

## Tata Motors Finance Limited

### Disclosure on Liquidity Risk for the Quarter ended September 30, 2024

(Disclosure on liquidity risk under RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies)

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

No. of Significant Counterparties	Amount (Rs crs)	%age to Total Deposits	%age to Total Liabilities
23 nos.	27,500.38	NA	86.77%

#### 2. Top 20 large deposits (amount in Rs crores and % of total deposits): Not Applicable

#### 3. Top 10 borrowings (amount in Rs crores and % of total borrowings)

Amount (Rs crs)	%age to Total Borrowings
19,370.69	64.06%

#### 4. Funding Concentration based on significant instrument/product

Sr. No	Name of the Instrument/product	Amount (Rs crs)	% of Total Liabilities
1	Term Loans (including External Commercial Borrowings)	21,788.17	68.75%
2	Working Capital Demand Loan	2,444.90	7.71%
3	Commercial Paper	3,085.52	9.74%
4	Non-Convertible Debentures	1,704.89	5.38%
5	Subordinated Debt	991.04	3.13%
6	Cash credit	222.63	0.70%

#### 5. Stock Ratios:

Sr. No	Particulars	Total Public Funds	Total Liabilities	Total Assets
1	Commercial Paper, as a %age of	9.63%	9.74%	8.13%
2	Non-Convertible Debentures (original maturity of less than one year), as a %age of	NA	NA	NA
3	Other Short Term Liabilities, as a %age of	42.13%	42.60%	35.56%

#### 6. Institutional set-up for liquidity risk management

Tata Motors Finance Limited (TMFL) has constituted an Asset Liability Supervisory Committee (ALCO) to oversee liquidity risk management. ALCO consists of Non-Executive Director, Chief Financial Officer, Chief Operating Officer – Technology, Chief Credit & Collections Officer, Chief Risk Officer and Head – Treasury. The ALCO meetings are held every quarter. TMFL has a Risk Management Committee (RMC), a sub-committee of the Board, which oversees overall risks to which the Company is exposed including liquidity risk management (LRM). ALCO's views on liquidity and asset liability management are presented to RMC for its independent review on a regular basis. The ALCO and RMC also updates the Board at regular intervals.

**Liquidity Coverage Ratio - Disclosure Q2 FY25**

**Qualitative disclosure**

RBI vide circular dated November 4, 2019 has made it mandatory for NBFCs to implement Liquidity Coverage Ratio (LCR) with effect from December 1, 2020. Accordingly, the Board and ALCO has approved the Liquidity risk management policy including LCR policy. The overall Liquidity risk management of TMFL is under the guidance of the ALCO and within the overall framework of the Board approved policies. The mandated regulatory threshold as per the transition plan is embedded into the policy to ensure maintenance of adequate liquidity buffers. LCR computations are reported to ALCO and the Board for oversight and periodical review. LCR seeks to ensure that TMFL has an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash promptly and immediately to meet its liquidity needs under a 30-day calendar liquidity stress scenario. As a strategy, TMFL has been maintaining Investment in Government Securities and balance in current account with banks which has resulted in a high level of HQLA. TMFL follows the criteria laid down by the RBI for calculation of High-Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises Investment in Government Securities and Balance in current accounts with the Banks. TMFL is funded through Commercial papers, term loans from banks, long term bonds, and foreign currency borrowings. All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation. The Company assesses the impact on short term liquidity gaps dynamically under various scenarios covering business projections under normal as well as varying market conditions. Periodical reports are placed before the Company's ALCO for perusal and review. The LCR is calculated by dividing a TMFL's stock of HQLA by its total stressed net cash outflows over next 30-day period.

RBI has mandated a minimum LCR of 85% from 1<sup>st</sup> December 2023 and TMFL's LCR stood at 126% for the quarter ended September 30, 2024.

## Liquidity Coverage Ratio

Rs Crs

		Q2 FY 25	
No.	Particulars	Total Unweighted Value (average)	Total Weighted Value (average)
	<b><u>High Quality Liquid Assets (HQLA)</u></b>		
(i)	Investment in Government Securities	1,137	1,137
(ii)	Cash & Bank Balance	59	59
<b>1</b>	<b>Total HQLA</b>	<b>1,196</b>	<b>1,196</b>
	<b><u>Cash Outflow</u></b>		
2	Deposits (for deposit taking companies)	-	-
3	Unsecured wholesale funding	895	1,029
4	Secured wholesale funding	1,314	1,512
5	<u>Additional requirements, of which</u>		
(i)	Outflows related to derivative exposures and other collateral requirements	-	-
(ii)	Outflows related to loss of funding on debt products	-	-
(iii)	Credit and liquidity facilities	-	-
6	Other contractual funding obligations	957	1,101
7	Other contingent funding obligations	141	162
<b>8</b>	<b>Total Cash Outflow</b>	<b>3,308</b>	<b>3,804</b>
	<b><u>Cash Inflow</u></b>		
9	Secured lending	-	-
10	Inflows from fully performing exposures	1,690	1,267
11	Other cash inflows	3,577	2,683
<b>12</b>	<b>Total Cash Inflow</b>	<b>5,267</b>	<b>3,950</b>
<b>13</b>	<b>Total HQLA</b>		<b>1,196</b>
<b>14</b>	<b>Total Net Cash Outflow</b>		<b>951</b>
<b>15</b>	<b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>126%</b>