

# ***LIQUIDITY RISK MANAGEMENT & ALM POLICY***

*Approved by the Board of Directors on April 28, 2026*

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## **1. Objective of the Policy**

As the business profile of Five-Star Business Finance Limited (FSBFL/Company) involves constant borrowings and lending, the Company is exposed to various financial risks associated with such businesses. The financial risks to which FSBFL can be exposed to has been identified and captured as part of this policy document. The key risks identified during the risk assessment process relating to the Treasury and financial aspects of FSBFL business were:

- Liquidity Risks
- Interest Rate Risks
- Forex/Currency Risks

In order to manage these risks by way of a structured approach it is proposed to put in place a comprehensive **Financial Risk & Asset Liability Management Policy**. The objective of this policy is to lay down operating boundaries for the organisation to manage the potential risks in terms of variance in earnings and profitability due to volatility in the financial markets which may result in the above risks.

**The following points detail out the objective of the policy:**

- Providing a comprehensive and dynamic framework for identifying, measuring, monitoring, and managing all treasury related risks.
- Efficient liquidity risk management to ensure FSBFL's ability to meet its liability obligations as they become due is sustained, not only during normal times but also during any crisis.
- Measuring interest rate sensitivity of assets and liabilities to ascertain the impact of change in interest rate on FSBFL's liability profile.
- Recommend pricing, borrowing mix and maturity profile of both assets & liabilities consistent with the interest rate view and risk-management objectives.

## **2. Business Planning**

- **Business Planning Estimate:** The Annual Business Plan for any given financial year is completed by Q4 of the previous financial year. This is to be approved by the Board of Directors. The Treasury aspects of the Business Plan will cover the following:
  - a) **Cash Flows:** The funding requirement for the period is arrived at based on the business growth, collections, repayments and expenses. The borrowings requirement is arrived at considering liability maturities and equity infusion, if any. The borrowings of the Company are made through the various sources of borrowings available to the Company (i.e either as bank borrowings / market borrowings / securitization / ECB etc. or mix of any of these). The process / mix of borrowing are covered in resource planning policy.
  - b) **Borrowing mix:** The ideal mix of short-term borrowings and long-term borrowings is arrived at considering the projected ALM. The borrowing mix is based on the ALM and will follow the trend of asset maturities, whereby shorter tenure requirements are met through CPs, WCDL/CC & ICDs and long-term requirements are met through Term loans, NCDs, MLDs, ECB & Offshore borrowings etc.

- c) **Interest rate estimate:** Inputs are obtained from discussions with market makers, debt arrangers/ Treasury desk of banks on the expected interest rates for the financial year for which business plan is being prepared. Coupled with the company's financial position, rating and cost of incremental debt, the final borrowing rates are determined and business projections are built.

For existing borrowings, the prevailing rate of interest is considered irrespective of whether the borrowing is a fixed rate / floating rate borrowing. Given the interest spreads and margins of the company, increase in MCLR, etc may not present a huge anomaly and hence it is not factored into the business plan.

- d) **Maturity profile:** The repayment amounts on account of existing borrowings are taken into consideration while drawing up the funding requirement. Likewise, the interest servicing on such borrowings is also taken into consideration.
- e) **Interest cost:** Month wise and borrowing type wise interest cost including processing fee/ arranger fee are estimated and the likely finance cost (interest cost+ processing/arranger fee) is arrived at for each month/quarter, aggregating to the financial year. The existing charges on account of processing fee/ arranger fee already paid and not yet fully amortized, are also considered.
- f) **Board Resolution and Rating Limits:** The monthly closing borrowings are also estimated from the same workings. The level of closing borrowings is compared to the overall borrowings resolution and limits applicable to each type of borrowings. The projected borrowings limits are checked against available approved limit and, if required, this would be enhanced.
- **Revised Estimate:** On a quarterly basis the borrowings are updated for the actual borrowings, latest cash flows and estimation is done for the balance period. Comparison with budget is also provided. This is discussed in the monthly ALCO meetings, however, the bottoms-up business plan is generally not revisited unless there is a drastic change in the economic situation.
  - **Projected ALM:** Based on the business asset growth, product segment wise maturity pattern is plotted in respective time buckets. The repayments of existing borrowings' maturities are also plotted on the respective time buckets. Plan for borrowings including borrowings mix as explained above, estimated closing borrowings and their maturity patterns are estimated. Basis this the gaps, if any, in time buckets are ascertained and fresh borrowings mix is estimated for the proposed borrowings as per Business Plan.

### 3. Organization Structure (Liability)

The Board of Directors of FSBFL obtains the powers for borrowings from the shareholders during the Annual General Meeting (AGM). For the rest of the treasury operations the Board of Directors is the highest approving authority. In order to facilitate operational flexibility, the Board delegates its powers with regard to treasury related authority to the

various sub-committees / management team like **Business & Resource Committee** (herein after called 'BRC'), ALCO, Managing Director, Chief Financial Officer, Chief Treasury Officer etc.

- **Board of Directors**

The Board of Directors will review directly or through delegated committee(s) / key managerial persons the following on a periodic basis:

- Key treasury activities like borrowings / investments and associated cost of funds / returns
- Changes in Committee or Delegation of authority for treasury activities
- Changes in treasury related policies
- Risks associated with treasury activities and mitigants thereof

- **ALCO**

Asset Liability Management Committee (ALCO) shall function under the leadership of the Managing Director and/or CFO with reporting responsibility to the Board. ALCO shall be the decision-making unit responsible for financial management relating to treasury activities. The ALCO shall be responsible for ensuring adherence to the risk limits set by the Board as well as for deciding the treasury strategy of FSBFL.

a) ALCO - OBJECTIVE:

The organization and the management should constantly monitor the amount of funds raised and take necessary approvals to ensure that the Company has the borrowing limits as per relevant sections of the Companies Act & as per regulatory guidelines.

It is imperative that the organization try and minimize its cost of funds to the maximum extent possible so that the benefit can be passed on to the borrowers in the form of lower cost loans.

b) ALCO Composition: The ALCO shall be constituted as follows:

- i. Managing Director, Chief Financial Officer, Chief Treasury Officer, Chief Credit Officer and Chief Risk Officer . Others may be invited on a need basis.
- ii. Managing Director shall be the Chairman of the Committee and in the absence of Managing Director, CFO shall Chair the meeting, else the members shall elect a Chairman for the meeting.
- iii. Minimum quorum of ALCO is three members.
- iv. Chief Treasury Officer shall be the convener of the ALCO meetings. In his/her absence, the meetings shall be convened by any other member as decided by ALCO. The convener shall assist compliance/secretarial/ALM group team to prepare the agenda, conduct the proceedings of the meetings, present the reports, record the minutes and circulate them to ALCO and the Board.
- v. Meeting frequency: The ALCO shall meet at least once every two months or at shorter intervals, if necessary.

