POLICY ON TRANSFER AND ACQUISITION OF LOANS AND STRESSED LOANS

OF

KOMAC INVESTMENTS & FINANCE PRIVATE LIMITED (KOMAC)

SUMMARY OF THE POLICY

Document Name	Policy on Transfer and Acquisition of Loans / Stressed Loans
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 TRANSFER AND ACQUISITION OF LOANS AND STRESSED LOANS

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 transfer and acquisition of loan exposures, including stressed loans, in accordance with the Reserve Bank of India (Non-Banking Financial Companies – Transfer and Distribution of Credit Risk) Directions, 2025.

2. SCOPE

This Policy applies to the transfer of loans by the Company and the acquisition of loans by it, whether standard or stressed, by way of assignment, novation or loan participation. Securitisation and co-lending arrangements, if undertaken, shall be governed by the applicable RBI Directions and separate Board approval.

3. 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.

"Stressed loan" means a loan classified as a non-performing asset or as a special mention account.

"Permitted transferee" means a bank, NBFC, asset reconstruction company or other entity permitted by the RBI to acquire loans.

4. TRANSFER OF STANDARD LOANS

- Standard loans may be transferred only after the minimum holding period prescribed by the RBI: three months for loans with a tenor of up to two years, and six months for loans with a tenor of more than two years.
- The transfer shall be on a cash basis, without any retention of credit risk or credit enhancement by the Company, except as permitted by the RBI.
- The Company shall not offer to repurchase transferred loans or provide any support beyond the contractual terms.

5. TRANSFER OF STRESSED LOANS

- Stressed loans may be transferred only to permitted transferees, through a transparent process. This may be an e-auction or another market-discovery process, or a Swiss challenge method, as approved by the Board.
- A reserve price shall be set, based on a valuation and the expected recovery from the loans. Any sale at a price below the net book value shall be approved by the Board.
- The transfer shall be on a cash basis, without recourse to the Company, and the Company shall not retain any economic interest in the transferred loans.
- Loans in which the Company detected fraud shall be transferred only with full disclosure to the transferee.

6. ACQUISITION OF LOANS

Loans may be acquired only after due diligence of the originator and the loans, including KYC, documentation, underwriting standards and repayment history. Acquired loans must meet the Company's Credit Policy. Acquisition of stressed loans shall be undertaken only with the specific approval of the Board.

7. APPROVING AUTHORITY

Every transfer or acquisition of loans shall be approved by the Board, which shall consider the valuation, the price, the accounting impact and the effect on capital and provisioning.

8. BORROWER COMMUNICATION AND RECORDS

Borrowers shall be informed of the transfer of their loans within the time required by the RBI, with the details of the transferee and the arrangements for repayment and grievance redressal. The Credit Information Companies shall be updated, and the transferee shall be provided with all loan records and KYC documents.

9. ACCOUNTING, REPORTING AND DISCLOSURE

Profit or loss on the transfer shall be accounted for as per the applicable accounting standards and RBI instructions. Details of loans transferred and acquired, including stressed loans, shall be reported to the Board and disclosed in the financial statements in the prescribed format.

10. 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.