responsible for overall risk faced by IIFCL including Liquidity Risk.

Further, IIFCL not only measures the liquidity positions on an ongoing basis but also examines how liquidity requirements are likely to evolve under different assumptions using following tools/techniques:

- Bucketing and Bucketing Assumptions
- Cash Flow Measurement – Structural Liquidity Report
- Dynamic Liquidity Report
- Interest Rate Risk
- Back Testing
- Limits Monitoring
- Stock Based Approach - Liquidity Ratios
- Liquidity Coverage Ratio (LCR)
- Stress Testing framework for Liquidity Risk
- Funding Strategy
- Currency Risk
- Contingency Funding Plan

Disclosure pertaining to Liquidity Coverage Ratio (LCR):

RBI vide its Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued the guidelines covering liquidity risk management for NBFCs wherein RBI introduced Liquidity Coverage Ratio (LCR) applicable on all non-deposit taking NBFCs with asset size of more than 5,000 crore. The guidelines aim to maintain a liquidity buffer in terms of LCR

by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for next 30 days. As per the guideline, LCR is represented by Stock of High-Quality Liquid Assets (HQLA) divided by Total Net Cash Outflows (stressed outflow less stressed inflows) over the next 30 calendar days. HQLA are defined by RBI as the liquid assets that can be readily sold or immediately convertible into cash at little/no loss of value or can be used as collateral to obtain funds in stress situations.

As evident, currently IIFCL's liquidity coverage ratio is as per the regulatory limits of 85%.

LCR Disclosure Template -		Quarter ended March 2024	
		Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets			
1	Total High Quality Liquid Asset (HQLA)	3,100.77	3,100.77
Cash Outflows			
2	Deposits (for deposit taking Companies)		-
3	Unsecured wholesale funding		-
4	Secured wholesale funding	8,095.53	9,309.86
5	Addition requirements, of which		
(i)	Outflows related to derivative exposures and other collateral requirements	29.02	33.37
(ii)	Outflows related to loss of funding on debt products		-
(iii)	Credit and liquidity facilities	1,902.75	2,188.16
6	Other Contractual funding obligations	79.91	91.9
7	Other contingent funding obligations	-	-
8	Total Cash Outflows	10,107.21	11,623.29
Cash Inflows			
9	Secured Lending		-
10	Inflows from fully performing exposures	75.78	56.84
11	Other Cash inflows	12,397.92	9,298.44
12	Total Cash Inflows	12,473.70	9,355.28
Total Adjusted Value			
13	Total HQLA	3,100.77	3,100.77
14	Total Net Cash Outflows	2,905.82	2,905.82
15	Liquidity Coverage Ratio(%)	106.71	106.71