- vi. Minutes of ALCO: The Minutes of the concluded ALCO meeting are to be circulated to the ALCO meeting participants by the convenor along with the presentation made at the meeting.

c) Roles & Responsibility:

ALCO shall be responsible for:

- i. Ensuring that the treasury management strategy is consistent with FSBFL's liquidity risk management policies including maintenance of Liquidity Coverage Ratio (LCR) and that the policy limits set by Board and by the regulator in this regard are adhered to.
- ii. Articulating current interest rate view of FSBFL and based on this view decide on product pricing, desired maturity profile of liabilities and also the mix of incremental assets & liabilities.
- iii. Liquidity and interest rate risk management by review of structural liquidity gap, dynamic liquidity statement and duration gap (interest rate sensitivity) statement.
- iv. Funding and capital planning: At every meeting of the ALCO the borrowings plan for the next 2/3 months shall be presented including the requirement for Tier I/ II borrowings/ capital infusion/ securitization of assets.
- v. Recommending 'cost of funds' or 'transfer price' for new products, if any.
- vi. Forecasting and analyzing "what if scenario" and preparation of contingency plan for borrowings required, on a need basis.
- vii. Reviewing regulatory requirements having a bearing on Treasury activities (including any new regulatory requirements) and CRAR / ALM returns submitted with RBI from time to time.
- viii. Derivative products to be used for hedging of foreign currency and interest rate risk if any.

• **Business & Resource Committee (BRC):**

The Board has empowered the Business & Resource Committee (BRC) to approve the terms and conditions of potential sanctions from lenders. The borrowing limits across the various forms of borrowings have been approved by the Board and by the shareholders, as is required by the various regulations.

The Business & Resource Committee consists of at least three Directors of the company and is a sub-committee of the Board of Directors. The BRC anchors the following treasury related activities:

- Board delegates power of borrowing to BRC. This is either held by BRC or is delegated partly to key managerial team (MD/ CEO/CFO/Company Secretary etc.).
- All the borrowing transactions of the company are approved by BRC, amongst its other responsibilities.

- **Responsibilities of Chief Treasury Officer (CTO)**

The CTO will be responsible for monitoring and ensuring the following:

- Resource planning
- Optimal pricing on incremental borrowings
- Relationship building with various investor segments
- Cash flow monitoring and ensuring availability of funds
- Asset liability management
- Regulatory compliances from a Treasury perspective
- Investments
- Monitoring all treasury related risks and ensuring risk levels are within norms
- Validating MIS on treasury activities

#### **4. Liquidity Risk Management Framework**

##### **A. Role of the Board**

The Board of Directors (Board) shall have the overall responsibility for the implementation of ALM systems. The Board shall set up an Asset Liability Management Committee (ALCO) headed by the MD / CEO or the Joint Managing Director (JMD) / Executive Director (ED).

##### **B. Asset Liability Management Governance**

The aim of the Asset Liability Management (ALM) system is to offer a comprehensive and dynamic framework for measuring, monitoring, and managing liquidity, interest rate, equity, and foreign exchange risks. The system shall involve the identification and assessment of various types of risks and enable dynamic adjustment of balance sheet items (assets and liabilities) to manage these risks effectively.

The ALM system shall be based on following three pillars:

- (1) ALM Information Systems comprising:
  - (i) Management Information Systems (MIS); and
  - (ii) Information availability, accuracy, adequacy and expediency.
- (2) ALM Organisation comprising:
  - (i) Structure and responsibilities; and
  - (ii) Level of top management involvement.
- (3) ALM Process comprising:
  - (i) Liquidity risk management; and
  - (ii) Interest rate risk management.

##### **C. ALM Information Systems**

FSBFL has a reliable MIS design to provide timely and forward-looking information on the liquidity position of the company and the Group to the Board and ALCO, both under normal and stress situations. It captures all sources of liquidity risk, including contingent risks and those arising from new activities, and has the ability to furnish more granular and time-sensitive information during stress events.

Some of the MIS reports are:

- i. Cash flows- all inflows/outflows with respect to liquidity
- ii. Daily LCR
- iii. Receivable statement for stock availability
- iv. Monitoring of ISIN issuances (within the regulatory cap for maturing ISINs in a FY)
- v. Quarterly Repayment track to avoid bulkiness in a particular quarter
- vi. Concentration risk
- vii. All in cost analysis of borrowings etc.

The company shall disclose, on a quarterly basis, the information specified in **Appendix-I**, on its official website. The same shall also be included as Notes to Accounts in the Annual Financial Statements that enables market participants to make an informed judgment about the soundness of its liquidity risk management framework and liquidity position.

#### **D. ALM Organisation**

- (1) The overall responsibility for implementation of ALM systems shall rest with the Board of the Company.
- (2) Five-Star has appointed a Chief Risk Officer (CRO) as required by regulatory mandate and the CRO shall be involved in the process of identification, measurement, and mitigation of liquidity risks.
- (3) FSBFL has set up ALCO consisting of members of the top management team which shall be responsible for ensuring adherence to the policies and limits set by the Board as well as implementing the liquidity risk management strategy of the Company. The ALCO shall also decide on the desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of all branches
- (4) The ALM Support Group consisting of the operating staff shall be responsible for analysing, monitoring, and reporting the liquidity risk profile to the ALCO.
- (5) Management shall ensure that an independent party regularly reviews and evaluates the various components of the NBFC's liquidity risk management process at least annually.

## **E. Liquidity Risk Management**

The Board shall have the overall responsibility for management of liquidity risk. The Board shall decide the strategy, policies and procedures of the FSBFL to manage liquidity risk in accordance with the liquidity risk tolerance/limits decided by it.

### **(1) Liquidity Risk Tolerance**

FSBFL has a sound process for identifying, measuring, monitoring and controlling liquidity risk. It clearly articulates a liquidity risk tolerance limit that is appropriate for its business strategy. These limits are dealt with later in this document.

