

Housing and Urban Development Corporation Ltd.

**Public Disclosure on Liquidity Risk as on 31st December, 2021,
pursuant to RBI Guidelines on Liquidity Risk Management Framework for Housing Finance Companies
dated February 17, 2021**

(i) Funding Concentration based on significant counterparty¹ (both deposits* and borrowings):

Number of Significant Counterparties^{1**}	Amount (Rs. In crores)	% Of Total deposits²	% Of Total Liabilities³ (Rs. In crores)
16	30,568.31	NA**	50.07%

** Total Deposits - Rs. 26.77 crore, which includes Term deposits from public of Rs.8.87 crore and amount of Rs. 17.90 crore invested by Individuals/ HUF and Trust in the unsecured non-convertible debentures of the company with a maturity of more than one year and having subscription of less than Rs.1 crore.*
*** The company does not have any depositor who would be eligible as significant Counter Party¹.*

(ii) Top 20 Large Deposits²:

As at 31.12.2021	
Amount (Rs. In crores)	% Of Total deposits*
24.36**	91.00%

** Total Deposits - Rs. 26.77 crore, which includes Term deposits from public of Rs.8.87 crore and amount of Rs. 17.90 crore invested by Individuals/ HUF and Trust in the non-convertible debentures of the company with a maturity of more than one year and having subscription of less than Rs.1 crore.*
*** There are more than one investor with same value of investment. For proper depiction, all such investors have been clubbed together and forms part of top 20 large deposits.*

(iii) Top 10 borrowings:

As at 31.12.2021	
Amount (Rs. In crores)	% Of Total Borrowings
31,402.45*	54.37%

**Based on size of bond issuance / term loans from banks.*

(iv) Funding Concentration based on significant instrument /product¹:

Sr. No.	Significant instrument /product¹	As at 31.12.2021	
		Amount (crore)	% Of Total Liabilities³
1.	Debt Securities		
	- Tax- Free NCDs	17,155.68	28.10%
	- Taxable NCDs	37,961.71	62.18%
	Sub Total (1)	55,117.39	90.28%
2.	Borrowings (Other than Debt Securities)		
	- Refinance Facility from NHB	1,171.50	1.92%
	- Refinance facility from IIFCL	1,294.00	2.12%
	Sub Total (2)	2,465.50	4.04%
	Total (1+2)	57,582.89	94.32%

(v) **Stock Ratios:**

Sr. No.	Particulars	Amount (Rs. In crore)	% To total public funds	% To total liabilities	% To total assets
1.	Commercial papers	-	-	-	-
2.	Non-convertible debentures (original maturity less than 1 year)	-	-	-	-
3.	Other short-term liabilities*	2321.85	4.02%	3.80%	3.09%

* Other Short-Term Liabilities include Financial Liabilities and non-financial liabilities payable within a year (excluding Commercial Papers and Non-convertible debentures of original maturity of less than 1 year).

Foot Notes:

1. A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.
A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.
2. "Public Deposits" are as defined in the Master Directions - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.
3. Total Liabilities has been computed as sum of all financial and non-financial liabilities (extracted from the unaudited Standalone Financial Statements prepared as per IND-AS for the period ended 31-12-2021) and does not include equities and Reserve & Surplus.
4. "Public Funds" are as defined in Master Directions- Non-Banking Financial Company –Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, which states that "Public funds" includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue.
5. The information stated in this disclosure is based on Standalone Financial Statements (prepared as per IND-AS) for the period ended December 31, 2021, which was subject to limited review by the statutory auditors of the Company.

(vi) **Institutional set-up for the Liquidity Risk Management:**

HUDCO has implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to ensure that there is a robust system of risk controls and mitigation in place. HUDCO has a well-structured robust Risk Management Policy and Operating Manual in line with its objectives to address the various risks.

In compliance with the SEBI (LODR) Regulations, 2015, HUDCO has in place a Board level Committee under the nomenclature 'Risk Management Committee' (RMC) headed by an Independent Government Nominee Director, which reviews various decisions/ recommendations of the three sub-committees namely: -

- Assets & Liabilities Management Committee (ALCO);
- Credit Risk Management Committee (CRMC); and
- Operational Risk Management Committee (ORMC)

The Risk Management Committee (RMC), which is a committee of the Board, is responsible for evaluating and monitoring the integrated risk management system of the Company including liquidity risk. The ALCO is responsible for ensuring adherence to the liquidity risk tolerance/limits set out in the board approved Asset Liability Management (ALM) policy. The role of the ALCO with respect to liquidity risk includes, inter alia, decision on desired maturity profile for assets & liabilities, responsibilities and controls for managing liquidity risk, and overseeing the liquidity position of the company. The ALM Policy is reviewed periodically to realign the same pursuant to any regulatory changes/ changes in the economic landscape or business needs and tabled to the Board for approval.

Management regularly reviews the position of cash and cash equivalents by aligning the same with the projected maturity of financial assets and financial liabilities, economic environment, liquidity position in the financial market, anticipated pipeline of future borrowing & future liabilities and threshold of minimum liquidity defined in the ALM policy with additional liquidity buffers as management overlay.