

## **Axis Finance Ltd.**

### **Public Disclosure on Liquidity Risk September 30, 2020**

Disclosure on Liquidity Risk, as per extant RBI guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies as at September 30, 2020 is as follows:

**i. Funding Concentration based on Significant Counterparty:**

<b>Number of Significant Counterparties</b>	<b>Amount (Rs. crores)</b>	<b>% of Total Deposits</b>	<b>% of Total Liabilities</b>
19	5,506.58	N.A.	76.72%

Notes:

- Significant Counterparty - a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the company's Total Liabilities.
- Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

**ii. Top 20 Large Deposits (amount in Rs. lakhs and % of Total Deposits): Not Applicable**

**iii. Top 10 Borrowings:**

<b>Amount (Rs. crores)</b>	<b>% of Total Borrowings</b>
4,520.58	64.73%

**iv. Funding Concentration based on Significant Instrument/Product:**

<b>Sr.No.</b>	<b>Name of the Instrument/Product</b>	<b>Amount (Rs. crores)</b>	<b>% of Total Liabilities</b>
1	Term Loans	589.28	8.33%
2	Working Capital / Line of Credit /Overdraft facilities	0.00	0.00%
3	Commercial Papers	1,804.44	25.51%
4	Non-Convertible Debentures	4,590.46	64.90%
	Total	6,984.18	98.74%

Notes:

- Significant Instrument/Product – a single instrument/product or group of similar instruments/products which in aggregate amount to more than 1% of the company's Total Liabilities.
- Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

**v. Stock Ratios:**

Sr.No.	Stock Ratios	%
A) I)	Commercial Papers as a % of Total Public Funds	25.84
II)	Commercial Papers as a % of Total Liabilities	25.51
III)	Commercial Papers as a % of Total Assets	21.52
B) I)	Non-Convertible Debentures (original maturity of less than one year) as a % of Total Public Funds	0.00
II)	Non-Convertible Debentures (original maturity of less than one year) as a % of Total Liabilities	0.00
III)	Non-Convertible Debentures (original maturity of less than one year) as a % of Total Assets	0.00
C) I)	Other Short-Term Liabilities as a % of Total Public Funds	35.23
II)	Other Short-Term Liabilities as a % of Total Liabilities	34.79
III)	Other Short-Term Liabilities as a % of Total Assets	29.34

Notes:

- Total Public Funds to be computed as Gross Total Debt (Outstanding Amounts of TLs, WC/LOC/OD facilities, CPs and NCDs)
- Other Short-term Liabilities – Total Liabilities due within a year less CPs and NCDs (Original maturity of less than one year) repayment due within a year
- Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus. Total Assets taken as the Balance Sheet figure

**vi. Institutional set-up for Liquidity Risk Management:**

The Board has the overall responsibility for management of liquidity risk. The Board decides the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits approved by it. The Risk Management Committee (RMC), which is a committee of the Board, is responsible for evaluating the overall risks faced by AFL including liquidity risk. The meetings of RMC are held at quarterly intervals. The Asset Liability Management Committee (ALCO) is responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy. The role of the ALCO with respect to liquidity risk includes, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions at an entity level. The minutes of ALCO meetings are placed before the RMC during its quarterly meetings for its noting.

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