### **(2) Liquidity Costs, Benefits and Risks in the Internal Pricing**

During the business plan exercise, FSBFL shall quantify liquidity costs and benefits so that the same may be incorporated in internal product pricing, performance measurement and new product approval process for all material business lines, products and activities.

### **(3) Off-balance Sheet Exposures and Contingent Liabilities**

FSBFL adopts a process of identifying, measuring, monitoring and controlling liquidity risk which includes a robust framework for comprehensively projecting cash flows arising from assets, liabilities and off-balance sheet items over the relevant time horizon. The management of liquidity risks relating to certain off-balance sheet exposures on account of special purpose vehicles, financial derivatives, and, guarantees and commitments may be given particular importance due to the difficulties that many NBFCs have in assessing the related liquidity risks that could materialize in times of stress.

### **(4) Funding Strategy – Diversified Funding**

FSBFL has established a funding strategy that provides effective diversification in the sources and tenor of funding. It maintains an ongoing presence in its chosen funding markets and strong relationships with fund providers to promote effective diversification of funding sources. The company does not believe in over-reliance on a single source of funding. Funding strategy should also take into account, the qualitative dimension of the concentrated behavior of repayments (including put/reset options) in typical market conditions. The details of lender-wise exposures, product-wise exposures, etc have been documented in the Resource Planning Policy.

### **(5) Collateral Position Management**

FSBFL actively manages its collateral positions, differentiating between encumbered and unencumbered assets. It monitors the legal entity and physical location where collateral is held and how it may be mobilized in a timely manner. Further, the company ensures to have sufficient collateral to meet expected and unexpected borrowing needs and potential increases in margin requirements over different timeframes.

### **(6) Stress Testing**

Stress testing shall form an integral part of the overall governance and liquidity risk management culture in NBFCs. FSBFL shall conduct stress tests on a need basis for a variety of short-term and protracted NBFC-specific and market-wide stress scenarios

(individually and in combination). In designing liquidity stress scenarios, the nature of the FSBFL's business, activities and vulnerabilities are taken into consideration so that the scenarios incorporate the major funding and market liquidity risks to which FSBFL is exposed.

#### (7) Contingency Funding Plan (CFP)

The liquidity policy of the company, whereby an amount equivalent to atleast the next 3 months' lender repayments and opex and 1 months' future disbursements is expected to be carried by the company in the form of cash/bank/liquid investments acts as a surrogate contingency plan to tide over any disruptions in the external environment of the company. This is tracked by ALCO and any reduction in the amount actually held by the company is discussed in detail at the ALCO. Applicability of LCR also acts as a cushion in times of stress. Further, the company also aims to maintain an optimal leverage which, in addition to giving significant comfort to the lenders, will also give it large headroom of assets available to be securitized, which provides comfort from a liquidity source perspective.

These aspects are also covered in the segment on Top Treasury Risks (Section 6 - SI No.1 : Net Stable Funding Ratio, SI No.2 : Adequacy of funds for business activities and SI No.7 : LCR) with the respective thresholds for escalation where the limits defined are being neared / breached. Availability of surplus securitizable assets is presented to the ALCO periodically in every meeting for tracking purposes.

#### 7.1 Crisis Management Group

As a special measure to coordinate and navigate times of crisis, a Crisis Management Group shall be formed, which shall be responsible for the implementation of the CFP in case of occurrence of a liquidity crisis. The Crisis Management Group will consist of the following heads of functions:

1. Chief Treasury Officer / Head Treasury
2. Chief Risk Officer
3. Head of Finance

#### 7.2 Early Warning Signals (EWS)

The following qualitative and quantitative early warning signals will be considered for determining potential liquidity problems:

##### 7.2.1 Qualitative EWS

- a. Real or perceived negative publicity
- b. Downgrade or announcement of a potential downgrade by credit rating agency (ies).
- c. Overall economy experiencing tight liquidity conditions.

Qualitative EWS will be reviewed by the ALCO and judged by the ALCO members basis information received from various sources, both internal & external to the Company.

##### 7.2.2 Quantitative EWS

- a. Liquidity ratios (as adopted in stock approach)

- b. Cumulative mismatches in Structural Liquidity Statement breaching gaps defined in this policy
- c. Inability to maintain minimum liquidity as per Company's liquidity policy due to inability to attract funding.

### 7.3 Crisis Management Group - Operationalizing the CFP

In the event of a liquidity crisis / contingency, the ALCO Support Group shall update the Crisis Management Group regarding the funding plan. The Crisis Management Group will then convene an ALCO meeting on urgent basis to discuss and freeze a CFP.

The ALCO may explore the following options upon the occurrence of a contingency / liquidity crisis:

- a. Drawdown of any unavailed lines available from banks / FIs / other lenders over the next 7 days
- b. Issuance of NCDs / CPs / other instruments immediately over the 7-14 days to mop up liquidity from market
- c. Outright sale of HQLA over the next 7-14 days
- d. Downsizing of loan book by sale (PTC/direct assignment) to banks / FIs over the next 2 to 3 weeks

Prioritization of use of each of these avenues will be decided by the Crisis Management Group in consultation with ALCO members.

## F. Maturity Profiling

- (1) The maturity ladder approach shall be used as the standard tool for measuring and managing net funding requirements. The Company shall calculate the cumulative surplus or deficit of funds at selected maturity buckets to assess the funding gaps and liquidity profile over varying time horizons.
- (2) Maturity Profile to measure the future cash flows in different time buckets, as per the format in **Appendix II**. The time buckets shall be distributed as under:
  - (i) 1 day to 7 days;
  - (ii) 8 days to 14 days;
  - (iii) 15 days to 30 / 31 days (one month);
  - (iv) Over one month and upto 2 months;
  - (v) Over two months and upto 3 months;
  - (vi) Over 3 months and upto 6 months;
  - (vii) Over 6 months and upto 1 year;
  - (viii) Over 1 year and upto 3 years;
  - (ix) Over 3 years and upto 5 years; and
  - (x) Over 5 years
- (3) Since FSBFL does not hold public deposits, all investments in securities shall be categorized as non-mandatory. The maturity profiling of non-mandatory securities shall be as under:
  - (i) The listed non-mandatory securities shall be placed in any of the "1 day to 7 days, 8 days to 14 days, 15 days to 30 / 31 days (One month)", Over one

month and upto 2 months", and "Over two months and upto 3 months" buckets, depending upon the defeasance period proposed by the NBFC.

