

Choice Finserv Private Limited

Accompanying notes to the financial statements as at March 31, 2025

38 DISCLOSURE ON LIQUIDITY RISK

Disclosure on Liquidity Risk, as per extant RBI guidelines on Liquidity Risk Management Framework for Non Banking Financial Companies as at March 31, 2025 is as follows:

A Funding Concentration based on Significant Counterparty

Number of Significant Counterparties	(Rs in lakhs)	% of Total Deposits	% of Total Liabilities
22	43,450.88	NA	78.08%

B Top 20 Large Deposits (amount in Rs. lakhs and % of Total Deposits)

Not Applicable

C Top 10 Borrowings

Particulars	Amount	(Rs in lakhs)
Total Value of top 10 Borrowings		30,710.84
% of Total Borrowings		65.08%

D Funding Concentration based on Significant Instrument/Product

S. No.	Name of the Instrument/Product	Amount	(Rs in lakhs)	% of Total Liabilities
1	Term Loans		39,611.49	71.18%
2	Working Capital /Overdraft facilities		94.79	0.17%
3	Commercial Papers		-	0.00%
4	Non Convertible debentures		2,984.00	5.36%
5	Inter corporate deposits		-	0.00%
6	Other Loan - Unsecured		4,500.00	8.09%
	Total		47,190.28	84.80%

E. Stock Ratios

Sr. No.	Name of the Instrument/Product	%
1) a	Commercial Papers as a % of Total Public Funds	0.00%
b	Commercial Papers as a % of Total Liabilities	0.00%
c	Commercial Papers as a % of Total Assets	0.00%
2) a	Non-Convertible Debentures (original maturity of less than one year) as a % of Total Public Funds	0.00%
b	Non-Convertible Debentures (original maturity of less than one year) as a % of Total Liabilities	0.00%
c	Non-Convertible Debentures (original maturity of less than one year) as a % of Total Assets	0.00%
3) a	Other Short-Term Liabilities as a % of Total Public Funds	63.99%
b	Other Short-Term Liabilities as a % of Total Liabilities	54.27%
c	Other Short-Term Liabilities as a % of Total Assets	33.12%

F. 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 including liquidity risk. The meetings of RMC are held at regular 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 regular meetings for its noting.

Notes:

- 1). Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on liquidity risk management framework for Non- Banking Financial Companies and Core Investment Companies.
- 2). Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non Banking Financial Companies and Core Investment Companies.
- 3).Total borrowing is on Principal Outstanding basis.
- 4). Public funds, for the company is same as Total Borrowings.
- 5.) Other Short term liabilities include all liabilities which are payable within a period of 1 year.
- 6). Total liabilities has been computed as sum of all liabilities (balance sheet figure) less equities and reserves/surplus.