



### Annex III: Maturity Profile for Statement of Liquidity

| <b>A. Outflows</b>   |   |
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| <b>Heads of Account</b>  | <b>Time-bucket category</b>   |
| <b>1. Capital funds</b>  |   |
| a) Equity capital, Reserves, Funds and Surplus}  | The 'Over 10 years' time-bucket.  |
| b) Preference capital – redeemable / non-perpetual   | As per the residual maturity of the shares.   |
| <b>2. Gifts, grants, donations and benefactions</b>  | The 'Over 10 years' time-bucket. However, if such gifts, grants, etc., are tied to specific end-use, then these may be slotted in the time- bucket as per purpose/end-use specified.  |
| <b>3. Notes, Bonds, and debentures</b> (including subordinated bonds, rupee as well as foreign currency bonds) |   |
| a) Plain vanilla bonds / debentures (rupee as well as foreign currency)  | As per the residual maturity of the instruments, in the rupee or the respective foreign currency liquidity report.<br><br>The amount of foreign currency bonds/ borrowings which has been deployed in foreign currency assets on a <b>back-to-back basis</b> , should be reported in the currency-wise liquidity statement for the relative currency.   |
| b) Bonds / debentures with embedded call / put options   | As per the residual period for the earliest exercise date for the embedded option.<br><br>However, the AIFs which have sufficient historical database evidencing the pattern of exercise of such embedded options in the past, could undertake a time-series analysis of such data to analyse the behaviour of the cash outflows and slot the cash flows according to behavioural maturity. In the absence of |



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|  | adequate historical database, the entire amount payable under the embedded options should be slotted as per the residual period to the earliest exercise date.  |
| c) Zero-coupon / deep discount bonds                                   | Such bonds, if issued <b>without any embedded options</b> , should be shown in the time bucket corresponding to their residual maturity for the full amount of maturity / face value. In case of such bonds with embedded options, the provisions at item 3(b) above would apply.   |
| d) Fixed rate notes  | As per the residual maturity  |
| <b>4. Deposits</b>   |   |
| a) Term deposits from public   | As per the residual maturity. Alternatively, the AIFIs which are better equipped, could analyse the behaviour of their deposits in terms of exercise of embedded options subject to lock-in period, roll-in and roll-out and outflows of deposits, etc., and slot them as per their behavioural maturity rather than the residual maturity. |
| b) Inter Corporate Deposits  | These being institutional / wholesale deposits, should be slotted as per their residual maturity.   |
| c) Certificates of Deposit   | As per the residual maturity.   |
| <b>5. Borrowings</b>   |   |
| a) Term money borrowings   | As per the residual maturity  |
| b) From RBI, Govt. & others  | -do-  |
| <b>6) Current liabilities and provisions</b>                           |   |
| a) Sundry creditors  | As per the due date or likely timing of cash outflows. A behavioural analysis could also be made to assess the trend of outflows and the amounts slotted accordingly.   |
| b) Expenses payable (other than interest)                              | As per the likely timing of the cash outflow.   |
| c) Advance income received, receipts from borrowers pending adjustment | In the '10 year and above' time-bucket as these do not involve any cash outflow.  |
| d) Interest payable on bonds / deposits / Borrowings                   | The cash outflows during the entire life of the bond / deposit are to be captured and not only the amount of interest accrued till  |



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|  | <p>the reporting date. The cash outflows should be slotted in respective time buckets as per the residual period to the due date of payment.</p> <p>The amount of interest overdue (including the amount pre-funded in the account with RBI for servicing of outstanding SLR bonds pending claims from investors) should be shown in 1 - 14 days time-bucket.</p> <p>In case of floating rate bonds/deposits, the amount of interest outflow may be calculated at the floating rate applicable on the reporting date. However, the AIFIs which are better equipped, will have the choice of calculating the interest outflows at <b>forward-to-forward interest rate</b> derived from the benchmark underlying the floating rate liability.</p> |
| e) Provisions for NPAs and the Standard assets | The amount of provision may be netted out from the gross amount of the loan portfolio and the net amount of loan assets be shown as an item under inflows in stipulated time-buckets.   |
| f) Provision for Investments portfolio         | The amount may be netted from the gross value of investments portfolio and the net investments be shown as inflow in the prescribed time-slots. In case provisions are not held security-wise, the provision may be shown in 'over 10 years' bucket.  |
| g) Other provisions                            | To be bucketed as per the purpose/nature of the underlying transaction.   |

