

SBI Global Factors Ltd.
Liquidity Risk Management Framework for NBFCs

Public Disclosure on liquidity risk

(These details are pertaining to quarter ended December, 2019.)

(i) Funding concentration based on significant counterparty (Both deposits and borrowings)

Sr. No.	Number of Significant Counterparties *	Amount (Rupees in crores)	% of Total deposits	% of Total Liabilities
1	5	110	NA	13.28
2	3	505	NA	60.98
3	2	80.5	NA	9.72
Total	10	695.5	NA	83.98

* Significant counterparties are those counterparties whose outstandings is Rs. 10 crore and above. (Details as per Annexure C(ii))

(ii) Top 20 large deposits (amount in Rupees crore and % of total deposits)

- Since the Company has been categorized as an NBFC NDSI, this is not applicable.

(iii) Top 10 borrowings (amount in Rupees crore and % of total borrowings)

Sr. No.	Particulars of Lenders	Amount (Rupees in crores)	% of Total Borrowings
1	HDFC Mutual Fund	210.00	28.55
2	ICICI Mutual Fund	160.00	21.75
3	IDBI Mutual Fund	135.00	18.35
4	SBI London (FOREX)	55.50	7.55
5	CBT EPF-05-F-DM	40.00	5.44
6	CBT EPF-05-E-DM	30.00	4.08
7	State Bank of India (INR)	25.00	3.40
8	POSTAL LIFE INSURANCE FUND A/C UTI AMC	20.00	2.72
9	CBT EPF-11-E-DM	10.00	1.36
10	WIPRO SYSTEMS PROVIDENT FUND TRUST	10.00	1.36
	Total	695.50	94.56

(iv) Funding concentration based on significant instrument/product

Sr. No	Number of Instrument/product	Amount (Rupees in crores)	% of Total Liabilities
1	TIER II Bonds	150.00	18.11
2	Commercial Papers	505.00	60.98
3	Bank Lines	80.50	9.72
	Total	735.50	88.81



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Data as on December 31, 2019

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

Sr. No.	Number of Significant Counterparties *	Amount (Rs. crores)	% of Total deposits	% of Total Liabilities
<u>TIER II Bonds</u>				
1	CBT EPF-05-F-DM	40	NA	4.83
2	CBT EPF-05-E-DM	30	NA	3.62
3	POSTAL LIFE INSURANCE FUND A/C UTI AMC	20	NA	2.41
4	CBT EPF-11-E-DM	10	NA	1.21
5	WIPRO SYSTEMS PROVIDENT FUND TRUST	10	NA	1.21
	Total	110	0	13.28
<u>Commercial Papers</u>				
1	HDFC Mutual Fund	210	NA	25.36
2	ICICI Mutual Fund	160	NA	19.32
3	IDBI Mutual Fund	135	NA	16.30
	Total	505	0	60.98
<u>Bank Lines</u>				
1	State Bank of India (INR)	25	NA	3.02
3	SBI London (FOREX)	55.5	NA	6.70
	Total	80.5	0	9.72

* Significant counterparties are those counterparties whose outstanding is Rs. 10 crore and above.



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(V) Stock Ratios:

As per Ind AS						
Sr. No.	Ratios	March'18	Sept'18	March'19	Sept'19	Dec'19
a)	Commercial paper as a % of Total Public Funds	NA	NA	NA	NA	NA
	Commercial paper as a % of Total Liabilities	0.00	0.00	49.99	72.09	66.16
	Commercial paper as a % of Total Assets	0.00	0.00	37.64	51.70	46.12
b)	Non-convertible debentures(Original Maturity of less than 1 year) as a % of Total Public Fund, Total Liabilities and Total Assets	NA	NA	NA	NA	NA
c)	Other Short-term liabilities as a % of Total Public Funds	NA	NA	NA	NA	NA
	Other Short-term liabilities as a % of Total Liabilities	81.85	77.94	34.50	15.08	13.24
	Other Short-term liabilities as a % of Total Assets	59.22	52.80	25.98	10.82	9.23

Figures for arriving at the ratios given in above table are as follows:

(Rupees in Crores)

Particulars	March'18	Sept'18	March'19	Sept'19	Dec'19
Total Assets	1142.99	1001.91	1285.88	1154.72	1085.05
Total Liabilities	826.98	678.79	968.20	828.17	756.42
Total Public Funds	0.00	0.00	0.00	0.00	0.00
Commercial Paper	0.00	0.00	483.95	597.03	500.45
Non-convertible debentures(Original Maturity of less than 1 year)	0.00	0.00	0.00	0.00	0.00
Other Short-Term Liabilities	676.90	529.02	334.07	124.91	100.15



(VI) Institutional set-up of liquidity risk management

I. Introduction

Liquidity Risk is the Probability of loss arising from a situation where

- (1) The cash and / or cash equivalent is not adequate to meet the obligations to the lenders and other counter parties.
- (2) Sale of liquid assets will yield less than their fair value, or
- (3) Liquid assets cannot be sold at the desired time due to lack of buyers.

II. Identification

Events that may lead to disturbance in cash flow position in our Company:

- a) Delays in repayment of loans by the debtors / clients.
- b) Inability to raise money from the overnight market.

III. Treatment / Handling of Liquidity Risk

Majority of the Company's assets are of short-term nature (Average 90 days) and are funded through combination of Commercial Papers (CPs), Owned funds and banks' lines of credit. As the Banks' lines of credit are normally for a period of one year (renewable after one year) but are costly as compared to other sources of funds, the assets are funded mainly through CPs.

In case of a tight liquidity position, wherein Company is unable to raise money through CPs at reasonable rates, the Company may fund its assets through Banks' lines of credit.

Further, to mitigate the liquidity risk, Company has a policy that the total of:

- a) Undrawn, committed rupee facilities;

SBIGFL has backup lines of Credit from Banks to meet 100% of the other short term/volatile resources and mitigate liquidity risks at any point of time. As on September 30, 2019, Our CP borrowing was Rs. 600 cr and unutilized Rupee Bank lines from SBI were Rs. 450 cr (Working Capital Loan plus Cash Credit limit) and unutilized line of Rs. 300.00 cr from HDFC Bank. (Total Rupee Lines of Credit aggregate Rs 750 cr as on September 30, 2019 from SBI Rs 450 crs, HDFC Bank Rs 300 cr). To cater to export factoring clients, SBIGFL also has foreign currency line of credit USD 30 million (INR 212.63 Cr) out of which unutilized limit was USD 21.19 million (INR 150.18 cr.) as on September 30, 2019.

- b) Investments in liquid instruments, should always exceed aggregate of short term dated loans with no surety of rollover, and CP's falling due within the next one week and

- c) A Contingency Funding Plan (CFP) has also been approved by ECB & the Board for inclusion in the Asset Liability Management Policy, which is being reviewed annually.

