



TATA MOTORS FINANCE SOLUTIONS PRIVATE LIMITED

Policy on exposure norms

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1	Objective:
	Keeping in view the prudential norms issued by Reserve Bank of India for Systemically Important non deposit taking Non- Banking Financial Companies (NBFC - ND- SI), the policy of the company for exposure norms has been formulated.
2	The Policy :
	<p>1. These exposure norms are intended to align the loan / investment amounts to the repayment capacity /servicing ability of the borrower spread the exposures over a large number of borrowers/ entities and to contain the impact of market, economic and other movements on the portfolio.</p> <p>2. No exposure will be taken against Tata Motors Finance's (the Company) own shares i.e. the company will not grant any loan/ advance/ overdraft or any other credit facility by whatever name, against its own shares. No exposure on partly paid shares or shares held in materialized form shall be considered.</p> <p>3. Shares issued by the Company will not also be accepted either as primary or collateral security for any other facilities granted by the company.</p> <p>4. Exposure means and includes both funds based and non -fund based facilities.</p> <p>5. The company shall maintain the ceiling on concentration to single or group borrowers as under:</p> <p>A) Lend to any single borrower not exceeding fifteen per cent of its owned fund; and any single group of borrowers not exceeding twenty five per cent of its owned fund;</p> <p>B) Invest in the shares of another company not exceeding fifteen per cent of its owned fund; and the shares of a single group of companies not exceeding twenty five per cent of its owned fund;</p> <p>C) Lend & invest (taken together) not exceeding twenty five per cent of its owned fund to single party; and not exceeding forty per cent of its owned fund to a single group of parties.</p> <p>6. Subject to the overall ceiling narrated under point 5, Individual product policy/ program shall specify the minimum and maximum loan quantum that may be granted under the product. These ceilings may be reviewed depending upon the business exigencies however in conformity with the product specific ceiling if any prescribed by RBI.</p> <p>7. The Company may exceed the concentration of credit / investment by 5% for a single party and by 10% for a single group of parties, on account of infrastructure loan and / or investment. These additional exposures would be in accordance with the latest ceilings prescribed by the RBI from time to time.</p> <p>8. Wherever necessary, the product policy/ program will also specify the manner/ method of computing the exposure amount / quantum of the loan that a borrower / group are eligible under that product.</p> <p>9. While computing the exposures against single/ group borrowers, cash collaterals/ margins held if any shall be netted off.</p> <p>10. The exposure in debentures if any shall be treated as lending and not as investments for this purpose as advised by RBI through its Master circular.</p> <p>11. The ceilings mentioned in point 5 above shall be applicable for the company to companies/ firms in its own group as well as to the borrowers/ Investee Company's group</p> <p>12. The term "group" would have the same meaning as defined under section 370(1B) of the Companies Act, 1956 as the "Companies under the same management".</p> <p>13. Off - balance sheet exposures, if any, shall be converted into credit exposure by applying the respective conversion factors as may be advised by RBI from time to time.</p> <p>14. Company shall take into account any exemptions / relaxations as may specified in the RBI guidelines in vogue while computing the exposures against single or group borrowers.</p> <p>15. For calculating the ceiling on exposures, the latest audited balance sheet shall be considered as the basis.</p> <p>16. The company shall also take in to cognizance the relevant & extant provisions under Companies Act / SEBI Laws while considering investments/ inter corporate loans and advances/ Loans against shares / exposures to directors & others having substantial</p>

	<p>interest.</p> <p>17. Exposures to capital market shall be properly classified so and shall be reported to RBI on demand or pursuant to any circular, guidelines etc., issued by RBI from time to time.</p>
3	Review of the policy:-
	<p>The management Committee of the Board should oversee the implementation of the system and review its functionality periodically.</p>

Date: - April 27, 2015

The above policy has been approved by the mentioned Executives of the Company:

<hr/> <p>Shyam Mani MD</p>	<hr/> <p>Amit Mittal CFO</p>