

Varashakti Housing Finance Private Ltd

Public Disclosure on Liquidity Risk for the Quarter Ended 30th June'2025

Disclosure as required by Liquidity Risk Management Framework for Non-Banking Financial Companies

Background:

RBI issued final guidelines on Liquidity Risk Management Framework for **Non-Banking Financial Companies and Scale Based Regulation) Master Directions, 2023 (Updated as of November 10, 2023)**. As per the said guidelines, NBFCs are required to publicly disclose the below information related to liquidity risk every quarter. Accordingly, the disclosure on liquidity risk as of September 30, 2023, is as follows.

(i) Funding Concentration based on significant counterparty.

| Sr. No. | No. of Significant Counterparties | Amount (₹ crore) | % of Total Deposits | % of Total Liabilities |
|---------|-----------------------------------|------------------|---------------------|------------------------|
| 1 | 17 | 212.72 | N/A. | 90.44% |

Notes:

- As per definition, the above data includes funding from significant counterparties only. In addition to the above, there have been borrowings in the form of Bank loans, financial institutes, NHB, Debentures & others.
- Included only the principal amount.
- Total Liabilities have been computed as total assets less equity share capital & less Reserve and surplus and computed basis extant regulatory guidelines.
- Significant Counterparties (>1%) are defined in RBI issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Scale Based Regulation) Master Directions, 2023 (Updated as of November 10, 2023)

(ii) Top 20 large deposits (amount in ₹ crore and % of total deposits–

- Nil. The company is registered with NHB as a non-deposit accepting HFC

(iii) Top 10 large Borrowing (amount in ₹ crore and % of total Liabilities) –

| Amount (₹ crore) | % of Total Borrowings |
|------------------|-----------------------|
| 171.96 | 76.25% |

Note:

- Total Borrowing has been computed as Gross Total Debt basis extant regulatory ALM guidelines.

(iv) Funding Concentration based on significant instrument/product

| Sr. No. | Name of the product | Amount (₹ crore) | % of Total Liabilities |
|---------|-----------------------|---------------------|------------------------|
| 1 | Bank Loan | 32.63 | 13.87% |
| 2 | financial institutes. | 62.75 | 26.68% |
| 3 | NHB | 23.89 | 10.16% |
| 4 | Debentures | 91.71 | 38.99% |
| 5 | Others | 14.55 | 6.18% |
| | Total | 225.52 | 95.88% |

Note:

- Total Liabilities have been computed as Total Assets less Equity share capital less Reserve and surplus, current liabilities, and computed basis extant regulatory ALM guidelines.

(v) Stock Ratios:

| Sr. No. | Stock Ratio | % |
|---------|---|--------|
| 1 | Commercial papers as a % of total public funds | Nil |
| 2 | Commercial papers as a % of total liabilities | Nil |
| 3 | Commercial papers as a % of total assets | Nil |
| 4 | Non-convertible debentures (original maturity of less than one year) as a % total liabilities | Nil |
| 5 | Non-convertible debentures (original maturity of less than one year) as a % of total public funds | Nil |
| 6 | Non-convertible debentures (original maturity of less than one year) as a % of total assets | Nil |
| 7 | Other short-term liabilities if any as a % of total public funds | Nil |
| 8 | Other short-term liabilities as a % of total liabilities | 25.93% |
| 9 | Other short-term liabilities as a % of total assets | 19.78% |

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

The Board should have the overall responsibility for the management of risks and set limits for liquidity, Interest rate, foreign exchange, and equity price risks. ALCO is a decision-making unit responsible for planning from a risk-return perspective including the strategic management of interest rate and liquidity risks. The Asset-Liability Committee (ALCO), consisting of the HFC's senior management including the Chief Executive Officer (CEO) should be responsible for ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the HFC (on the assets and liabilities sides) in line with the HFC's budget and decided risk management objectives.

- Risk Management Committee
- Committee of Directors
- Asset Liability Committee (ALCO)