

RBI Compliances for LIQUIDITY RISK MANAGEMENT FRAMEWORK AND LCR to NBFC along with the changes w.e.f March 31, 2022

Applicability:

All Deposit taking NBFCs and Non-Deposit taking NBFCs with asset size of ₹ 100 crore and above.

Compliances:

All deposit taking NBFCs irrespective of their asset size and Non-deposit taking **NBFC with asset size of ₹ 100 crore** and above, has to make a framework and procedure related to Liquidity Risk Management Policy, Strategies and Practices, MIS, Internal controls, Maturity Profiling, Liquidity Risk Measurement, Currency Risk etc. and the same has to be disclosed on quarterly and annual basis in a given format.

In addition, all non-deposit taking **NBFCs with asset size of ₹ 5,000 crore** and above and all deposit taking NBFCs, are required to disclose information on their LCR every quarter along with the (a) the main drivers of their LCR results; (b) intra-period changes as well as changes over time; (c) the composition of HQLAs; (d) concentration of funding sources; (e) derivative exposures and potential collateral calls; (f) currency mismatch in the LCR; (g) other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile.

Liquidity Coverage Ratio (LCR)= HQLA/ Total net cash outflows over the next 30 calendar

Data must be presented as simple averages of **daily observations with effect from the financial year ending March 31, 2022.**

For any help related to compliances on Liquidity Management Framework and LCR (Liquidity coverage ratio) or all other RBI/other regulatory compliances, Contact us at:

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