

ANNAPURNA FINANCE PRIVATE LIMITED

Liquidity Coverage Ratio (LCR) Disclosures

(Pursuant to RBI circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019)

LCR DISCLOSURE

	Particulars	As of 30th September 2024(₹ In Crores)	
		Total Unweighted 1 Value (average)	Total Weighted 2 Value (average)
High Quality Liquid Assets			
1	Total High Quality Liquid Assets (HQLA)	316.61	316.61
Cash Outflows			
2	Deposits (for deposit taking companies)	0.00	0.00
3	Unsecured wholesale funding	14.06	16.17
4	Secured wholesale funding	400.83	460.95
5	Additional requirements, of which	0.00	0.00
(i)	Outflows related to derivative exposures and other collateral requirements	0.00	0.00
(ii)	Outflows related to loss of funding on debt products	0.00	0.00
(iii)	Credit and liquidity facilities	0.00	0.00
6	Other contractual funding obligations	309.14	355.52
7	Other contingent funding obligations	50.27	57.81
8	TOTAL CASH OUTFLOWS	741.86	853.14
Cash Inflows			
9	Secured lending	0.00	0.00
10	Inflows from fully performing exposures	826.18	619.64
11	Other cash inflows	499.51	374.63
12	TOTAL CASH INFLOWS	1325.69	994.27
Total Adjusted Value			
13	TOTAL HQLA		316.61
14	TOTAL NET CASH OUTFLOWS		222.61
15	LIQUIDITY COVERAGE RATIO (%)		142.23%

Qualitative Disclosure on LCR

As per Reserve Bank of India guidelines, all deposit-taking NBFCs, regardless of their asset size, and non-deposit-taking NBFCs with assets of Rs.5,000.00 crore and above, are required to maintain a liquidity coverage ratio (LCR). This ensures they hold enough high-quality liquid assets (HQLA) to withstand a 30-day period where cash outflows increase to 115% and cash inflow decrease to 75%. The LCR is determined by averaging daily observations over 90 days.

- I. Main LCR drivers and evolution of the contribution of inputs in LCR Calculation over time** - The numerator of LCR is driven by the quantum and composition of High-Quality Liquid Assets (HQLA). The denominator of LCR is driven by various components of the stressed cash flows. The details of each line items considered are mentioned below.
- a) **Unsecured and secured wholesale funding** – All the principal and interest falling due from the secured and unsecured funding raised through various instruments like Term loans from Bank/FI/NBFC, ECBs, NCDs and Sub-debt during the next 30 days is considered here.
- b) **Other contractual funding obligations** – Other contractual funding obligations include amounts to be hypothecated for new funds raised within the next 30 days. Additionally, statutory dues payable within this period are also categorized under other contractual funding obligations, along with off-balance sheet liabilities such as direct assignment outflows scheduled for payment in the next 30 days.
- c) **Other contingent funding obligations** – Other Contingent funding obligations includes the loan amount sanctioned but not disbursed.
- d) **Inflows from fully performing exposure** - Principal and Interest payment to be received in the next 30-day period from standard clients out of total loans and advances outstanding are considered here.
- e) **Other Cash Inflows** – All the investment in the FD and the mutual fund maturity falling due within the next 30 days period is considered here. Apart from this the retained earnings portion from the off-balance sheet position to be received in the next 30 days is also considered here.
- II. Intra period changes and changes over time** – The company endeavors to maintain a healthy level of LCR at all points of time. The LCR table shows the movement of changes in each component over the reporting period.
- III. Composition of HQLA** - The company has kept sufficient cash and cash equivalents which are regarded as High-Quality Liquid Assets (HQLA) in the form of bank balances and Investments in T-Bills.

