

Aditya Birla Finance Limited

Disclosure on liquidity risk under RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies as on June 30, 2023.

i) Funding Concentration based on Significant Counterparty (both Deposits and Borrowings)

| Sr. No | No of Significant Counterparties | Amount (₹ in Crore) | % of total Deposits | % of Total Liabilities* |
|--------|----------------------------------|---------------------|---------------------|-------------------------|
| 1 | 21 | 57,918 | NA | 75% |

ii) Top 20 Large Deposits – Not Applicable

iii) Top 10 Borrowings -

| Amount (₹ in Crore) | % of Total Borrowings |
|---------------------|-----------------------|
| 45,108 | 60% |

iv) Funding Concentration based on Significant Instrument/Product

| Sr. No | Name of the Instrument | Amount (₹ in Crore) | % of Total Liabilities* |
|--------|---|---------------------|-------------------------|
| 1 | Term Loan | 39,960 | 52% |
| 2 | Secured Non-Convertible Debentures | 16,490 | 21% |
| 3 | Commercial Paper | 7,285 | 9% |
| 4 | Working Capital Facilities (Cash credit & WCDL) | 5,041 | 6% |
| 5 | External Commercial Borrowings | 2,324 | 3% |
| 6 | Sub-ordinate Debt | 2,277 | 3% |
| 7 | Intercorporate Borrowings | 1,080 | 1% |

* Total Liabilities does not include Net Worth

v) Stock Ratios

| Sr. No | Particulars | 30-June-23 |
|--------|---|------------|
| 1 | Commercial Papers to Total Liabilities* | 9% |
| 2 | Commercial Papers to Total Assets | 8% |
| 3 | NCDs (Original Maturity <1 year) to Total Liabilities | Nil |
| 4 | NCDs (original Maturity <1 year) to Total Assets | Nil |
| 5 | Other Short-Term Liabilities** to Total Liabilities* | 27% |
| 6 | Other Short-Term Liabilities** to Total Assets | 23% |

* Total Liabilities does not include Net Worth.

** Other Short Term Liabilities excludes Commercial Paper as they are already considered in 1 & 2.

vi) Institutional Set-up for Liquidity Risk Management

The Company has an Asset Liability Management Committee (ALCO), a management level committee to handle liquidity risk management. The ALCO meetings are held at periodic intervals. At the apex level, the Risk Committee (RC), a sub-committee of the Board of Directors of the Company, oversees the liquidity risk management. The RC subsequently updates the Board of Directors on the same.

Further NBFC are required to publicly disclose the information related to Liquidity Coverage Ratio on quarterly basis. Accordingly, the disclosure on Liquidity Coverage Ratio of Aditya Birla Finance Limited for Q1-FY2024 is as under:

| LCR Disclosure | | Q1-FY2024 | |
|-----------------------------------|--|---|---|
| Particulars | | Total unweighted Value (average) ¹ | Total weighted Value (average) ² |
| High Quality Liquid Assets | | | |
| 1 | Total High Quality Liquid Assets (HQLA) | 3,734 | 3,734 |
| Cash Outflow | | | |
| 2 | Deposits (for deposit taking companies) | - | - |
| 3 | Unsecured wholesale funding | 2,433 | 2,798 |
| 4 | Secured wholesale funding | 1,499 | 1,724 |
| 5 | Additional requirements, of which | | |
| (i) | Outflows related to derivative exposures and other collateral requirements | - | - |
| (ii) | Outflows related to loss of funding on debt products | - | - |
| (iii) | Credit and liquidity facilities | - | - |
| 6 | Other contractual funding obligations | 3,652 | 4,199 |
| 7 | Other contingent funding obligations | 279 | 321 |
| 8 | TOTAL CASH OUTFLOWS | 7,863 | 9,043 |
| Cash Inflow | | | |
| 9 | Secured lending | - | - |
| 10 | Inflows from fully performing exposures | 2,236 | 1,677 |
| 11 | Other cash inflows | 5,386 | 4,040 |
| 12 | TOTAL CASH INFLOWS | 7,622 | 5,717 |
| | | | Total Adjusted Value |
| 13 | TOTAL HQLA | | 3,734 |
| 14 | TOTAL NET CASH OUTFLOWS (Weighted value of Total Cash Outflow – Minimum of (Weighted value of Total Cash Inflows, 75% of Weighted value of Total Cash Outflows)) | | 3,326 |
| 15 | LIQUIDITY COVERAGE RATIO (%) | | 112% |

Notes:

1. Unweighted values must be calculated as expected outflow and inflow within 30 days. Averages are calculated on the basis of simple average of daily observation for Q1-FY2024.
2. Weighted values must be calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.