- (ii) The unlisted non-mandatory securities (e.g., equity shares, securities without a fixed term of maturity) shall be placed in the "Over 5 years" buckets, whereas unlisted non-mandatory securities having a fixed term of maturity may be placed in the relevant time bucket as per residual maturity.

Alternatively, the NBFC may follow the concept of 'Trading Book' for maturity profiling of their investment portfolio.

## G. Liquidity Mismatch Management

- (1) Within each time bucket, there could be mismatches depending on cash inflows and outflows. While the mismatches up to one year would be relevant since these provide early warning signals of impending liquidity problems, the main focus shall be on the short-term mismatches, viz., 1-30/31 days. **The net cumulative negative mismatches in the Statement of Structural Liquidity in the maturity buckets 1-7 days, 8-14 days, and 15-30 days shall not exceed 10%, 10% and 10% of the cumulative cash outflows in the respective time buckets. FSBFL has also adopted an internal prudential limit of a maximum of 10% for any cumulative negative mismatches up to 1 year (refer Section 6, Top Treasury Risks). Further, FSBFL has also adopted a cumulative negative mismatch limit of 15% for their structural liquidity statement for buckets above 1yr and upto the "Above 5 years" bucket for monitoring purpose.**
- (2) The Structural Liquidity Statement shall be prepared by placing all cash inflows and outflows in the maturity ladder according to the expected timing of cash flows. A maturing liability shall be a cash outflow while a maturing asset shall be a cash inflow.
- (3) The Company shall also estimate its short-term liquidity profile over a time horizon spanning from 1 day to 6 months, based on business projections and other commitments for short term liquidity planning and monitoring on dynamic basis.

## H. Liquidity Risk Measurement - Stock Approach

In addition to the measurement of structural and dynamic liquidity, FSBFL is also mandated to monitor liquidity risk based on a "stock" approach to liquidity. The monitoring shall be by way of predefined internal limits (refer Point 5 - No. 7 & table below this - where ratios/limits adopted are covered) as decided by the Board for various critical ratios pertaining to liquidity risk.

Indicative liquidity ratios are:

- short-term liabilities to total assets;
- short-term liabilities to long-term assets;
- commercial papers to total assets;
- non-convertible debentures (NCDs) (original maturity less than one year) to total assets;
- short-term liabilities to total liabilities;

- long-term assets to total assets.

Liquidity / stock ratios adopted by FSBFL for tracking are contained in the section on Top Treasury Risks (Section 6).

## **I. Currency Risk Management**

### **a. Currency Risk Identification**

Currency risk refers to the possibility that exchange rate movements may adversely impact the value of foreign currency assets or liabilities. The sources of currency risk may be both on-balance sheet and off-balance sheet positions. If the liabilities in one currency exceed the level of assets in the same currency, then the currency mismatch can add or erode value depending upon the currency movements.

FSBFL currently lends only in domestic currency and therefore does not have foreign currency denominated assets on its balance sheet. However, as part of its strategy to diversify its mix of sources of funds and to keep alternative lines of funding open, FSBFL may raise foreign currency borrowings. Repayment of interest and principal of these foreign currency borrowings would expose FSBFL to the risk of exchange rate fluctuations.

### **b. Currency Risk Measurement**

FSBFL would measure currency risk through Net Open Position (NOP). The Net Open Position (NOP) would be calculated based on the difference between all the outflows of a particular currency and all the inflows of the same currency. In the case of FSBFL the outflows would include the principal as well as interest components of foreign currency loans, whereas the inflows would include the hedged position in the derivative products like currency swaps, foreign exchange forwards, etc.

Since FSBFL may raise foreign currency borrowings, it might be exposed to currency risk which can be addressed by appropriate hedging strategy. ALCO shall be taking decisions on framing hedging strategy as well as proportion of hedging on immediate or prospective basis. In case, the total exposures are not fully hedged, Treasury department shall update ALCO on regular basis on the effect of volatility on the open exposure.

The hedging strategy could vary, from taking forward foreign exchange cover to complex derivative structure. Therefore, ALCO shall be updated on risk propositions of such hedging strategies before entering into such deals. Treasury Department shall monitor the hedge effectiveness of such strategies for ALCO.

## **J. Interest Rate Risk (IRR) Management**

Interest rate risk is the risk where changes in market interest rates might adversely affect FSBFL's financial condition. FSBFL deploys its funds at fixed rates (pre-determined at

the time of contract) which gets run down regularly in EMI structures. On the other hand, liabilities have varying structures (fixed/variable rates of interest) and also include repayment in instalments or in bullets. Thus, a mismatch arises in interest rates due to the difference in structures. While the borrowing programme for a financial year is determined at the time of budgeting, the exact mix and interest rates of borrowings at fixed and floating rates depend on market conditions and views of Treasury Department. Thus, FSBFL is exposed to interest rate risk which needs to be managed.

Interest rate risk can include any of the following:

- Repricing Risk:

Risk arising from timing differences in the maturity (for fixed rate) and repricing (floating rate) of assets, liabilities and off-balance sheet positions.

- Yield Curve Risk

Yield curve risk is the risk arising from changes in the slope of the yield curve.

- Basis Risk

The risk that price changes in the underlying transaction and its hedge will not perfectly offset each other and would result into gains / losses.

- Reinvestment Risk

The risk resulting from the fact that interest or dividends earned from an investment may not be able to be reinvested in such a way that they earn the same rate of return as the invested funds that generated them.

- Embedded Option Risk

The risk that a change in prevailing interest rates will lead to an adverse impact on earnings or capital caused by changes in the timing of cash flows from investments. Cash flows may be received earlier than expected as a result of the exercise of options or of embedded options in financial contracts.

Changes in the underlying pricing of liabilities to the company (both incremental cost of borrowing in the period as well as borrowing cost of the company for the period) will be presented to the ALCO. Any steps related to changes in pricing of loans to customers basis this will be taken up as required once these facts are presented for review in the ALCO.

The immediate impact of changes in the interest rates is on FSBFL's earnings through changes in the Net Interest Income (NII). A long-term impact of changes in interest rates is on FSBFL's net economic value through changes in the economic values of its assets, liabilities, and off-balance sheet positions. The interest rate risk when viewed from this perspective is known as 'earnings perspective'. FSBFL will use a methodology to measure Interest Rate risk keeping this perspective in mind.

