

SBI Global Factors Ltd.
Liquidity Risk Management Framework for NBFCs

Public Disclosure on liquidity risk

Disclosure in accordance with RBI Circular No. DIR.NBFC (PD) CC. No. 102/03.10.001/2019-20 dated 4th November 2019 relating Liquidity Risk Management Framework for Non-Banking Financial Companies:

(i) Funding concentration based on significant counterparty (Both deposits and borrowings)
as on 31st March 2021

Sr. No.	Number of Significant Counterparties *	Amount (Rupees in crores)	% of Total deposits	% of Total Liabilities
Total	11	917	NA	95

as on 31st March 2020

Sr. No.	Number of Significant Counterparties *	Amount (Rupees in crores)	% of Total deposits	% of Total Liabilities
Total	9	852	NA	93

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

(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)

as on 31st March 2021

Sr. No.	Particulars of Lenders	Amount (Rupees in crores)	% of Total Borrowings
Total		917	97%

as on 31st March 2020

Sr. No.	Particulars of Lenders	Amount (Rupees in crores)	% of Total Borrowings
Total		852	96%

(iv) Funding concentration based on significant instrument/product

as on 31st March 2021

Sr. No	Number of Instrument/product	Amount (Rupees in crores)	% of Total Liabilities
1	Commercial Papers	480	50
2	Bank Lines (INR+FOREX)	367	38
3	TIER II Bonds	100	10
Total		947	98

as on 31st March 2020

Sr. No	Number of Instrument/product	Amount (Rupees in crores)	% of Total Liabilities
1	TIER II Bonds	150	16
2	Commercial Papers	425	46
3	Bank Lines	317	35
Total		892	97



(V) Stock Ratios:**As per Ind AS**

Sr. No.	Ratios	March 31, 2021	March 31, 2020
a)	Commercial paper as a % of Total Public Funds	NA	NA
	Commercial paper as a % of Total Liabilities	49	46
	Commercial paper as a % of Total Assets	36	34
b)	Non-convertible debentures(Original Maturity of less than 1 year) as a % of Total Public Fund, Total Liabilities and Total Assets	NA	NA
c)	Other Short-term liabilities as a % of Total Public Funds	NA	NA
	Other Short-term liabilities as a % of Total Liabilities	50	42
	Other Short-term liabilities as a % of Total Assets	37	31

(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.

- 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.

- 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.

