

AA\$ RURAL HOUSING & MORTGAGE FINANCE LIMITED

Disclosure of Liquidity Risk as on September 30, 2023 as required under RBI notification DOR.NBFC (HFC).CC.No.118/03.10.136/2020-21 dated October 22, 2020

i) Funding Concentration based on significant counterparty¹

No. of significant Counterparties	(₹ in lakhs)	% of Total Deposits	% of Total Liabilities ³
1	4,953.06	N.A	14.32%

ii) Top 20 large deposits

Nil. The Company is registered with NHB as Non Deposit accepting HFC.

iii) Top 10 borrowings

Total amount of top 10 borrowings (₹ in lakhs)	26,882.56
Percentage of amount of top 10 borrowings to total borrowings	79.65%

iv) Funding concentration based on significant instrument/product²

Name of instrument/product	As at 30 September 2023	% of Total Liabilities ³
Term Loans (₹ in lakhs)	32,506.43	93.96%

v) Stock Ratio

Particulars	As at 30 September 2023
Commercial paper as a percentage of total liabilities	N.A.
Commercial paper as a percentage of total assets	N.A.
Non convertible debentures (original maturity of less than one year) as a percentage of total liabilities	N.A.
Non convertible debentures (original maturity of less than one year) as a percentage of total assets	N.A.
Other short term liabilities as a percentage of total liabilities ³	30.64%
Other short term liabilities as a percentage of total public funds ⁴	31.28%
Other short term liabilities as a percentage of total assets	24.48%

vi) Institutional set-up for liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities and bank loans. The Company has access to a sufficient variety of sources of funding.

The composition of the Company's liability mix ensures healthy asset liability maturity pattern and well diverse resource mix.

Capital adequacy ratio of the Company, as on 30 September 2023 is 35.24% against regulatory norms of 15%. Tier I capital is 26.24%. Tier II capital is 9.00% which may increase from time to time depending on the requirement and also as a source of structural liquidity to strengthen asset liability maturity pattern.

The total cash credit limit available to the Company is ₹ 1,200 lakhs spread across 2 banks. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

Notes:

- Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No. 102/ 03.10.001/ 2019-20 dated November 4, 2019 on 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies'.
- Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies'.
- Total liabilities represents total liabilities as per balance sheet.
- Public funds are as defined in Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021.