## K. Gap Analysis

- (1) Gap or Mismatch risk measurement measures mismatches between rate sensitive liabilities (RSL) and rate sensitive assets (RSA) (including off-balance sheet positions) over different time intervals as at a given date. An asset or liability is normally classified as rate sensitive if:
  - I. There is a cash flow within the time interval under consideration.
  - II. The interest rate resets / reprices contractually during the interval.
  - III. The rate is dependent on changes in the Policy rates by the Reserve Bank.
  - IV. It is contractually pre-payable or withdrawable before the stated maturities.
  
- (2) The Company shall prepare Gap Report by grouping rate sensitive liabilities, assets, and off-balance sheet positions into time buckets according to residual maturity or next repricing period, whichever is earlier. All investments, advances, deposits, borrowings, and purchased funds that mature / reprice within a specified timeframe shall be treated as interest rate sensitive. Any principal repayment of loan, including final principal payment and interim instalment, expected to be received within the time horizon, shall also be classified as rate sensitive. Interest rate bearing assets and liabilities that vary with a reference rate and reprice at pre-determined intervals shall be treated as rate sensitive at the time of repricing. While the interest rates on term deposits are fixed during their currency, the tranches of advances portfolio with floating rates shall be treated as rate sensitive.
  
- (3) Gaps shall be identified in the following time-buckets:
  - a. 1 day to 7 days
  - b. 8 days to 14 days;
  - c. 15 days - 30 / 31 days (one month);
  - d. Over one month to 2 months;
  - e. Over two months to 3 months;
  - f. Over 3 months to 6 months;
  - g. Over 6 months to 1 year;
  - h. Over 1 year to 3 years;
  - i. Over 3 years to 5 years;
  - j. Over 5 years; and
  - k. Non-sensitive.
  
- (4) For this purpose, classification of various items of rate sensitive assets and liabilities and off-balance sheet items as per regulatory requirements shall be undertaken and a statement of Interest Rate Sensitivity shall be prepared.
  
- (5) A positive gap ( $RSA > RSL$ ) indicates potential benefit from rising interest rates, while a negative gap ( $RSA < RSL$ ) indicates potential benefit from declining interest rates. Gap reports shall be used as a measure of interest rate sensitivity.

- (6) Following are the prudential limits adopted by FSBFL for each time bucket for this purpose:

<b>Time Bucket</b>	<b>Internal Limit on Negative Mismatch (% of Earning Assets)</b>
1-7 days	10%
8-14 days	10%
15-30 days	10%
1-2 months	10%
2-3 months	10%
3-6 months	10%
6 months - 1 year	10%
1-3 years	75%
3-5 years	75%

#### **L. Regulatory reporting**

FSBFL shall ensure that all applicable regulatory reporting (DNBS04A/DNBS04B et al) are submitted in a timely and accurate manner.

### **5. Liquidity Coverage Ratio**

#### **A. Liquidity Coverage Ratio (LCR)**

- 1) Requirement of maintenance of LCR is applicable to all NBFCs with asset size above ₹5000 crore. Hence this would be applicable to FSBFL.
- 2) This shall entail maintenance of an adequate level of unencumbered HQLA that can be converted into cash to meet its liquidity needs for a 30 calendar-day time horizon under a significantly severe liquidity stress scenario.
- 3) LCR is to be calculated as follows:

$$\frac{\text{Stock of High-Quality Liquid Assets (HQLAs)}}{\text{Total Net Cash Outflows over the next 30 calendar days}}$$

- 4) The minimum LCR to be maintained for applicable NBFCs / FSBFL is 100%.
- 5) The stress scenario for LCR intends to cover a combined idiosyncratic and market-wide shock that would result in:
  - i. Run-off of a proportion of deposits (in case of a deposit taking NBFC)
  - ii. Partial loss of unsecured wholesale funding capacity.
  - iii. Partial loss of secured, short-term financing with certain collateral and counterparties.
  - iv. Additional contractual outflows that would arise from a downgrade in FSBFL's credit rating, including collateral posting requirements.
  - v. Increases in market volatilities that impact the quality of collateral or potential future exposure of derivative positions and thus require larger collateral haircuts or additional collateral or lead to other liquidity needs.
  - vi. Unscheduled draws on committed but unused credit and liquidity facilities that the company has provided to its clients; and,

- vii. The potential need for the company to buy back debt or honor non-contractual obligations in the interest of mitigating reputational risk.

## **B. High Quality Liquid Assets (HQLA)**

Liquid assets comprise of assets that can be readily sold or immediately converted into cash at little or no loss of value or used as collateral to obtain funds in a range of stress scenarios. Such assets shall be unencumbered. Assets are considered to be HQLA if they can be easily and immediately converted into cash at little or no loss of value. The liquidity of an asset depends on the underlying stress scenario, the volume to be monetized and the timeframe considered. Nevertheless, there are certain assets that are more likely to generate funds without incurring large discounts due to fire-sales even in times of stress.

## **C. Classification of assets for HQLA Computation**

For computing LCR, assets to be included in stock of HQLA are those that the NBFC is holding on the first day of the stress period. Such assets shall be valued at an amount no greater than their current market value. Depending upon the nature of assets, they have been assigned different haircuts as indicated below, which shall be applied while calculating the HQLA for the purpose of calculation of LCR. The assets and the haircuts are as under.

### **(I) Assets to be included as HQLA *without any haircut*:**

- i. *Cash* - Cash would mean cash on hand and demand deposits with Scheduled Commercial Banks.
- ii. *Government securities*
- iii. Marketable securities issued or guaranteed by foreign sovereigns satisfying all the following conditions:
  - Assigned a zero per cent risk weight by banks under standardized approach for credit risk;
  - Traded in large, deep and active repo or cash markets characterised by a low level of concentration; and proven record as a reliable source of liquidity in the markets (repo or sale) even during stressed market conditions; and
  - Not issued by a bank / financial institution / NBFC or any of its affiliated entities

### **(II) Assets to be considered for HQLA with a minimum *haircut of 15%* shall not be issued by a bank / financial institution / NBFC or any of its affiliate entities and are limited to the following:**

- i. Marketable securities representing claims on or claims guaranteed by sovereigns, Public Sector Entities (PSEs) or multilateral development banks that are assigned a 20% risk weight by banks under standardized approach for credit risk.
- ii. Corporate bonds, not issued by a bank/financial institution/NBFC or any of its affiliated entities, which have been rated AA- or above by an eligible credit rating agency.

