

**IIFL Finance Limited**  
**Public Disclosure on Liquidity Risk**  
**As on Sep 30, 2023**

**Background :**

RBI has issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019 vide circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 . As per the said guidelines, NBFC are required to publicly disclose the below information related to liquidity risk on a quarterly basis. Accordingly, the disclosure on liquidity risk as at 30th Sep 2023 is as under:

**(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	17	10,734	NA	57.30%

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

**(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
8,207	49.19%

**(iv) Funding Concentration based on significant instrument / product**

Sr. No.	Name of the Product	Amt in Crores	% of Total Liabilities
1	Non Convertible Debentures	5,109	27.27%
2	Term Loans	9,657	51.55%
3	Securitisation	511	2.73%
4	Commercial Paper	512	2.73%
5	Cash Credit	896	4.78%
<b>Total</b>		<b>16,684</b>	<b>89.07%</b>

**(v) Stock Ratios**

Sr. No.	Stock Ratio	%
1	Commercial papers as a % of total liabilities	2.80%
2	Commercial papers as a % of total assets	2.17%
3	Commercial papers as a % of total public funds	3.15%
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	10.89%
8	*Other short-term liabilities as a % of total assets	8.45%
9	*Other short-term liabilities as a % of total public funds	12.23%

\*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.