

EPIMONEY PRIVATE LIMITED

Policy on Co-Lending

Detailed Policy Document

EPIMONEY PRIVATE LIMITED

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Version	Policy changes	Document Author	Approval Date	Approved By
1.0	Initial Policy	Finance Team	June, 2023	Board of Director
2.0	Revision and segregation of the initial Co-lending and FLDG Policy	Modified by Compliance Team and Confirmed by the Finance Team	September, 2023	Board of Director
3.0	Revisions in line with the RBI notification dated June 8, 2023 and segregation of Co-lending and DLG Policy	Modified by Compliance Team and Confirmed by the Finance Team	September 30, 2024	Board of Director
4.0	Amendment as per Regulatory Requirement	Modified and Confirmed by the Compliance Team	September 17, 2025	Board of Director
5.0	Revisions in line with Reserve Bank of India (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk) Directions, 2025	Modified and Confirmed by the Compliance Team	March 16, 2026	Board of Director

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1. INTRODUCTION

Epimoney Private Limited (hereafter referred to as the ‘Company’) is incorporated under the provisions of the Companies Act, 1956 as amended from time to time and is a Non-Banking Financial Company (“NBFC”) registered with the Reserve Bank of India (RBI). This policy of Co-Lending (“Policy”) has been drafted in line with Reserve Bank of India (“RBI”) (Non-Banking Financial Companies – Transfer and Distribution of Credit Risk) Directions, 2025 dated November 28, 2025 RBI/DOR/2025-26/352 DOR.STR.REC. 271/21.04.048/2025-26, on ‘Reserve Bank of India (Co-Lending Arrangements) Directions, 2025’ (“Directions”).

Such an arrangement shall entail joint contribution of credit at the facility level by both the Company and other NBFC/Bank (jointly to be referred as “Co-lenders”), for this Policy, the other NBFC/Bank shall be referred to as the (“Co-lender”). It shall also involve sharing of risks and rewards between the Co-lenders for ensuring appropriate alignment of respective business objectives, as per the mutually decided Co-Lending Arrangement (CLA) entered between the Co-Lenders. CLA would help the Co-lenders to increase market share, enable outreach and to expand and diversify the loans portfolio.

2. OBJECTIVES

The Policy shall be treated as the guidelines for strategic collaboration by the Company with the Co-lender. During these dealings, the Company shall enter into an CLA with each such entity covering the terms and conditions, detailing the area of operation including the product amongst other things as detailed herein below.

3. TERMINOLOGY/ DEFINITIONS AND INTERPRETATIONS

The following terms shall have the following meanings/interpretations hereunder:

“**Co-lending**” shall mean and include where two Regulated Entities (RE) enter into an arrangement for the joint contribution of credit to a borrower in a ratio pre-defined as per the CLA executed amongst the Co-lenders wherein the Originating Co-lender will have to retain a minimum 10 per cent share of the individual loans in its books.

“**CLA**” refers to an arrangement, formalised through an ex-ante agreement, between a RE which is originating the loans (‘Originating Co-lender’) and another RE which is co-lending (‘partner RE/ Co-lender’), to jointly fund a portfolio of loans, comprising of either secured or unsecured loans, in a pre-agreed proportion, involving revenue and risk sharing.

“**Products for Co-lending**” shall mean all existing and eligible new loan products of the Company.

“**Regulated Entity**” shall mean any Bank or Non-Banking Financial Company registered with the RBI and engaged in the business of lending.

4. CO-LENDING MODEL (CLM)

The CLA to be entered into by the Co-lender and the Company shall provide for the Co-lender to mandatorily take its share in the individual loan/s originated by the Company in its books. The Co-lender and the Company shall put in place suitable mechanism for ex-ante due diligence by the Co-lender as required by the RBI regulations/Guidelines.

5. ELIGIBLE PRODUCTS/ BUSINESS SEGMENTS

Existing product mix of the Company including any new product/segments introduced by the Company shall be eligible for CLA.

6. SELECTION OF CO-LENDER

Broad parameters for selection of Co-lender are as follows:

- a. Registered NBFCs/Bank which are permitted by the RBI to engage in the business of lending
- b. Past experience into the establishment of the product range for which Co-lending is proposed.
- c. Portfolio size and geographical coverage of the Co-lender.
- d. External rating of the Co-lender, where applicable.
- e. Co-lenders borrowing exposure from other institutions.
- f. Required technological platform to maintain accounts and exchange necessary MIS.

* The Company shall not enter a CLA with any Bank/NBFC belonging to the promoter group.

7. OTHER ASPECTS OF CO-LENDING

I. Sourcing and Sanction:

As per the terms of the CLA, the Company or the Co-lender shall be responsible for sourcing/ origination of the loans. The process of loan sanction and disbursement shall be as per the agreed terms as defined in the CLA/ standard operating procedures agreed with respective Co-lender.

II. Operation of Account

A common account in the form of an Escrow account(s) shall be opened for disbursement of loans/ collection of the outstanding. Terms of appropriation of cash flows shall be defined in the CLA/ standard operating procedures.

III. Retention of share and Statement of Account

Originating Co-lender shall maintain individual borrower's account for its share/ contribution as well as a single unified statement for the borrower considering share of both the Co-lenders. However, all transactions (disbursements/ repayments) between the banks/ NBFC and the Company relating to CLA shall be routed through an escrow account(s) maintained by the Co-lenders, in order to avoid inter-mingling of funds.

IV. Minimum Retention Requirement

Originating Co-lender shall retain at least 10% of each loan on its books.