- iii. Commercial Papers not issued by a bank/PD/financial institution or any of its affiliated entities, which have a short-term rating equivalent to the long-term rating of AA- or above by an eligible credit rating agency.
- (III) Assets to be considered for HQLA with a minimum **haircut of 50%** shall not be issued by a bank / financial institution / NBFC or any of its affiliate entities and are limited to the following:
- i. Marketable securities representing claims on or claims guaranteed by sovereigns having risk weights higher than 20% but not higher than 50%, i.e., they should have a credit rating not lower than BBB-as prescribed for banks in India.
  - ii. Common Equity Shares included in NSE CNX Nifty index and / or S&P BSE Sensex index.
  - iii. Corporate debt securities (including commercial paper) and the securities having usual fundamental and market related characteristics for HQLAs and meeting the following conditions:
    - a) have a long-term credit rating from an eligible credit rating agency between A+ and BBB- or in the absence of a long-term rating, a short-term rating equivalent in quality to the long-term rating.
    - b) traded in large, deep and active repo or cash markets characterized by a low level of concentration; and
    - c) have a proven record as a reliable source of liquidity in the markets (repo or sale) even during stressed market conditions, i.e. a maximum decline of price not exceeding 20% or increase in haircut over a 30-day period not exceeding 20 percentage points during a relevant period of significant liquidity stress.
- (IV) All assets in the stock of liquid assets must be managed as part of that pool by the FSBFL and shall be subject to the following operational requirements:
- i) must be available at all times to be converted into cash.
  - ii) shall be unencumbered.
  - iii) shall not be co-mingled/ used as hedges on trading position; designated as collateral or credit enhancement in structured transactions or designated to cover operational costs.
  - iv) shall be managed with sole intent for use as a source of contingent funds; and,
  - v) shall be under the control of specific function/s charged with managing liquidity risk of the bank, e.g. ALCO.
- (V) FSBFL should periodically monetize a proportion of assets through repo or outright sale to test the salability of these assets and to minimize the risk of negative signaling during distribution of their liquidity needs by currency.
- (VI) If an eligible liquid asset becomes ineligible (e.g. due to downgrade), FSBFL will be allowed to keep the asset in their stock of liquid assets for an additional 30 calendar days in order to have sufficient time to adjust the stock / replace the asset.
- (VII) FSBFL shall ensure that there is always a cushion of unencumbered high quality liquid assets available to withstand a range of stress events including those involving the loss or impairment of both unsecured and secured funding sources. This is ensured through

stress testing assuming no further funding is available amongst the stress testing scenarios. The company would also endeavour to hold (and to add to, basis projected outflows) HQLAs without any haircuts in the form of Government Securities to comfortably comply with the regulatory LCR requirement, ensuring that other HQLAs without any haircut (cash on hand and demand deposits with Scheduled Commercial Banks etc) would act as buffer.

#### D. Total net cash outflows

A) Total net cash outflows is the difference between total expected cash outflows and total expected cash inflows over the subsequent 30 calendar days. Considering the unique nature of the balance sheet of the FSBFL, stressed cash flows shall be computed by assigning a predefined stress percentage to the overall cash inflows and cash outflows. Total expected cash outflows (stressed outflows) shall be calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by 115 per cent (15 per cent being the rate at which they are expected to run off further or be drawn down). Total expected cash inflows (stressed inflows) shall be calculated by multiplying the outstanding balances of various categories of contractual receivables by 75 per cent (25 per cent being the rate at which they are expected to under-flow). However, total cash inflows shall be subjected to an aggregate cap of 75 per cent of total expected cash outflows.

*Accordingly, the formula for total net cash outflows over the next 30 days shall be as under:  
Total Net Cash outflows over the next 30 days = Stressed Outflows - Min (stressed inflows; 75 per cent of stressed outflows).*

Items of Cash Inflows	Items of Cash Outflows
<ul style="list-style-type: none"> <li>a. Maturing secured lending transactions backed by HQLA</li> <li>b. Margin Lending backed by all other collateral</li> <li>c. All other assets</li> <li>d. Lines of credit – Credit or liquidity facilities or other contingent funding facilities that FSBFL holds at other institutions for its own purpose</li> <li>e. Other inflows by counterparty</li> <li>f. Net derivatives cash inflows</li> <li>g. Other contractual cash inflows (please specify as footnotes)</li> </ul>	<ul style="list-style-type: none"> <li>a. Deposits</li> <li>b. Unsecured wholesale Funding</li> <li>c. Secured Funding</li> <li>d. Additional requirements [(i)+(ii)+(iii)+(iv)+(v)+(vi)+(vii)+(viii)]: <ul style="list-style-type: none"> <li>(i) Net derivative cash outflows</li> <li>(ii) Liquidity needs (e.g. collateral calls) related to financing transactions, derivatives and other contracts where ‘downgrade triggers’ up to and including a 3-notch downgrade</li> <li>(iii) Market valuation changes on derivatives transactions (largest absolute net 30-day collateral flows realized during the preceding 24 months) based on look back approach</li> <li>(iv) Increased liquidity needs related to the potential for valuation changes in collateral securing derivatives</li> <li>(v) Increased liquidity needs related to excess non-segregated collateral held that could contractually be called at any time by the counterparty</li> </ul> </li> </ul>

	(vi) Increased liquidity needs related to contractually required collateral on transactions for which the counterparty has not yet demanded the collateral be posted (vii) Increased liquidity needs related to derivative transactions that allow collateral substitution to non-HQLA assets (viii) Currently undrawn committed credit and liquidity facilities (e) Other contingent funding liabilities (f) Any other contractual outflows not captured elsewhere in the template.
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### E. Computation of Net cash outflows

S No.	Net Cash outflows over the 30 days period	Amount
A	Total Cash Outflows	
B	Stressed Cash Outflows (A*115%)	
C	Total Cash Inflows	
D	Stressed Cash Inflows (C*75%)	
E	Total net cash outflows over the next 30 days = Stressed Outflows (B) Less Minimum of (Stressed Inflows (D) and 75% of Stressed Outflows(B)).	

FSBFL should take care not to double count items, i.e., if an asset is included as part of the “stock of HQLA” (i.e., the numerator), the associated cash inflows cannot also be counted as cash inflows (i.e., part of the denominator). Where there is potential that an item could be counted in multiple outflow categories (e.g., committed liquidity facilities granted to cover debt maturing within the 30-calendar day period), FSBFL has to assume up to the maximum contractual outflow for that product.

