IIFL FINANCE

Public Disclosure on Liquidity Risk

Pursuant to Para 26 of the Master Direction (Non-Banking Financial Company – Scale Based Regulation) Direction, 2023 dated October 19, 2023, NBFCs are required to publicly disclose the below information related to liquidity risk on a quarterly basis.

Accordingly, the disclosure on liquidity risk as on December 31, 2023 is as below:

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

No. of significant counterparties	Amount (Rs. in Crores)	% of Total Deposits	% of Total Liabilities
17	12,695	NA	61.13%

Note: Total Liabilities has been computed as Total Liabilities less Equity share capital less Other Equity.

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

Not Applicable

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

Amount (Rs. in crore)	% of Total Borrowings
10,051	55.53%

Funding Concentration based on significant instrument/product

S. No.	Name of the Product	Amount (Rs.in Crores)	% of Total Liabilities
1	Non-Convertible Debentures	4,696	22.61%
2	Term Loans	11,537	55.55%
3	Securitisation	190	0.91%
4	Commercial Paper	1,292	6.22%
5	Cash Credit	384	1.85%
	Total	**18,100**	**87.15%**

Stock Ratios

S. No.	Particulars	Ratio
1	Commercial papers as a % of total liabilities	6.30%
2	Commercial papers as a % of total assets	4.97%
3	Commercial papers as a % of total public funds	7.23%
4	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	Nil
5	Non-convertible debentures (original maturity of less than one year) as a % of total assets	Nil
6	Non-convertible debentures (original maturity of less than one year) as a % of total public funds	Nil
7	*Other short-term liabilities as a % of total liabilities	12.84%
8	*Other short-term liabilities as a % of total assets	10.12%
9	*Other short-term liabilities as a % of total public funds	14.73%

*Other Short-term liabilities is Total Current Liabilities Less Short-Term Borrowings

Public funds include funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue.

Institutional set-up for Liquidity Risk Management

The Board of Directors of IIFL Finance Limited (the 'Company') have an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to while conducting its business.

The Board of Directors approve the governance structure, policies, strategy and the risk limits for the management of liquidity risk.

The Board of Directors approve the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company.

Further, the Board of Directors also approve constitution of Asset Liability Committee (ALCO), which functions as the strategic decision-making body for the asset-liability management of the Company from risk return perspective and within the risk appetite and guard-rails approved by the Board of Directors.

The main objective of ALCO is to assist the Board of Directors and RMC in effective discharge of the responsibilities of asset-liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board.

ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds.

ALCO meetings are held once in a month or more frequently as warranted from time to time.