POLICY ON COMPROMISE SETTLEMENT AND TECHNICAL WRITE-OFF

OF

KOMAC INVESTMENTS & FINANCE PRIVATE LIMITED (KOMAC)

SUMMARY OF THE POLICY

Document Name	Policy on Compromise Settlement and Technical Write-off (including Provisioning)
Issue and Effective Date	05/09/2026
Review and adopted	Adopted by the Board on 05/09/2026
Next Review	September 2027
Periodicity of Review	Annual, or earlier if required by changes in RBI Directions
Owner/Contact	Compliance Department
Approver	Board of Directors
Annexures	-

POLICY ON COMPROMISE SETTLEMENT AND TECHNICAL WRITE-OFF

1. PREAMBLE

The Board of Directors ("Board") of KOMAC INVESTMENTS & FINANCE PRIVATE LIMITED ("Company" or "KOMAC") has adopted this Policy at its meeting held on September 5, 2026. It sets out the framework for compromise settlements, technical write-offs and write-offs, and the related provisioning, in accordance with the Reserve Bank of India (Non-Banking Financial Companies – Resolution of Stressed Assets) Directions, 2025 (including para 16 and para 93) and the Income Recognition, Asset Classification and Provisioning (IRACP) Directions, 2025.

2. DEFINITIONS

"Board" means the Board of Directors of the Company.

"RBI" means the Reserve Bank of India.

"Directions" means the Reserve Bank of India (Non-Banking Financial Companies) Directions, 2025 issued on November 28, 2025, as amended from time to time.

"Compromise Settlement" means a negotiated arrangement with the borrower to fully settle the Company's claim against the borrower in cash, which may involve a sacrifice of the amount due, including principal, interest or charges.

"Technical Write-off" means a write-off in the Company's books of an NPA, without any waiver of the claim against the borrower and without surrender of the Company's right of recovery.

3. ASSET CLASSIFICATION AND PROVISIONING

Loans shall be classified and provided for as per the IRACP Directions and the Credit Policy: standard assets at the rate prescribed; sub-standard assets (NPA for up to 12 months) at 10%; doubtful assets (sub-standard for more than 12 months) at 100% of the unsecured portion, with the secured portion at 20%, 30% or 50% depending on the age of the doubtful asset; and loss assets at 100%.

4. ELIGIBILITY

- A compromise settlement may be considered for an account that is an NPA, or where the borrower demonstrates genuine inability to repay, after reasonable recovery efforts have been made.
- A technical write-off may be considered for an NPA that is fully provided for, generally after it has been past due for more than 180 days, or earlier with the approval of the Board where recovery is assessed to be remote.

- Settlements may be made with borrowers classified as wilful defaulters or fraud only without prejudice to any criminal proceedings against them.

5. EVALUATION

Every settlement proposal shall record the outstanding dues, the amount offered, the sacrifice involved, the realisable value of any security, the expected net present value of recovery through other means, and the reasons why the settlement is in the Company's interest.

6. APPROVING AUTHORITY

Given the size of the Company, every compromise settlement and technical write-off shall be approved by both Directors acting jointly, or by the Board. No Director shall approve a settlement or write-off in which he or she, or a relative, has an interest.

Settlements of accounts covered by a DLG shall take into account the amounts realised under the DLG.

7. COOLING PERIOD

A borrower whose account has been settled under a compromise settlement shall not be given fresh credit for a cooling period of at least 12 months from the date of settlement.

8. RECOVERY AFTER TECHNICAL WRITE-OFF

Recovery efforts shall continue after a technical write-off. Amounts recovered shall be credited to the profit and loss account and reported to the Board.

9. CREDIT INFORMATION REPORTING

Settled and written-off accounts shall be reported to the Credit Information Companies with the correct status ("settled" or "written-off"), in accordance with the Credit Information Reporting Directions, 2025.

10. REPORTING TO THE BOARD

All compromise settlements and technical write-offs, with the number of accounts, amounts settled or written off, sacrifice involved and recoveries made, shall be reported to the Board every quarter, as required by para 93 of the Resolution of Stressed Assets Directions. Write-offs shall also be disclosed in the financial statements.

11. REVIEW

This Policy shall be reviewed by the Board at least once a year, and earlier whenever required by a change in the RBI Directions or the Company's business. Any change in the RBI Directions shall apply from its effective date, even before this Policy is amended.

This Policy has been approved by the Board of Directors of the Company at its meeting held on September 5, 2026.