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| <b>B. Inflows</b>               |                              |
| <b>Heads of Account</b>         | <b>Time-bucket category</b>  |
| <b>1. Cash</b>                  | In 1 to 14 days time-bucket. |
| <b>2. Remittance in transit</b> | - do-                        |
| <b>3. Balances with RBI</b>     | - do-                        |



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| <b>4. Balances with banks (in India only)</b>   |   |
| a) Current account  | The stipulated minimum balance be shown in 1 to 3 years bucket. The balance in excess of the minimum balance be shown in 1 to 14 days time bucket.  |
| b) Money at call and short notice   | In 1 to 14 days time bucket.  |
| c) Deposit accounts/short term deposits   | As per residual maturity.   |
| <b>5. Investments</b> (net of provisions if the provisions are held scrip-wise)                         |   |
| a) <b>Securities held in Trading Book</b>   | An AIFI which maintains separate Trading Book consisting of securities that comply with the stipulations of <a href="#">paragraph 31</a> of the Directions and duly approved as such by the Board / ALCO, are permitted to bucket such securities under the 1-14 days, 15-28 days, and 29-90 days buckets on the basis of the defeasance periods. |
| b) <b>Securities outside the Trading book</b>   |   |
| i) Government securities  | As per residual maturity of the securities.   |
| ii) Corporate bonds and debentures  | As per residual maturity of the instruments.<br><br>However, the bonds/debentures valued by applying NPA norms due to non-servicing of interest, should be shown in time buckets as prescribed below at items 7(a) and 7(b) respectively.   |
| iii) Non-convertible, redeemable preference shares and units of closed-ended mutual funds.              | As per residual maturity of the instruments.  |
| iv) Equity shares; convertible preference shares; non-redeemable perpetual preference shares; shares of | In 'Over 10 year' time-bucket. However, the equity holdings in the assisted companies, acquired as part of the overall financing  |



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| subsidiaries/joint ventures and units in open ended mutual funds.  | package, should be slotted as per the specific disinvestment plan formulated for such holdings. In case, a specific disinvestment plan has not been evolved, the equity holdings should be shown as an inflow in the 'Over 10 year' bucket.  |
| v) Venture capital units   | In the ' Over 10 year' time bucket.  |
| <b>6. Advances (performing)</b>  |  |
| a) Bill of Exchange and promissory notes discounted and rediscounted   | As per the residual usance of the underlying bills.  |
| b) Term loans (rupee loans including the export Loans funded out of rupee resources but denominated in foreign currencies) | <p>The cash inflows on account of the interest and principal of the loan may be slotted in respective time buckets as per the timing of the cash flows as stipulated in the original/revised repayment schedule.</p> <p>The AIFI which finance its exporter-clients out of rupee resources but <b>denominate such loans in their books in foreign currency</b> to be extinguished out of the export proceeds, should report such assets in the rupee liquidity statement since such loans are funded out of rupee resources.</p> |
| c) Corporate loans/short term loans  | <p>As per the residual maturity.</p> <p>However, the AIFI which have the adequate database on the past pre-payment behaviour of such loans, may undertake time-series analysis and slot such loans as per behavioural maturity.</p>  |
| <b><u>7. Non-performing loans</u></b>  |  |
| (May be shown net of the provisions, interest suspense held and the amount of claims received from ECGC.)                  |  |
| <b>a) <u>Sub-standard</u></b>  |  |