Aspects of liquidity management

The following would be the order of priority with respect to the funds available:

- **Liquidity for the purpose of maintaining LCR**
- **Term loan / Debenture / Other liability repayments for the month**
- **Operational expenses provision for 3 months**
- **Any surplus left can be used for disbursal to company borrowers.**

As stated above, in a normal scenario, the treasury department will have to ensure minimum liquidity to meet the subsequent 3 month’s repayments to banks and financial institutions, provide buffer for 3 months’ operational expenses and have liquidity in form of CA balance, unutilized cash credits or undisbursed loan sanctions towards meeting the subsequent month’s disbursements. Any deviation will have to be signed off in advance by the CMD / CFO.

Temporary surpluses can be parked in liquid funds / fixed deposits in line with the approved Investment policy.

#### F. LCR Disclosure

FSBFL is required to disclose information on their LCR every quarter. The draft template for the same is provided in **Appendix III**.

Further, FSBFL shall disclose information on LCR in accordance with **Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025** in its financial statements.

#### 6. Top Treasury Risks

Risk MIS report is submitted periodically to ALCO mapping the actual against the limit fixed for each risk. The details of the risks monitored are below:

Sr no	Particulars	Metrics/ Limit where applicable	Threshold* 1- CFO	Threshold 2- MD
1	Net Stable Funding Ratio: The ratio considers the Short-Term inflows divided by Short Term outflows. If the resultant number is greater than 1 it indicates more inflows in the short-term i.e. upto 1-year tenor.	No of times= 1 time	<1.20 time	<1.10 time
2.	Adequacy of funds for business activities: The amount of current bank balances, callable liquid investments, tied up/sanctioned and committed funding lines available for immediate drawal (sanction & pricing finalized, including those pending only for documentation)  <b>divided by</b>  the amount required to meet next 3 months' repayments including	Percentage 100%	<110%	<105%

Sr no	Particulars	Metrics/ Limit where applicable	Threshold* 1- CFO	Threshold 2- MD
	<p>interest cum securitization/ bilateral assignment payout &amp; three months of operational expenses + next 1 months' potential disbursement.</p> <p>Higher the ratio, higher the ability to meet commitment.</p>			
3 (a)	<p>Difference in inflows vs outflows: The net cumulative negative mismatch in the ALM statement is monitored. The cap for the net cumulative negative mismatch is 10% of the cumulative cash outflows in the time buckets up to 1 year.</p>	Percentage Limit- (-)10%	Cumulative negative mismatch crossing 5%	Cumulative negative mismatch crossing 8%
3 (b)	<p>Extn to (3 a), Net cumulative negative mismatch in any time bucket higher than 1yr upto the "Above 5 years" bucket is not more than 15%.</p>	Percentage Limit (-15%)	Cumulative negative mismatch crossing 10%	Cumulative negative mismatch crossing 12%
4	<p>Net open position in Foreign currency (USD Million equivalent): No unhedged foreign currency exposure can be carried at any point of time without specific approval from ALCO.</p>	USD Limit-Nil	-	-
6	<p>Concentration risk - Single lender/ Product / Structure wise: The over-dependence on a single lender / single product of borrowings like TL/NCD/ Securitization/ ECB, will expose FSBFL to liquidity</p>	Percentage to total borrowings	<p>&gt;15% for single lender</p> <p>&gt;75% of limit as per Resource Planning Policy as given below for a single product.</p>	<p>&gt;25% for a single lender</p> <p>&gt;90% of limit as per Resource Planning Policy as given below for a single product.</p>

Sr no	Particulars	Metrics/ Limit where applicable	Threshold* 1- CFO	Threshold 2- MD
	stress if the lender calls back the loan owing to any commercial reasons.		Product limits as per extant Resource Planning Policy are as follows: <ul style="list-style-type: none"> <li>• CC/WCDL/CP - 10%</li> <li>• NCD - 50%</li> <li>• Term Loans - 75%</li> <li>• Securitization - 50%</li> <li>• ECB - 25%</li> </ul>	Product limits as per extant Resource Planning Policy are as follows: <ul style="list-style-type: none"> <li>• CC/WCDL/CP - 10%</li> <li>• NCD - 50%</li> <li>• Term Loans - 75%</li> <li>• Securitization - 50%</li> <li>• ECB - 25%</li> </ul>
7	Liquidity Coverage Ratio	Percentage 100%	<120%	<110%
8	Other short term liabilities	Other short term liabilities as a Percentage of total liabilities <= 40%	Upon crossing 35%	Upon crossing 37.50%

\*Threshold: Limits defined under the particular threshold are the escalations (to be avoided in normal course of activities) to CFO/MD as the ratio gets close to the limit and not after breaching the limit.

## Appendix I - Public disclosure on liquidity risk

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

Sr. No.	Number of Significant Counterparties	Amount (₹ crore)	% of Total deposits	% of Total Liabilities

(ii) Top 20 large deposits (amount in ₹ crore and per cent of total deposits)

(iii) Top 10 borrowings (amount in ₹ crore and per cent of total borrowings)

(iv) Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product	Amount (₹ crore)	% of Total Liabilities

(v) Stock Ratios:

- Commercial papers as a per cent of total public funds, total liabilities and total assets
- Non-convertible debentures (original maturity of less than one year) as a per cent of total public funds, total liabilities and total assets
- Other short-term liabilities, if any, as a per cent of total public funds
- Other short-term liabilities, if any, as a per cent of total liabilities
- Other short-term liabilities, if any, as a per cent of total assets

