# Amrit Malwa Capital Limited

## Policy on Co-Lending

*(Approved by the Board of Directors – Version 1.2)*

## A. Preamble

Amrit Malwa Capital Limited ("AMCL" or "the Company") recognises co-lending as a critical framework to expand credit access to unserved and underserved sectors while ensuring prudent risk management. This Policy aligns AMCL's co-lending operations with the Reserve Bank of India Co-Lending Arrangements Directions, 2025 (effective 1 January 2026), incorporating the relevant principles from the 2020 and 2021 RBI circulars.

## B. Regulatory Framework

This Policy is governed by:

• RBI Co-Lending Arrangements Directions, 2025

• Co-Lending by Banks and NBFCs (2020) (superseded by 2025 Directions; retained for transitional reference)

• Master Direction – Know Your Customer (2016 and amendments)

• Fair Practices Code for NBFCs

All operations under this Policy shall comply with these directions and future RBI amendments.

## C. Objective

The Policy provides an internal framework for co-lending partnerships that ensures transparent risk-sharing, regulatory compliance, borrower protection, efficient origination, disbursement, and servicing, along with sound governance and reporting mechanisms.

## D. Eligibility and Partner Selection

AMCL may partner with Scheduled Commercial Banks, Small Finance Banks, Housing Finance Companies (HFCs), or other NBFCs duly registered with and authorised by the RBI for co-lending or loan participation.

Each potential partner shall undergo comprehensive due diligence covering financial strength, reputation, governance, technology, and compliance record. No arrangement shall be executed with any entity belonging to or materially related to AMCL's promoter group.

To manage concentration risk, AMCL shall establish internal exposure limits:

• Maximum exposure to any single partner institution shall not exceed 25 percent of AMCL's AUM.

• Combined exposure to all co-lending partners shall not exceed 40 percent of the Company's loan book without prior Board approval.

These limits shall be reviewed annually by the Risk Management Committee (RMC).

## E. Governance Structure

The Board approves the Policy, reviews performance, and ensures compliance. The Managing Director oversees partner engagement, product approval, and execution of Master Co-Lending Agreements. The Risk and Credit Committees set underwriting standards and monitor exposure. The Operations and Accounts Teams handle escrow, reconciliation, and MIS. The Compliance and Internal Audit Departments verify adherence to RBI directions, outsourcing norms, and contractual obligations, reporting exceptions to the Audit Committee.

## F. Business Model and Operational Framework

AMCL shall originate loans, while the partner institution contributes funds and shares risk as per mutually agreed ratio. AMCL shall retain at least 10 percent of each individual co-lent loan till maturity. Both lenders shall record exposures within 15 days of disbursement.

All disbursements and repayments will flow through a dedicated escrow account. Servicing fees, processing income, and GST/TDS responsibilities shall be defined in the Master Co-Lending Agreement. Security shall be created proportionately, with AMCL acting as Security Trustee for the co-lenders.

## G. Compliance and KYC Requirements

AMCL and its partners shall comply with RBI KYC/AML Directions (2016), PMLA Rules, and FATF advisories. Partner Regulated Entities (REs) may rely on AMCL's KYC under the reliance mechanism, subject to joint responsibility. AMCL shall ensure timely uploading of borrower details to the Central KYC Registry (CKYCR).

AMCL shall also comply with RBI Outsourcing of Financial Services Directions, ensuring that servicing arrangements, data sharing, and IT systems meet prescribed security and confidentiality standards.

## H. Accounting, Provisioning and DLG Controls

Both lenders shall independently account for income, provisioning, and asset classification. Borrower-level synchronized classification (SMA/NPA) shall be maintained.

Default Loss Guarantee (DLG) or First Loss Default Guarantee (FLDG) arrangements shall strictly comply with RBI norms. The aggregate DLG exposure shall not exceed five percent of the outstanding co-lending portfolio. A DLG Reporting Register shall be maintained to capture monthly data on guarantees invoked, recoveries, and coverage, reviewed quarterly by the RMC.

## I. Customer Protection and Transparency

AMCL shall execute a single Loan Agreement with each borrower, disclosing both lenders' roles, interest computation, risk sharing, and grievance mechanism. A Key Facts Statement (KFS) shall be issued prior to disbursement.

AMCL will remain the primary interface for customers. Unresolved complaints within 30 days shall be escalated to the partner institution and, if necessary, to the Banking or NBFC Ombudsman. AMCL shall publish all active co-lending partnerships and material disclosures on its website and financial statements.

## J. Risk Management and Stress Testing

All co-lending exposures shall be part of AMCL's enterprise-wide risk framework. The RMC shall perform periodic stress testing and scenario analysis on the co-lending portfolio to assess the impact of credit losses, rate changes, and partner defaults.

An Early Warning System (EWS) shall track repayment delays and portfolio performance. Internal Audit shall conduct annual reviews of underwriting, servicing, and data sharing.

## K. Business Continuity and Exit Management

Both AMCL and its partners shall maintain inter-operable Business Continuity Plans (BCPs) to ensure uninterrupted servicing. In case of termination or disruption, AMCL shall continue servicing until alternate arrangements are made.

## L. CIC Reporting

Both AMCL and the partner institution, being Credit Institutions under the Credit Information Companies (Regulation) Act, 2005, are required to report borrower-level credit information to all four Credit Information Companies — CIBIL, Equifax, Experian, and CRIF High Mark. Each lender shall independently report its share of every co-lent exposure in the format and within the timelines prescribed by the Reserve Bank of India.

The Master Co-Lending Agreement shall specify the lender responsible for primary data capture, the reconciliation mechanism to ensure consistent borrower-level reporting by both lenders, and the protocol for rectifying data discrepancies, rejections, or borrower disputes within the timelines prescribed under the RBI Master Direction on Credit Information Reporting. AMCL shall designate a Nodal Officer for credit information matters and maintain an audit trail of all submissions, rejections, and corrections for review by Internal Audit and the RMC.

## M. Reporting and Policy Review

The Board shall receive quarterly reports detailing partner-wise exposures, delinquencies, DLG status, and stress-test results. The Policy shall be reviewed annually or earlier if warranted by regulatory or business changes. All revisions require Board approval.

## N. Policy Administration

The Compliance Department shall act as policy custodian. The Managing Director shall issue necessary operational guidelines and SOPs. Any exception shall require prior Board approval.

## O. Effective Date

This Policy takes effect from 1 January 2026 and supersedes all earlier versions of the Co-Lending Policy of Amrit Malwa Capital Limited.

**Approved by the Board of Directors**
Amrit Malwa Capital Limited

Date of Approval:01-April-2026