



**WHIZDM FINANCE PRIVATE LIMITED
CO-LENDING POLICY
Version 1.0/ 2024-25**

Approved by	Board of Directors
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Policy Owner Department	Credit and Risk Management Department
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1. Purpose and Background:

Whizdm Finance Private Limited (Whizdm/Company), has adopted this policy to enable the growth of the business by getting engaged with eligible banks, financial Institutions and NBFCs (“Lenders”) for exploring co-lending opportunities across its existing and new products / segments.

The said policy is as per RBI circular dated November 05, 2020 on Co-Lending (RBI/2020-21/ 63, FIDD. CO.Plan.BC.No.8/04.09.01/2020-21.

2. Engagement Models with Lenders and Master Agreement:

The Company will enter into a Master Agreement with Partner Bank(s) or Financial Institutions that shall, inter-alia, include terms and conditions of the arrangement, the criteria for selection of potential customers, the specific product lines and areas of operation, along with provisions related to segregation of responsibilities as well as customer interface and protection issues.

The Partner Bank(s) or Financial Institutions will take its share of the individual loans on a back-to-back basis in its books. However, the Company shall be required to retain a minimum of 20% per cent share of the individual loans on its books.

The Master Agreement entered by the Company and Partner Bank(s) or Financial Institutions for implementing the Co-lending Model (“CLM”) may provide either for the bank to mandatorily take their share of the individual loans as originated by the NBFC in their books or retain the discretion to reject certain loans subject to its due diligence.

The terms and conditions of each co-lending arrangement and the documents entered with each Co-Lender, including any modifications or amendments, shall require the prior approval of the Risk Management Committee of the Company.

The compliance and the execution/negotiation/finalisation for the co-lending arrangement will be the responsibility of the Risk Management committee. The Board will be reviewing the co-lending tie-up along with its performance on regular interval.

3. Commercial:

- **Interest rate** - The ultimate borrower may be charged an all-inclusive interest rate as may be agreed upon by the Company and the Co-Lender conforming to the extant guidelines applicable to both.
- **Fees and Expense sharing for other activities** - Appropriation between the co-lenders may be mutually decided basis mutual agreement between the Company and the Co-Lender.
- **Risk Sharing** - Share of loan exposure to be taken by the Company and each Co-Lender shall be as mutually agreed.
- **Any other commercial terms** – Shall be mutually agreed with each Co-Lender.

4. Customer related issues

- The Company shall be the single point of interface for the customers and shall enter into a loan agreement with the borrower, which shall clearly contain the features of the arrangement and the roles and responsibilities of the Company and the Co-Lenders.
- All the details of the arrangement shall be disclosed to the customers upfront, and their explicit consent shall be taken.
- The ultimate borrower may be charged an all-inclusive interest rate as may be agreed upon by both the lenders conforming to the extant guidelines applicable to both the Company and the Co-Lender.

- The Company and each Co-Lender shall be responsible to comply with the extant regulatory guidelines relating to customer service and fair practices code.
- The Company shall ensure that it is able to generate a single unified statement of the customer, through appropriate information sharing arrangements with the Co-Lenders.
- Suitable arrangement will be put in place by the Company and the Co-Lender to resolve any complaint registered by a borrower with the Company within 30 days, failing which the borrower would have the option to escalate the same with the concerned Banking Ombudsman/Ombudsman for the Company or the Customer Education and Protection Cell (CEPC) in RBI or as mentioned in the Master Agreement between the Company and the Co-lender.

5. Other Operational Aspects

- The Master Agreement shall clearly specify the manner of appropriation between the Company and the Co-Lender. All transactions (disbursements/ repayments) between the Company and the Co-Lender relating to CLM shall be routed through an escrow account maintained with the banks, to avoid inter-mingling of funds. The Company and the Co-Lender shall maintain each individual borrower's account for their respective exposures.
- The Master Agreement may contain necessary clauses on representations and warranties that would be provided by the Company in respect of the share of the loans taken into its books by the Co-Lender.
- The Company and the Co-lender shall establish a framework for monitoring and recovery of the loan, as mutually agreed upon.
- The Company and the Co-lender shall adhere to the asset classification and provisioning requirement, as per the respective applicable regulatory guidelines including reporting to Credit Information Companies, under the applicable regulations for its share of the loan account.
- The loans under the CLM shall be included in the scope of internal/statutory audit within the Company and the Co-lender to ensure adherence to their respective internal guidelines, terms of the agreement and extant regulatory requirements.
- Any assignment of a loan by the Co-Lender to a third party can be done only with the consent of the Company and vice versa.
- Both the Company and the Co-lender shall implement a business continuity plan to ensure uninterrupted service to their borrowers till repayment of the loans under the co-lending agreement, in the event of termination of co-lending arrangement between the Company and the Co-lender.
- The Company and the Co-Lender shall adhere to applicable KYC/AML guidelines, as prescribed by RBI and any other regulation as stipulated by RBI from time to time.

6. Delegation of Power, Reporting and Review

- The RMC Committee of the Company shall be responsible for implementation and compliance with this Policy.
- Any deviations to this policy will require approval from Board of Directors of the Company.
- The co-lending Policy shall be subject to periodic review in accordance with any regulatory or statutory requirement and shall be approved by the Board of the Company.
- All new co-lending partnerships approved by the RMC Committee to be tabled before the Board for noting.