The components of HQLA for the Quarters is as under:

Particulars (in lakhs)	For the period ended September 30, 2024 (weighted average)	For the period ended June 30, 2024 (weighted average)
<i>Cash in hand</i>	1,722	1,278
<i>Balances with Banks in current accounts</i>	16,836	20,034
<i>T-Bills/G-Sec</i>	13,102	11,340
Total	31,661	32,651

- IV. **Concentration of funding sources** - The Company has a diversified funding profile in the form of term loans from Bank, NBFC, FIs, Non-convertible Debentures and External Commercial Borrowings which are long-term in nature. The Company is a non-deposit taking NBFC and hence, reporting nil deposits. The Company has a wide array of investors / bankers who have funded the Company through various funding instruments.
- V. **Derivative exposure and potential collateral calls** – The company didn't indulge in derivative trading activities. However, the company has entered into derivative transactions to hedge its balance sheet liability exposure and has accordingly considered in its computation process.
- VI. **Currency mismatch in LCR** – AFPL computes LCR in one single currency. Though AFPL has raised funds through external commercial borrowings, all the exposures are completely hedged and AFPL doesn't have foreign exposure in any other components.
- VII. **Other inflows and outflows in LCR calculation that are not captured in LCR** – All the components of inflows and outflows that are captured in the LCR calculation are mentioned above.

1. Unweighted value has been calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).
2. Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

*LCR has been calculated using simple average daily observations of data points.

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Public Disclosure on Liquidity Risk (September 30, 2024)

(Pursuant to RBI circular RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019)

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

Number of Significant Counter Parties	Amount (In Lakhs)	% of Total Deposits	% of Total Liabilities
33	5,96,342.68	NA	82.72%

2. Top 20 Largest Deposits

There are no deposits accepted by the company as the company is non-deposit taking NBFC.

3. Top 10 Borrowings (amount in lakhs and % of total borrowings)

Amount in Lakhs	% of Total Borrowings
3,08,994.87	45.27%

4. Funding Concentration based on significant instrument/products.

Name of the instrument/Product	Amount in lakhs *	% of Total Liabilities
Term Loans from Banks	2,87,446	39.87%
Term Loans from FI	50,069	6.94%
CCD	15,000	2.08%
OCD	30,000	4.16%
External Commercial Borrowings	28,466	3.95%
Sub Debt (unsecured) - Debentures	20,000	2.77%
Total Borrowings	4,30,982	59.78%
Total Liabilities	7,20,952	

5. Stock Ratios for the Quarter.

Stock Ratios for the quarter			
Particulars	as a % of total public funds	as a % of total liabilities	as a % of total assets
Commercial Papers	0	0	0
Non-convertible debentures (Original maturity of less than 1 year)	0	0	0
Other Short-term liabilities	80.10%	50.57%	41.06%

6. Institutional set-up for liquidity risk management

The Company's Board of Directors has the overall responsibility of management of liquidity risk. The Board decides the strategic policies and procedures of the Company to manage liquidity risk in accordance with the risk tolerance limit as decided by the board.

The Company also has a Risk Management Committee, which is a sub-committee of the board and is responsible for evaluating the overall risk faced by the Company, including liquidity risks.

The Asset Liability Management Committee (ALCO) of the Company is responsible for ensuring adherence to risk tolerance limits as well as implementing the liquidity risk management strategy of the Company.

Chief Risk Officer (CRO) is part of the process of identification, measurement, and mitigation of liquidity risks.

The ALCO under the chairmanship of the Director, consist of the following members Chief Financial Officer (CFO), Chief Operating Officer (COO), Chief Risk Officer (CRO), Credit Head, Institutional Finance Head who are responsible for analyzing, monitoring and reporting the liquidity profile to the ALCO.

Notes –

- A “Significant counterparty” is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI’s, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.
- Total Liabilities have been computed as Total Assets less Equity Share Capital and Reserve & Surplus.
- A “significant instrument/product” is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI’s, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.
- Other Short-term liabilities has been computed as sum of total trade payable, other financial and non-financial liabilities and borrowings payable within one year as per residual maturity.
- Public funds are as defined in Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.