

India Shelter Finance Corporation Limited (ISFCL)

Public disclosure on liquidity risk- June-2023

| I Funding Concentration based on significant counterparty (borrowings) | | | |
|--|---|--------------------|------------------------|
| Sr.No. | Number of Significant Counterparties [^] | Amount (₹ crore) * | % of Total Liabilities |
| 1 | 27 | 3,071 | 93.30% |

[^]Significant Counterparties is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFC

| II Funding Concentration based on significant instrument/product | | | |
|--|--|--------------------|------------------------|
| Sr. No | Name of the instrument/product | Amount (₹ crore) * | % of Total Liabilities |
| 1 | Term loans from banks and financial institutions | 2,422 | 66.48% |
| 2 | Term loans from National Housing Bank | 644 | 17.68% |
| 3 | Non-convertible debentures | 143 | 3.91% |
| 4 | Securitisation | 83 | 2.27% |

| III Top 10 borrowings (amount in ₹ crore and % of total borrowings) | | |
|---|--|-----------------------|
| Sr. No. | Term Loan/NCD/Securitisation (₹ crore) | % of total borrowings |
| 1 | 2,080 | 63.18% |

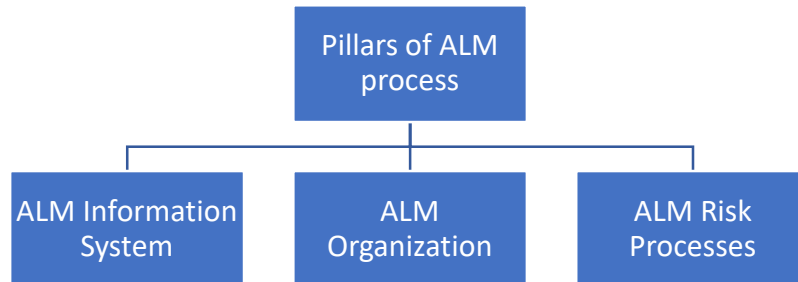
IV Stock Ratios:

| Particulars | Weightage |
|---|-----------|
| Commercial papers issued as % of Total Public funds | 0.00% |
| Commercial papers issued as % of Total Liabilities | 0.00% |
| Commercial papers issued as % of to Total Assets | 0.00% |
| NCD (original maturity < one year) as % of Total Public funds | 0.00% |
| NCD (original maturity < one year) as % of Total Liabilities | 0.00% |
| NCD (original maturity < one year) % of to Total Assets | 0.00% |
| Other short-term liabilities as % of Total Public funds | 1.85% |
| Other short-term liabilities as % of Total Liabilities | 1.67% |
| Other short-term liabilities as % of Total Assets | 1.23% |

Institutional set-up for liquidity risk management at ISFCL

ISFCL is exposed to credit and market risks in the normal course of business, in view of the asset-liability transformation. In Mortgage finance business, the assets are deployed for long term mandating organizations to manage the ALM in effective and prudent way. Risk management systems, that address the issues relating to interest rate and liquidity risks in a structured manner is of utmost importance for the management of ISFCL.

The ALM process rests on three pillars-



The Board of our company assumes overall responsibility for management of risks and decides the risk management policy of India Shelter and set limits for liquidity, interest rate, exchange rate and equity price risks.

The Asset-Liability Committee (ALCO) consisting of the India Shelter's senior management including the Managing Director & Chief Executive Officer (CEO), who is a member of the Board of Directors, is responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of India Shelter (on the assets and liabilities sides) in line with the India Shelter's budget and decided risk management objectives. The scope of ALCO includes:

- Liquidity and Interest rate Risk Management
- Management of Market risks
- Currency Risk Management
- Capital Adequacy

Broad Guidelines for functioning of ALCO

Liquidity Risk Management-Liquidity has ¹to be tracked through maturity or cash flow mismatches. For measuring and managing net funding requirements, the use of a maturity ladder (in different time buckets) and calculation of cumulative surplus or deficit of funds at selected maturity dates is adopted as a standard tool.

Interest Rate Sensitivity/interest Rate Risk-Interest rate risk is the risk where changes in market interest rates might adversely affect financial condition. An asset or liability is normally classified as rate sensitive if:

- Within the time interval under consideration, there is a cash flow.
- The interest rate resets/reprices contractually during the interval.
- It is contractually pre-payable or withdrawable before the stated maturities.
- It is dependent on the changes in the Bank Rate by RBI

¹ Above disclosure made as per notification no. -RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 of RBI