

Public disclosure on liquidity risk for the period ended 30th September 2023

RBI vide its guidelines on "Liquidity Risk Management" dated November 04,2019 has mandated to publicly disclose the funding concentration based on the significant counterparties, products, instruments.

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

Sr. No.	Number of Significant Counterparties	Amount (₹ lacs)	% of Total deposits	% of Total Liabilities
1.	Asian Development Bank	1,143,875.95	-	23.43%
2.	World Bank	110,588.40	-	2.27%
3.	European Investment Bank	142,783.95	-	2.92%
4.	Japan International Cooperation Agency	189,226.33	-	3.88%

- 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 ₹ crore and % of total borrowings) - ₹ 4,882,280.78 lacs and 100%.

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

Sr. No.	Name of the instrument/product	Amount (₹ lacs)	% of Total Liabilities
1.	Secured Bonds	1,343,190.95	27.51%
2.	Unsecured Bonds	740,000.00	15.16%
3.	Foreign Currency Borrowings	1,599,391.47	32.76%
4.	Bank Overdraft/STL from Banks	825,143.83	16.90%

- v. Stock Ratios:

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

(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 –28.09%.

Other short-term liabilities as a % of Total assets -21.93%.

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 circular dated November 4, 2019 issued the guidelines covering liquidity risk management for all non-deposit taking NBFCs with asset size of Rs.10,000 crore and above. 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. 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 per the guidelines, the LCR requirement shall be binding on NBFCs from December 1, 2020. From December 1, 2020, the minimum HQLAs to be held being 50% of the LCR, progressively reaching up to the required level of 100% by December 1, 2024. Further, minimum LCR of 70% has been prescribed by RBI to be held as on December 1, 2022.

Currently IIFCL's liquidity coverage ratio is as per the regulatory limits of 70%.

LCR Disclosure Template - Quarter ended September 2023 (Amount in Rs. Crores)			
INR in Crore		Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets			
1.00	**Total High Quality Liquid Asset (HQLA)	5,215.52	5,215.52
Cash Outflows			
2.00	Deposits (for deposit taking Companies)		
3.00	Unsecured wholesale funding		
4.00	Secured wholesale funding	1,990.84	2,289.47
5	Addition requirements, of which		
(i)	Outflows related to derivative exposures and other collateral requi	30.13	34.65
(ii)	Outflows related to loss of funding on debt products		-
(iii)	Credit and liquidity facilities	3,394.20	3,903.32
6	Other Contractual funding obligations	65.87	75.75
7	Other contingent funding obligations	-	-
8	Total Cash Outflows	5,481.04	6,303.20
Cash Inflows			
9	Secured Lending		
10	Inflows from fully performing exposures	57.03	42.77
11	Other Cash inflows	2,036.13	1,527.10
12	Total Cash Inflows	2,093.16	1,569.87
		Total Adjusted Value	
13	Total HQLA	5,215.52	5,215.52
14	Total Net Cash Outflows	4,733.33	4,733.33
15	Liquidity Coverage Ratio(%)	110.19	110.19
** - HQLA comprises of Cash, balance with bank, unencumbered portion of fixed deposits with banks			