

GUJARAT STATE FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

38 The RBI, vide its circular dated November 04, 2019 has made the guidelines on Liquidity Risk Management Framework for Non Banking Financial Companies and Core Investment Companies, applicable even to the Non Banking Finance Companies.

38.1 Disclosure of LCR (Liquidity Coverage Ratio) as per the requirement of Master Direction-Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 updated as on May 5, 2025.

The Liquidity Coverage Ratio (LCR) is one of the key ratios to measure the NBFC's capacity to meet its expected and unexpected repayment obligations arising over a shorter time frame at reasonable cost and without incurring unacceptable losses.

The LCR is calculated by dividing a NBFC's stock of HQLA by its total net cash outflows over a 30-day stress period. It requires an NBFC to have an adequate stock of unencumbered high-quality liquid assets (HQLA) that can be converted easily and immediately into cash to meet their liquidity needs for a 30 calendar day liquidity stress scenario. The objective of the LCR is to promote the short-term resilience of the liquidity risk profile of NBFCs with a view to improve the financial sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thereby reducing the risk of spillover from the financial sector to the real economy.

LCR has been defined as:
$$\frac{\text{Stock of high quality liquid assets (HQLAs)}}{\text{Total net cash outflow over the next 30 calendar days}}$$

In order to ensure an orderly transition towards LCR compliance, the LCR requirements have been made binding on NBFCs by the RBI in a progressive manner starting from December 1, 2020 with minimum LCR to be maintained at 50%, progressively reaching upto the required level of 100% by December 1, 2024. The present LCR required to be maintained by GSFS, as per the proposed timeline is 100% as on March 31, 2025.

Quantitative Disclosure:

(\$ in crores)	Q1 FY24-25		Q2 FY24-25		Q3 FY24-25		Q4 FY24-25		Q4 FY23-24	
	Total Unweighted 3 Value (average)	Total Weighted 4 Value (average)	Total Unweighted 3 Value (average)	Total Weighted 4 Value (average)	Total Unweighted 3 Value (average)	Total Weighted 4 Value (average)	Total Unweighted 3 Value (average)	Total Weighted 4 Value (average)	Total Unweighted 3 Value (average)	Total Weighted 4 Value (average)
High Quality Liquid Assets										
Total High Quality Liquid Assets (HQLA)	23583.89	22937.89	24518.43	23872.43	24664.04	24475.17	29650.76	29461.89	22505.29	21859.29
Cash Outflows										
2 Deposits (for deposit taking companies)										
3 Unsecured wholesale funding										
4 Secured wholesale funding										
5 Additional requirements, of which										
(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										
7 Other contingent funding obligations										
8 Other cash outflows (not falling under any other above mentioned heads and discloses repayment of funds received from GoG entities)	10213.41	11745.42	11307.88	13004.06	10805.96	12426.85	12918.71	14856.52	11301.22	12996.40
95 TOTAL CASH OUTFLOWS	10213.41	11745.42	11307.88	13004.06	10805.96	12426.85	12918.71	14856.52	11301.22	12996.40

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	Cash Inflows										
10	Secured lending										
11	Inflows from fully performing exposures										
12	Other cash inflows (majorly includes loan repayments from GoG entities and redemptions from Investments in Liquid/Debt Schemes of Mutual Funds)	29450.95	22088.21	38566.47	28924.85	40659.12	30494.34	43083.29	32312.47	29780.83	22335.62
13	TOTAL CASH INFLOWS	29450.95	22088.21	38566.47	28924.85	40659.12	30494.34	43083.29	32312.47	29780.83	22335.62
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
14	TOTAL HQLA (A)		22937.89		23872.43		24475.17		29461.89		21859.29
15	TOTAL NET CASH OUTFLOWS (B)		2936.35		3251.01		3106.71		3714.13		3249.10
16	LIQUIDITY COVERAGE RATIO (%) (A/B)		781%		734%		788%		793%		673%

³ Unweighted values has been calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

⁴ Weighted values have been calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

Company's LCR for the Q4 of F.Y. 2024-25 comes to 793% (673% of Q4 of F.Y.2023-24) and is above the minimum regulatory requirement of 100% as on March 31, 2025. Average HQLA held during the 4th quarter was ₹29461.89 crores, of which Level 1 assets(i.e. GSDL securities) constituted 99% of total HQLA. Level 2 Assets (i.e Common Equity shares) constituted 1% of total HQLA . During the current year, HQLA (GSDL investments) have increased by around 37% whereas level 2 investments have decreased by around 70%. The weighted projected net cash outflow position during Q4 24-25 has gone up by ₹607.42 crores as compared to Q3 24-25 on account of increase in fund size.

As per the RBI guidelines, the company has formed an Asset-Liability Management Committee (ALCO). The Liquidity Risk Management of the company is governed by the Asset-Liability Management (ALM) Policy approved by the Board, which was devised keeping in view the unique business model of the company.



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38.2 Disclosure on liquidity risk as per the requirement of Master Direction-Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 updated as on May 5, 2025.

(i) Details of funding concentration based on significant counterparty;

Particulars	As at 31.03.2025	As at 31.03.2024
Number of Significant Counterparties*	18	20
Amount in (Crore)	40412.00	30984.00
Percentage of funding concentration to Total Deposits	65%	62%
Percentage of funding concentration to Total Liabilities	62%	60%

* Significant counterparty is defined as a single counterparty or group of connected or affiliated counter parties accounting in aggregate for more than 1% of the total liabilities.

(ii) Details of top 20 large deposits;

(₹ in crore)

Particulars	As at 31.03.2025	As at 31.03.2024
Total amount of Top 20 large deposits (Principal amount)	41641.00	30984.00
Percentage of Total amount of Top 20 large deposits to Total deposits	67%	62%

(iii) Details of funding concentration based on significant instrument/product;

Name of the instrument/product	Principal Amount (₹ in crores)	% of Total liabilities	Principal Amount (₹ in crores)	% of Total liabilities
	31.3.2025		31.3.2024	
Inter Corporate Deposits	59972.97	92%	47180.59	91%
Liquid Deposit Scheme	2182.48	3%	2568.77	5%

(iv) Stock Ratios;

Particulars	As at 31.03.2025 (₹ in crores)	Percentage(%) of Total Public Funds	Percentage(%) of Total Assets	Percentage(%) of Total Liabilities
Commercial Papers (CPs)	-	-	-	-
NCDs with original maturity of less than 1 year	-	-	-	-
Other Short-term Liabilities	60881.07	94.54%	78.92%	93.59%

Particulars	As at 31.03.2024 (₹ in crores)	Percentage(%) of Total Public Funds	Percentage(%) of Total Assets	Percentage(%) of Total Liabilities
Commercial Papers (CPs)	-	-	-	-
NCDs with original maturity of less than 1 year	-	-	-	-
Other Short-term Liabilities	47560.93	92.82%	76.99%	91.59%