

Related Party Policy

(Adopted at Board meeting held on January 28, 2015)

TATA MOTORS FINANCE SOLUTIONS LIMITED

I. OBJECTIVE

The Objective / purpose of the RPT Policy is to authorize, monitor, regulate and report contracts, arrangements and transactions between the Company and a related party.

This Policy lays down the process to be adopted by the Company for identification of the related parties, approval of the RPTs and any subsequent modification thereof. The Policy also lays down the reporting requirements of RPTs .

II. Applicability

This Policy applies to all the transactions of the Company with its related parties including changes, if any, in related parties from time to time.

The Company has adopted Related Party Transaction Policy for the Related Party Transactions pursuant to the provisions of Sections 179, 188 and other applicable provisions of the Companies Act, 2013 (“the Act”) ,The Board of Directors may review / amend this Policy from time to time.

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III - Definitions:

- "Related Party " will have the same meaning as defined under Section 2(76) of the Act.
- "Related party transaction" mean all transactions between the Company on one hand and one or more related party on the other hand including contracts, arrangements and transactions as envisaged in Section 188(1) of the Act.
- "Arm's Length Transaction ('ALP')” means a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.
- "Ordinary Course of Business ('OCB')” means a transaction which is carried out in the normal course of business envisaged in accordance with the Memorandum of Association ('MoA') and the Articles of Association ("AoA")
- "Relative" in relation to a related party shall have the same meaning assigned to in Section 2(77) of the Act.

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- “Key Managerial Personnel” means
 - (a) the Chief Executive Officer or the Managing Director or the Manager and in their absence the Whole-Time Director;
 - (b) the Company Secretary;
 - (c) the Chief Financial Officer; and
 - (d) any other person appointed as the KMP by the Board of Directors of the Company.
- “Board of Directors or Board” means the collective body of the Directors of the Company.
- “Audit Committee” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act.
- “Chief Executive Officer (CEO)” means an officer of the Company as defined in Section 2 (18) of the Act
- “Chief Financial Officer (CFO)” means a person of the Company as defined in Section 2 (19) of the Act
- “Company Secretary (CS)” means a Company Secretary as defined in Section 2 (24) of the Act

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- “Managing Director” means Managing Director as defined in Section 2(54) of the Act.
- “Whole-time Director” means Managing Director as defined in Section 2(94) of the Act.
- “Transaction” shall be construed to include single transaction or a group of transactions in a contract.

IV Policy :

- In terms of this Related Party Policy, either the Company or the persons authorized by the board in accordance with this policy may enter into any Related Party Transactions.
- The RPT Framework may include such details as may be considered appropriate including the persons authorized to initiate and / or execute the RPT, commercial justification, parameters for considering RPT to be at arm’s length, monitoring and reporting mechanism.
- The RPT Policy and RPT Framework will be reviewed, approved and amended from time to time by the Audit Committee and the Board of Directors of the Company

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- All transactions by the Company with related parties shall require approval of the Audit Committee as specified in the Regulations.
- The Audit Committee shall on quarterly basis review the RPTs.
- All RPTs which are not in Ordinary Course of Business or not at Arm's Length or both will additionally require prior approval of Board of Directors and Shareholders through special resolution as per the Act (as amended from time to time).

V IDENTIFICATION OF RELATED PARTY TRANSACTIONS

- On quarterly basis identification of related parties will be done as per section 2(76) of the Companies Act and AS(18).
- Directors and KMPs would be responsible for promptly notifying the Company through CS in case of any changes / updates occurring in the related parties and in respect of details pertaining to such related parties declared by them.
- The CS shall be responsible to maintain the updated list of related parties based on the disclosures received from Directors / KMPs.

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- The Company prefers to receive such notice of any potential Related Party Transaction in advance so that the Board / Audit Committee have sufficient time to review information regarding the proposed transaction.

VI DISCLOSURES - Disclosures with respect to RPT shall be made as per applicable provisions of the Regulations.

VII COMPLIANCE

- Every person associated with RPT shall be accountable for complying with this RPT Policy that may be in force from time to time.
- Director or KMP or any other employee, who had entered into or authorized the contract or arrangement in violation of the RPT Policy shall be guilty of non-compliance as under section 188 (3) of the Act .
- A person shall not be eligible for appointment as a Director of a Company if he has been convicted of the offence under Section 188 of the Act in respect of RPT at any time during the preceding five years

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- In case of breach of this Policy Audit Committee and/or Board of Directors may initiate appropriate action against the person/s responsible.

VII ADMINISTRATIVE MEASURES

The Audit Committee of the Company, subject to supervision of the Board, shall be the Competent Authority for investigating and taking appropriate actions / steps for prevention or remedy of any breach and / or defaults in complying with this Policy. Any disciplinary action taken by the Audit Committee shall be in addition to the penal provisions of the Regulations.

This policy will come into effect from and shall remain in force till any changes are approved by the Board of Directors.

The above policy has been recommended by the mentioned Executives of the Company.

Amit Mittal
Chief Financial Officer

Shyam Mani
Managing Director
