**Disclosure on Liquidity risk, as per RBI Circular:- DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4th November 2019.**

**(Amount Rs in Crs)**

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

| Particulars | As at 31st Dec 2025 |
|---|---|
| Number of significant counter parties* | 19 |
| Amount (Rs. In Crore) | 24,673 |
| Percentage of funding concentration to total deposits | NA |
| Percentage of funding concentration to total liabilities | 87.29% |

* 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's total liabilities.

** Total Liabilities have been computed as sum of all balance sheet liabilities excluding share capital and reserves.

***(ii)* Top 20 large deposits (amount in ₹ crore and % of total deposits)** - NA

***(iii) Top 10 borrowings (amount in ₹ crore and % of total borrowings)***

| Particulars | As at 31st Dec 2025 |
|---|---|
| Total amount of top 10 borrowings | 18,915 |
| Percentage of amount of top 10 borrowings to total borrowings | 70.34% |

***(iv) Funding Concentration based on significant instrument/product***

| Particulars | As at 31st Dec 2025 | Percentage of total liabilities |
|---|---|---|
| Term Loans from Banks | 15,618 | 55.25% |
| Working Capital Bank Line | 3,892 | 13.77% |
| Commercial Paper | 691 | 2.44% |
| Term Loans from Financial Institutions | 629 | 2.22% |
| External Commercial Borrowings | 902 | 3.19% |
| Sub-ordinated debts | 2,152 | 7.61% |
| NCD | 2,907 | 10.28% |

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's total liabilities.

## *(v) Stock Ratios:*

| Particulars | As at 31st Dec 2025 |
|---|---|
| (i) Commercial papers as a % of total public funds | 2.57% |
| (ii) Commercial papers as a % of total liabilities | 2.44% |
| (iii) Commercial papers as a % of total assets | 2.03% |
| (iv) Non-convertible debentures (original maturity of less than one year) as a % of total public funds | NA |
| (v) Non-convertible debentures (original maturity of less than one year) as a % of total liabilities | NA |
| (vi) Non-convertible debentures (original maturity of less than one year) as a % of total assets | NA |
| (vii) Other short- term Liabilities as a % of total public funds | 54.69% |
| (vii) Other short- term Liabilities as a % of total liabilities | 52.03% |
| (ix) Other short- term Liabilities as a % of total assets | 43.17% |

* Other Short-term Liabilities is computed as current maturities of long-term debt, short-term bank borrowings including outstanding CC/WCDL and other short-term liabilities has been considered but excludes commercial paper and non-convertible debentures (original maturity of less than one year).

* Public funds are as defined in Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

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

Liquidity refers to the Company's ability to fund asset growth and meet both anticipated and unforeseen cash flow and collateral obligations in a timely manner, at a reasonable cost, and without incurring unacceptable losses. Liquidity risk arises when the Company is unable to meet such obligations as they fall due because of mismatches in the timing of cash flows under both normal and stress scenarios, potentially impairing its financial condition. Effective liquidity risk management helps ensure the company's ability to meet its obligations as and when they fall due and reduces the probability of an adverse situation developing.

At TVS Credit, liquidity risk management is governed by the Company's Asset Liability Management (ALM) Policy approved by the Board. The ALM policy outlines the principles, processes, and responsibilities related to liquidity risk management. The Company constituted an Asset Liability Management Committee (ALCO) as per guidelines issued by the RBI to NBFCs. ALCO provides strategic direction and guidance on liquidity and interest rate risk management within the framework approved by the Board. ALCO reviews the current and projected liquidity position, adequacy and diversification of funding sources, asset-liability mismatches, contingency funding plan, liquidity stress testing and interest rate risk management, among other responsibilities.

To implement ALCO directives, an ALM support group is formed, which is responsible for the day-to-day monitoring of the Company's liquidity management including short-term investments. This includes daily oversight of liquidity levels to ensure sufficient buffers for both business and contingency needs. The team monitors the concentration of borrowings across counterparties, instruments, and reviews ALM and Interest Rate Sensitivity (IRS) mismatches monthly to ensure compliance with internal and regulatory limits. It also monitors "Stock" ratios, manages the Company's collateral position, and regularly assesses the availability of unencumbered assets to support both expected and unexpected funding requirements. Furthermore, the team ensures that internal systems, controls, and procedures remain aligned with the ALM Policy.

## *(vii) Disclosure on Liquidity coverage ratios:*

The Liquidity Coverage Ratio (LCR) is a key compliance requirement for NBFCs. Its objective is to ensure short-term resilience of the liquidity risk profile of the NBFCs by way of maintenance of adequate High Quality Liquid Assets (HQLA) to survive a significant financial/economic stress scenario lasting for thirty days period. The Company is maintaining adequate liquidity to honor its commitments. Additionally, the Company has unutilized sanctioned lines of credits from banks to meet liquidity needs.

The key drivers for computing the LCR are as follows. Cash outflows under secured wholesale funding and unsecured wholesale funding include contractual obligations payable under various secured and unsecured borrowings respectively within the next 30 days. Inflows from fully performing exposures include the collection from performing advances in the next 30 days. Other Cash inflows include inflows from investments in fixed deposits, mutual funds and other cash inflows not covered under other line items. The average LCR for the quarter ended Dec’25 is 248% as against 211% for the quarter ended Sep’25. The LCR maintained by the Company is above the regulatory limit of 100%. The average HQLA for the quarter ended Dec’25 is 1,093 Cr as against 1,089 Cr for the quarter ended Sep’25.

**Liquidity Coverage Ratio - Appendix 1** *(₹ in Crore)*

| Sl No | LCR Disclosure Template | Total Unweighted Value (average) (i) | Total Weighted Value (average) (ii) | Weight |
|---|---|---|---|---|
| | **High Quality Liquid Assets** | | | |
| 1 | **Total High Quality Liquid Assets (HQLA) | 1,093 | 1,093 | 100% |
| | **Cash Outflows** | | | |
| 2 | Deposits (for deposit taking companies) | - | - | |
| 3 | Unsecured wholesale funding **(iii)** | 196 | 225 | 115% |
| 4 | Secured wholesale funding **(iv)** | 634 | 729 | 115% |
| 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 | 625 | 719 | 115% |
| 7 | Other contingent funding obligations | 77 | 88 | 115% |
| 8 | **TOTAL CASH OUTFLOWS** | **1,531** | **1,761** | |
| | **Cash Inflows** | | | |
| 9 | Secured lending | - | - | 75% |
| 10 | Inflows from fully performing exposures | 2,105 | 1,578 | 75% |
| 11 | Other cash inflows | 2,705 | 2,029 | 75% |
| 12 | **TOTAL CASH INFLOWS** | **4,810** | **3,607** | |
| | | | | |
| | | | **Total Adjusted Value** | |
| | **TOTAL HQLA** | | **1,093** | |
| | **TOTAL NET CASH OUTFLOWS**<br>(Weighted value of Total Cash Outflows – Minimum of (Weighted value of Total Cash Inflows, 75% of Weighted value of Total Cash Outflows)) | | **440** | |
| | **LIQUIDITY COVERAGE RATIO (%)** | | **248%** | |

**i)** Unweighted values calculated as outstanding balances maturing within one month (for inflows and outflows).

**ii)** Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow (75%) and outflow (115%).

iii) Components of HQLA : Cash on hand and Demand deposits with Scheduled Commercial Banks (811 crs) and Government Securities (Treasury bill) (282 crs).