(vi) Institutional set-up for liquidity risk management

## Appendix II - Maturity Profile - Liquidity

HEADS OF ACCOUNTS	TIME-BUCKET CATEGORY
<b>A.OUTFLOWS</b>	
<b>1. Capital funds</b>	
a) Equity capital, Non-redeemable or perpetual preference capital, Reserves, Funds and Surplus	In the 'over 5 years' time-bucket.
b) Preference capital - redeemable/non-perpetual	As per the residual maturity of the shares.
2. Gifts, grants, donations and benefactions	The 'over 5 years' time-bucket. However, if such gifts, grants, etc. are tied to specific end-use, then these may be slotted in the time- bucket as per purpose/end-use specified.
3. Notes, Bonds and debentures	
a) Plain vanilla bonds/debentures	As per the residual maturity of the instruments
b) Bonds/debentures with embedded call/put options (including zero-coupon/deep discount bonds)	As per the residual period for the earliest exercise date for the embedded option.
c) Fixed rate notes	As per the residual maturity
4. Deposits:	
a) Inter Corporate Deposits	These, being institutional/wholesale deposits, should be slotted as per their residual maturity
b) Certificates of Deposit	As per the residual maturity.
5. Borrowings	
a) Term money borrowings	As per the residual maturity
b) From RBI, Govt. & others	As per the residual maturity
c) Bank borrowings in the nature of WCDL, CC etc.	Over six months and up to one year
6) Current liabilities and provisions:	
a) Sundry creditors	As per the due date or likely timing of cash outflows. A behavioral analysis could also be made to assess the trend of outflows and the amounts slotted accordingly.
b) Expenses payable (other than interest)	As per the likely time of cash outflow.
c) Advance income received, receipts from borrowers pending adjustment	In the 'over 5 years' time-bucket as these do not involve any cash outflow.
d) Interest payable on bonds/deposits	In respective time buckets as per the due date of payment.
e) Provisions for NPAs	The amount of provision may be netted out from the gross amount of the NPA portfolio and the net amount of NPAs be shown as an item under inflows in stipulated time-buckets.

f) Provision for Investments portfolio	The amount may be netted from the gross value of investments portfolio and the net investments be shown as inflow in the prescribed timeslots. In case provisions are not held security-wise, the provision may be shown on "over 5 years" time bucket.
g) Other provisions	To be bucketed as per the purpose/nature of the underlying transaction.
<b>B. Inflows</b>	
1. Cash	In 1 to 30 /31 daytime-bucket.
2. Remittance in transit	In 1 to 30 /31 daytime-bucket.
3. Balances with banks (in India only)	
a) Current account	The stipulated minimum balance be shown in 6 months to 1-year bucket. The balance in excess of the minimum balance be shown in 1 to 30-day time bucket.
b) Deposit accounts/short term deposits	As per residual maturity.
4. Investments (net of provisions)	
a) Mandatory investments	As suitable to the NBFC
b) Non-Mandatory Listed	"1 day to 30/31 days (One month)" Over one month and up to 2 months" and "Over two months and up to 3 months" buckets depending upon the defeasance period proposed by the NBFCs
c) Non-Mandatory unlisted securities (e.g. shares, etc.)	"Over 5 years"
d) Non-mandatory unlisted securities having a fixed term maturity	As per residual maturity
e) Venture capital units	In the 'over 5 year' time bucket.
5. In case Trading book is followed	
Equity shares, convertible preference shares, non-redeemable/perpetual preference shares, shares of subsidiaries/joint ventures and units in open ended mutual funds and other investments.	(i) Shares classified as "current" investments representing trading book of the NBFC may be shown in time buckets of "1 day to 30 days (One month)" "Over one month and upto 2 months" and "Over two months and up to 3 months" buckets depending upon the defeasance period proposed by the NBFCs .
	(ii) Shares classified as "long term" investments may be kept in over "5 years' time" bucket. However, the shares of the assisted units/companies acquired as part of the initial financing package, may be slotted in the relative time bucket keeping in view the pace of project implementation/time-overrun, etc., and the resultant likely timeframe for divesting such shares.

6. Advances (performing)	
a) Bill of Exchange and promissory notes discounted and rediscounted	As per the residual usance of the underlying bills.
b) Term loans (rupee loans only)	The cash inflows on account of the interest and principal of the loan may be slotted in respective time buckets as per the timing of the cash flows as stipulated in the original/ revised repayment schedule.
c) Corporate loans/short term loans	As per the residual maturity
7. Non-performing loans	
(May be shown net of the provisions, interest suspense held)	
a) Sub-standard	
i) All overdues and instalments of principal falling due during the next three years	In the 3 to 5-year time-bucket.
ii) Entire principal amount due beyond the next three years	In the over 5 years' time-bucket
b) Doubtful and loss	
i) All instalments of principal falling due during the next five years as also all overdues	In the over 5-year time-bucket
ii) Entire principal amount due beyond the next five years	In the over 5-year time-bucket
8. Assets on lease	Cash flows from the lease transaction may be slotted in respective time buckets as per the timing of the cash flow.
9. Fixed assets (excluding leased assets)	In the 'over 5 year' time-bucket.
10. Other assets	
(a) Intangible assets and items not representing cash inflows.	In the 'over 5 year' time-bucket.
(b) Other items (such as accrued income, other receivables, staff loans, etc.)	In respective maturity buckets as per the timing of the cash flows.
C. Contingent liabilities	
(a) Letters of credit/guarantees (outflow through devolvement)	Based on the past trend analysis of the devolvement's vis-à-vis the outstanding amount of guarantees (net of margins held), the likely devolvement's should be estimated, and this amount could be distributed in various time buckets on judgmental basis. The assets created out of devolvement's may be shown under respective maturity buckets on the basis of probable recovery dates.
(b) Loan commitments pending disbursal (outflow)	In the respective time buckets as per the sanctioned disbursement schedule.
(c) Lines of credit committed to/by other Institutions (outflow/inflow)	As per usance of the bills to be received under the lines of credit.

### Appendix III - LCR Disclosure Template

Particulars		Rs. Lacs	
		Unweighted Value	Weighted Value
	<b>High Quality Liquid Assets</b>		
	Cash on hand & Current account balances		
	Unencumbered government securities		
1	<b>Total High Quality Liquid Assets</b>		
	<b>Cash outflows</b>		
2	Deposits (for deposit taking companies)		
3	Unsecured wholesale funding		
4	Secured wholesale funding		
5	Additional requirements, of which		
	(i) Outflows related to derivative exposures on other collateral requirements		
	(ii) Outflows related to loss on funding on debt products		
	(iii) Credit and liquidity facilities		
6	Other contractual funding obligations		
7	Other contingent funding obligations		
8	<b>Total cash outflows</b>		
	<b>Cash Inflows</b>		
9	Secured Lending		
10	Inflows from fully performing exposures		
11	Other cash inflows		
12	<b>Total cash inflows</b>		
13	<b>Total HQLA</b>		
14	<b>Total Net cash outflows</b>		
15	<b>Liquidity Coverage Ratio (%)</b>		