

Disclosure on Liquidity Coverage Ratio (LCR)-Q4-F.Y.21

As part of the Liquidity Risk Management Framework for NBFCs, RBI has mandated maintenance of Liquidity Coverage Ratio (LCR) effective 1st December, 2020. The Company is required to maintain adequate unencumbered High Quality Liquid Asset (HQLA) to meet its liquidity needs for a 30 calendar-day time horizon under a significantly severe liquidity stress scenario. The objective of the LCR is to promote the short-term resilience of the liquidity risk profile. The LCR requirement shall be binding for the Company from December 1, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching up to the required level of 100% by December 1, 2024.

The LCR is calculated by dividing the company's stock of HQLA by its total net cash outflows over a 30-day stress period. "High Quality Liquid Assets (HQLA)" means liquid assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios. Total Net cash outflows is defined as total expected cash outflows minus total expected cash inflows in the specified stress scenario for the subsequent 30 calendar days. The main drivers of LCR are adequate HQLAs and lower net cash outflow.

Major source of borrowings for the Company are Public deposits and deposits received from related parties.

The average LCR for the quarter ended 31st March 2021 is 2799%, which- is well above the regulatory requirement of 50%.

LIQUIDITY COVERAGE RATIO

(Amount in Rs.)

Particulars	October-December 2020		January-March 2021	
	Average Un weighted Value	Average Weighted Value	Average Un weighted Value	Average Weighted Value
**Total High Quality Liquid Assets (HQLA)		34,86,14,620		35,87,03,632
<u>Cash outflows</u>				
Deposits	25,96,667	29,86,167	15,49,511	17,81,937
Secured Borrowings	1,12,028	1,28,832	1,12,028	1,28,832
Other contractual funding obligations	1,56,06,539	1,79,47,519	2,01,80,593	2,32,07,682
Total Cash Outflows	1,83,15,233	2,10,62,518	2,18,42,131	2,51,18,451
<u>Cash inflow</u>				
Inflows from Fully performing Exposures	1,55,46,242	1,16,59,682	1,47,87,951	1,10,90,964
Other Cash inflows	30,16,000	22,62,000	16,13,667	12,10,250
Total Cash inflows	1,85,62,242	1,39,21,682	1,64,01,618	1,23,01,214
Total HQLA		34,86,14,620		35,87,03,632
Total Net Cash Outflows		71,40,836		1,28,17,238
Liquidity Coverage Ratio (LCR)		4882%		2799%

$$LCR = \text{Total HQLA} / \text{Total Net Cash Outflow}$$

Total Net cash outflow (-) indicates total inflow is more than the outflow

**Components of High Quality Liquid Assets		
Cash	4,04,256	3,87,990
Balance with Banks	14,33,48,110	11,89,37,779
Government Securities	2,26,87,903	2,26,87,903
Liquid Mutual funds	18,21,74,352	21,66,89,961