

IIFL Finance Limited
Public Disclosure on Liquidity Risk
As on June 30, 2025

Background :

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

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

| Sr. No | No. of significant counterparties | Amount (Rs. In Crores) | % of Total Deposits | % of Total Liabilities |
|--------|-----------------------------------|---------------------------|---------------------|------------------------|
| 1 | 23 | 17,648 | NA | 58.48% |

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

(ii) Top 20 large deposits (amount in Rs crore and % of total deposits) – Not Applicable

(iii) Top 10 borrowings

| Amount (Rs. In crore) | % of Total Borrowings |
|-----------------------|-----------------------|
| 11,079 | 38.36% |

(iv) Funding Concentration based on significant instrument / product

| Sr. No. | Name of the Product | Amt in Crores | % of Total Liabilities |
|--------------|----------------------------|------------------|------------------------|
| 1 | Non Convertible Debentures | 11,700.07 | 38.77% |
| 2 | Term Loans | 10,538.48 | 34.92% |
| 3 | Securitisation | 1,589.55 | 5.27% |
| 4 | Commercial Paper | 4,096.21 | 13.57% |
| 5 | Cash Credit | 955.91 | 3.17% |
| Total | | 28,880.23 | 95.71% |

(v) Stock Ratios

| Sr. No. | Stock Ratio | % |
|---------|---|--------|
| 1 | Commercial papers as a % of total liabilities | 13.57% |
| 2 | Commercial papers as a % of total assets | 11.12% |
| 3 | Commercial papers as a % of total public funds | 14.18% |
| 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 | 2.96% |
| 8 | *Other short-term liabilities as a % of total assets | 2.43% |
| 9 | *Other short-term liabilities as a % of total public funds | 3.10% |

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

Public funds' includes 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.

(vi) Institutional set-up for Liquidity Risk Management

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business.

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

The Board of Directors approves 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 approves 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.

The main objective of ALCO is to assist the Board 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.