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| i) All overdues and instalments of principal falling due during the next three years        | In the 3 to 5 year time-bucket.  |
| ii) Entire principal amount due beyond the next three year                                  | In the time-bucket arrived at after adding 3 years to the respective due dates of various instalments of principal.  |
| <b>b) <u>Doubtful and loss</u></b>  |  |
| i) All instalments of principal falling due during the next five years as also all overdues | In the 5 to 7 year bucket.   |
| ii) Entire principal amount due beyond the next five ears                                   | In the time-bucket arrived at after adding five years to the respective due dates of various instalments of principal.   |
| <b>8. Assets on lease</b>   | Entire cash flows from the lease transaction, representing principal as well as interest element, may be slotted in respective time buckets as per the timing of the cash flow.  |
| <b>9. Fixed assets</b> (excluding leased assets)  | In the 'Over 10 year' time-bucket.   |
| <b><u>10. Other assets</u></b>  |  |
| (a) Intangible assets and items not representing cash inflows.                              | In the 'Over 10 year' time-bucket.   |
| (b) Other items (such as other receivables, staff loans, etc.)                              | In respective maturity buckets as per the residual period to the timing of the cashflows. As regards the <b>future income from assets</b> , the cash inflow over the entire life of the asset should be captured and not only till the reporting date. However, for loan assets, the future income should be reckoned only in respect of standard assets at the level existing on the reporting date and for debt securities, the interest income should be reckoned as inflow only if the interest is serviced regularly. |



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| <b>C. Contingent cash flows</b>   |  |
| a) Letters of credit/guarantees (outflow through Devolvement)             | <p>Based on the past trend analysis of the devolvments vis-a-vis the outstanding amount of LCs / guarantees (net of margins held), the likely devolvments should be estimated and this amount could be distributed in various time buckets on judgmental basis. The assets created out of devolvments may be shown under respective maturity buckets on the basis of probable recovery dates.</p> <p>The LCs established against sanctioned assistance would be in the nature of undisbursed commitments and should be slotted as an outflow in the time-buckets arrived at keeping in view the validity period of LC / shipment schedule under LC / due date of bills stipulated under the LC</p> |
| b) Loan commitments pending disbursal / undisbursed commitments (outflow) | Only that amount of undisbursed commitments should be captured in the liquidity report in respect of which the <b>notice for draw-down</b> has been received from the borrower. In case, however, the terms of sanction do not stipulate any notice to be given by the borrower, the entire amount of undisbursed commitment should be slotted in the respective time buckets as per the sanctioned disbursement schedule.   |
| c) Repayments against the undisbursed commitments                         | Such future inflows should be slotted in the relative time buckets as per the stipulated repayment schedule under the terms of sanction, only in respect of the amount reckoned at item (b) above.   |
| d) Lines of credit committed to/by other Institutions (outflow / inflow)  | In the 1 to 14 day time-bucket. However, if the draw-down under the line of credit is subject to a specified notice period of more than 14 days, such notice period should also be reckoned in deciding the appropriate time bucket.   |
| e) Underwriting commitments (outflow)                                     | Based on the analysis of the past trend of devolvement of underwriting commitments, the amount of such commitments may be slotted in the relative time bucket as per the time schedule of IPO/finalisation of allotment.   |
| f) Forward exchange contracts (inflow/outflow)                            |  |



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| g) rupee-foreign currency swaps (forex swaps) (inflow/ outflow) | As per the residual maturity of the contract  |
| h) bills rediscounted (inflow)                                  | As per the residual maturity of the underlying bills  |
| i) Repos/reverse repos (inflow/ outflow)                        | As per the residual maturity of the underlying ready forward deal   |
| j) Interest rate swaps (inflows / outflows)                     | As per the residual period till each of the contractual cash flows under the IRS / FRAs / currency swaps. The cash flows relating to currency swaps may be shown in the liquidity statement of the respective currencies. |
| k) Forward rate agreements (inflows/outflows)                   |   |
| i) Currency Swaps (financial swaps)                             |   |

**Note:**

- a. Any event-specific cash flows (e.g. outflow due to wage settlement arrears, capital expenses, income tax refunds, etc.) should be shown in a time bucket corresponding to timing of such cash flows.
- b. All overdue liabilities be shown in the 1 to 14 days time bucket.
- c. Overdue receivables on account of interest and instalments of standard loans should be slotted as below:

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| (i)  | Interest overdue for less than one month.                   | Day 1-14 and 15-28 days time bucket based on behavioural estimates. |
| (ii) | Interest and instalment due (before classification as NPAs) | In 29 days to 3 months time bucket.                                 |





#### **D. Financing of liquidity gaps:**

The negative gap (i.e., where outflows exceed inflows) in the 1 to 14 days and 15 to 28 days time-bucket should not exceed the prudential limit of 10 per cent and 15 per cent respectively of the cash outflows of each time-bucket. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit, should be shown by a footnote in the relative statement.