

Keertana Finserv Private Limited

Name of Policy	Concentration Policy
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Proposed By	Padmaja Reddy
Approving Authority	Board of Directors
Version	Dec 2023

1. Introduction

Keertana Finserv Private Limited (“Keertana” Or “Company”)’s Concentration Policy (**Policy**) has been developed within the Directions/ Guidelines prescribed by the Reserve Bank of India from time to time. This policy is in line with the Master Directions – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (**Master Directions**).

2. Compliance with Law and Regulations

This policy ensures that the Company complies with all applicable laws and regulations, including standards and reporting requirements established from time to time by any regulatory authority. Hence, attempt has been made to ensure that the Concentration Policy meets all applicable rules, regulations, guidelines and directions. If at any time, there is any change in the rule / regulation / guideline pertaining to the Policy then the said change will be “mutatis mutandis” part of the Policy. Further, if any part of the policy is not in compliance with the applicable law, then the said part will become in-applicable.

3. Concentration of Credit/ Investment

Keertana to comply with the regulatory restrictions and limits as per the Chapter X of Master Directions – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

Accordingly, the exposure (Credit and investment clubbed together) shall not exceed –

- a) twenty-five percent of its Tier 1 capital to a single party; and
- b) forty percent of its Tier 1 capital to a single group of parties

Exposure norms shall not apply to –

1. Investments of Keertana in shares of
 - a. its subsidiaries;
 - b. companies in the same group,

to the extent they have been reduced from Owned Funds for the calculation of NOF and

2. The book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with –
 - a. subsidiaries of the NBFC; and
 - b. companies in the same group,

to the extent they have been reduced from Owned Funds for the calculation of NOF

4. Sensitive Sector Exposure (SSE)

Exposure to capital market (direct and indirect) and commercial real estate are categorized as sensitive sector exposure (SSE) as per the Master guidelines by RBI.

The aggregate exposure of the Company to the capital market in all forms (both fund bas-ed and non- fund based) will not exceed 30 per cent of net worth as on March 31 of the previous year.

In terms of exposure into commercial real estate, as the company product offering includes Loan against Property (LAP), it has lending against residential or commercial real estate. Further, the investment and borrowing policy of company allows it to invest into mortgage backed securities (MBS) and other such securitized exposures.

Accordingly, the overall limit prescribed for sensitive sectors are as captured below –

	Particular	Limits Assigned
1.	SSE Limit	40% of net Worth
	<ul style="list-style-type: none"> • Commercial Real Estate Sector (Sub Limit) 	25% of net worth
	<ul style="list-style-type: none"> • Capital Market (Sub Limit) 	30% of net worth
	<ul style="list-style-type: none"> <ul style="list-style-type: none"> ○ IPO Funding 	NIL. All transactions to be approved with specific approval from Board

5. Amendment / Modifications

Any statutory / regulatory change in the matter described in the Policy will be read *mutatis mutandis* in the Policy and will not be treated as amendment.

6. Review

- There shall be an annual review of the Policy.
- Keertana with the approval of the Board of Directors, can at any time modify or amend, either the whole or any part of this Policy.
- Statutory changes will be read *mutatis mutandis* in the policy document even if not amended
- Any clause or reference in the policy document which is contrary to or on violation of statutory or regulatory shall be deemed to be severed from the policy

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