

HSBC InvestDirect Financial Services (India) Limited

Disclosure on Liquidity Risk

Background:

RBI has issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019. As per the said guidelines, NBFC are required to publicly disclose the below mentioned related to liquidity risk on a quarterly basis. According, the disclosure on liquidity risk as at September 30, 2020 based on unaudited financial results is as under:

i) Funding Concentration based on significant counterparty

Sr. No.	Number of significant counterparties	Amount (₹ Crore)	% of Total Deposit	% of Total Liabilities *
1	Commercial Paper from 3 Mutual fund companies	94	NA	36%
2	Loan from holding company	162	NA	62%

ii) Top 20 large deposits (amount in ₹ crore and % of total deposits) - Not Applicable

iii) Top 10 borrowings

Sr. No.	Type of Borrowing	Amount (₹ Crore)	% of borrowings
1	Commercial paper	94	37%
2	Loan from holding company	162	63%
	Total	256	100%

iv) Funding Concentration based on significant instrument/product

Sr. No.	Number of instrument / product	Amount (₹ Crore)	% of Total Liabilities *
1	Commercial paper	94	36%
2	Loan from holding company	162	62%

v) **Stock Ratios:**

Sr. No.	Stock Ratio	%
1	Commercial Paper To Total Public Funds	NA
2	Commercial Paper To Total Liabilities*	36%
3	Commercial Paper To Total Assets	13%
4	NCD's (original maturity < 1 year) To Total Public Funds	NA
5	NCD's (original maturity < 1 year) To Total Liabilities*	NA
6	NCD's (original maturity < 1 year) To Total Assets	NA
7	Other short-term liabilities To Total Public Funds	NA
8	Other short-term liabilities To Total Liabilities*	1%
9	Other short-term liabilities To Total Assets	0%

vi) **Institutional set-up for liquidity risk management**

HSBC InvestDirect Financial Services (India) Limited has Board approved policy for managing its liquidity risk. The Liquidity risk would be monitored in Asset Liability Management Committee / Risk Management Committee on a monthly basis.

* Total Liabilities is excluding equity and reserves.