

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

Accordingly, the disclosures relating to liquidity risk as on 30th JUNE 2024 is given

i Funding Concentration based on Significant counter party

Sl No	No of Significant Counter Parties	Amount (Rs. in Crores)	% to Total Deposits	% of Total Liabilities
1	6	152.33	128.03%	13.70%

Notes:

* A 'Significant counter party' is defined as a single counter party or a group of connected

* Total Liabilities has been computed as Total Assets less Equity share capital less

ii Top 20 Large Deposits (amount Rs. in Crs) and % of Total Deposits

Top 20 Large Deposits	7.50
% of total Deposits	6.30%

iii Top 10 borrowers (Amt Rs. in Crs) of total borrowings

Top 10 borrowers	172.13
% of total borrowings	16.82%

Note:

* Total Borrowing has been computed as Gross Total Debt basis extant regulatory ALM

iv Funding Concentration based on significant instrument / product

Sl No	Name of the Product	Amount	% to
1	Non- Convertible Debentures - Public	463.66	41.71%
2	Sub Ordinate Debts	108.16	9.73%
3	Redeemable Non- Convertible Debentures	96.57	8.69%
4	Non Convertible Debentures - Unsecured	63.63	5.72%
5	Term Loans - Financial Institutions &	46.43	4.18%
6	From Banks: Cash Credit and Demand	83.21	7.48%
7	Fixed Deposits	118.98	10.70%
8	Term Loans - Corporates	21.42	1.93%
9	Redeemable Cumulative preference	21.08	1.90%
10	Commercial Papers	0.00	0.00%

Note:

* A 'Significant counter party' is defined as a single counter party or a group of connected or affiliated counter parties in aggregate for 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 basis extant ALM Guidelines

v Stock Ratios

Sl No	Stock Ratio	%
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1	Commercial papers as a % to Total	NA
2	Commercial papers as a % to Total Assets	NA
3	Non- Convertible Debentures (Original maturity of less than	8.88%
4	Non- Convertible Debentures (Original maturity of less than	7.40%
5	Other Short - Term Liabilites as a % to Total Liabilities	20.72%
6	Other Short - Term Liabilites as a % to Total Assets	17.26%

vi **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.

