

## SAKTHI FINANCE LIMITED, COIMBATORE

### Public Disclosure on Liquidity Risk

#### Background

As per RBI Guidelines dated 4 November 2019 on "Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies", NBFCs are required to publicly disclose the requisite particulars relating to liquidity risk on a quarterly basis.

Accordingly, the disclosures relating to liquidity risk as on 31st December 2023 is given below:

#### 1. Funding concentration based on significant counterparty

| Sl No | No of significant Counter parties | Amount (₹ Crores) | % to Total Deposits | % of Total Liabilities |
|-------|-----------------------------------|-------------------|---------------------|------------------------|
| 1     | 4                                 | 148.21            | 222.89%             | 12.70%                 |

Notes:

- \* A Significant counterparty is defined as a single counterparty or a group of connected or affiliated counterparties in aggregate for more than 1% of the NBFC-NDFI's, NBFC-D's Total Liabilities and 10% for other non-deposit taking NBFCs.
- \* Total Liabilities has been computed as Total Assets less Equity Share Capital less Reserves and Surplus and computed on the basis of extant ALM Guidelines.

#### 2. Top 20 Large Deposits (amount ₹ Crs) and % of Total Deposits

|                       |       |
|-----------------------|-------|
| Top 20 Large Deposits | 4.55  |
| % of total Deposits   | 6.84% |

#### 3. Top 10 borrowers (amount ₹ Crs) of total borrowings

|                       |        |
|-----------------------|--------|
| Top 10 borrowers      | 179.14 |
| % of total borrowings | 16.92% |

- \* Total Borrowing has been computed as Gross Total Debt basis as per extant regulatory ALM Guidelines.

#### 4. Funding concentration based on significant instrument / product

| Sl No | Name of the Product                                  | Amount (₹ Crores) | % to Total Liabilities |
|-------|--|-------------------|------------------------|
| 1     | Non- Convertible Debentures - Public Issue           | 368.90            | 31.61%                 |
| 2     | Sub-Ordinate Debts                                   | 208.84            | 17.90%                 |
| 3     | From Banks: Cash Credit and Demand Loans             | 66.75             | 5.72%                  |
| 4     | Redeemable Non- Convertible Debentures - Unsecured   | 107.38            | 9.20%                  |
| 5     | Non-Convertible Debentures - Secured Retail          | 121.00            | 10.37%                 |
| 6     | Fixed Deposits                                       | 66.50             | 5.70%                  |
| 7     | Term Loans - Financial Institutions & Banks          | 24.58             | 2.11%                  |
| 8     | 8.25% and 9% Redeemable Cumulative preference Shares | 121.00            | 10.37%                 |
| 9     | Term Loans - Corporates                              | 23.70             | 2.03%                  |
|       | <b>Total</b>   | <b>1,058.73</b>   |                        |

Note:

- \* A Significant instrument/product is defined as a single instrument/product or a group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDFI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.
- \* Total Liabilities has been computed as Total Assets less Equity Share Capital less Reserves and Surplus and computed on the basis of extant ALM Guidelines.

## 5. Stock Ratios

| Sl No | Stock Ratio  | Percentage |
|-------|--|------------|
| 1     | Commercial papers as a % to Total Liabilities  | NA         |
| 2     | Commercial papers as a % to Total Assets   | NA         |
| 3     | Non-Convertible Debentures (Original maturity of less than one year) as a % to Total Liabilities | 14.34%     |
| 4     | Non-Convertible Debentures (Original maturity of less than one year) as a % to Total Assets      | 12.11%     |
| 5     | Other Short - term Liabilities as a % to Total Liabilities                                       | 26.02%     |
| 6     | Other Short - term Liabilities as a % to Total Assets  | 21.99%     |

## 6. Institutional set-up for Liquidity Risk Management

The Board of Directors of the Company have an overall responsibility for the management of all types of risks, including liquidity risk, to which the Company is exposed in the normal course of its business. Further, the Board of Directors have constituted a Risk Management Committee ("**RMC**"), as mandated by RBI, for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The meetings of RMC are presently held as may be necessary, however, the Company intends to expand the frequency of holding the meetings. Moreover, the Board of Directors have also constituted an Asset Liability Committee ("**ALCO**"), for the management of the Company's short and long-term funding and meeting liquidity requirements. The Company manages liquidity risk by maintaining adequate reserves and surplus, accessing undrawn bank facilities and obtaining funding from various other sources, as may be feasible. ALCO provides guidance and direction in terms of interest rate, liquidity, funding sources etc. ALCO meetings are held as may be required, however, the Company intends to hold more meetings in a year for the effective functioning. The minutes of ALCO meetings are placed before the Board of Directors at their next meeting for their perusal / approval / ratification.