V. Accounting Standards

Originating Co-lender shall adhere to applicable accounting standards for booking unrealised profits under CLAs, which must be deducted from CET 1 or Net Owned Fund for meeting regulatory capital adequacy purposes until loan maturity.

VI. Recording of loan share

Both the Company and the Co-lender must record their respective loan shares in their books within 15 calendar days from the date of disbursement.

VII. Transfer of loans

Originating Co-lender must transfer loans only to the **other** Co-lender as per the CLA and KFS. If transfer is not done within 15 calendar days, the loan remains with the Originating Co-lender and can be transferred to other eligible lenders only as per Part A of RBI (Non-Banking Financial Companies – Transfer and Distribution of Credit Risk) Directions, 2025, i.e Transfer of Loan Exposure.

VIII. Default Loss Guarantee (DLG)

Originating Co-lender is permitted to provide DLG up to 5% of the outstanding portfolio in respect of loans under CLA, in terms of Reserve Bank of India of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025 to the Co-lender. Any other implicit guarantee of similar nature linked to the performance of the loan portfolio under the CLA and specified upfront, shall also be covered under the definition of DLG.

IX. General Provisions

Any other services that are provided to the borrower by the Company and the Co-lender shall be governed by the terms & conditions of the CLA which shall *inter- alia* include:

- a. Borrower selection criteria.
- b. Terms and conditions of Co-lending.
- c. Commercials for the CLA.
- d. Funding/sharing ratio of CLA.
- e. Specific product lines in existing areas of operation.
- f. Provisions related to segregation of responsibilities as well as customer interface, grievance redressal mechanism and protection issues.
- g. Clauses on representations and warranties which the Company shall be liable for in respect of the share of the loans taken into its books by the Co-lender.
- h. Norms for lending to the borrower, underwriting norms.
- i. Terms of the appropriation of cash flows shall be defined in the CLA/ standard operating procedures in the respective escrow agreement.
- j. Details of monitoring and recovery.
- k. Information exchange timelines between the Co-lenders.
- l. Any other information as may be prescribed by the RBI.

X. Sharing of Risk and Reward

The arrangement would entail joint contribution of credit at each facility level, by both the Company and the Co-lender. It would involve sharing of risks and rewards between the Company and the Co-lender for ensuring appropriate alignment of respective business objectives, as per the mutually decided agreement between the Co-lenders. The ratio of sharing in a CLA shall be determined in accordance with the CLA executed with the Co-lender. The Co-lender must irrevocably commit to take its share of each loan into its books on a back-to-back basis originated by the Company.

XI. Commercials

- i. **Interest rate-** The ultimate borrower will be charged a blended interest rate, calculated as the weighted average of rates applied by each Co-lender based on the terms and conditions of the CLA in line with their particular co-lending policies and applicable regulations. Any changes in interest rates must be updated and communicated to the borrower.
- ii. **Interest sharing, Fees and Expense sharing for other activities -** Appropriation between the Co-lenders may be mutually decided basis mutual agreement between the Co-lenders.
- iii. **AUM / Servicing Fees / Interest sharing or any other commercial terms** shall be crystalised as may be agreed mutually by the Co-lenders.
- iv. **Customer Due Diligence/ Know Your Customer (KYC)**
The Co-lenders shall adhere to applicable KYC/ AML regulatory guidelines and any other regulation as stipulated by RBI from time to time, which already permit Co-lender, at their option, to rely on customer due diligence done by the Company, subject to specified conditions.
- v. **Monitoring & Recovery**
The Co-lenders shall create a framework for day-to-day monitoring of the loans and recovery upon default and the same shall be covered in the CLA/standard operating procedure.
- vi. **Security and Charge Creation**
The Co-lenders shall arrange for the creation of security and charge (if applicable) as per mutually agreeable terms and in line with the regulatory guidelines.

vii. **Asset Classification Norms**

SMA/NPA classification by one RE binds the other; near-real-time data sharing is mandatory.

Company and the Co-lender must follow borrower-level asset classification under CLA—if either one marks an exposure as SMA/NPA, the other shall do the same. A near real-time information-sharing system must be in place, updated by the end of next working day.

viii. **Assignment/ Change in Loan Limits**

Any assignment of loans by any of the Co-lenders to a third party can be done with the prior consent of the other lender and as per the terms of CLA. Further, any change in limit or critical terms of the loan of the co-lent facility shall require prior consent of the other lender or as per the terms of the CLA.

ix. **Grievance Redressal**

- a. Either the Company or the respective Co-lender as agreed under the CLA shall be the single point of interface for the borrowers 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-lender.
- b. The extant guidelines relating to customer service and fair practices code and the obligations enjoined upon the Co-lender and the Company shall be applicable in respect of loans given under the CLA.
- c. With regards to the grievance redressal, suitable arrangement shall be put in place by the Co-lenders to resolve any complaint registered by a borrower within 30 days, failing which the borrower would have the option to escalate the same with concerned Banking ombudsman/ Grievance Redressal Officer of the respective Co-lenders or the Customer Education and Protection Cell in RBI as applicable and laid out in the Fair Practices Code adopted by the Company and the Co-lender.

x. **End use monitoring of loans:**

The end-use of loans shall be monitored in accordance with the Standard Operating Procedure (SOP) approved by the management of the Originating Co-lender.

xi. **Audit**

The loans under the CLA shall be included in the scope of internal/ statutory audit of the Company and the Co-lender to ensure adherence to their respective internal guidelines, terms of the agreement and extant regulatory requirement.

xii. **Business Continuity Plan**

The Company and the Co-lender shall implement a business continuity plan to ensure uninterrupted service to their borrowers till repayment of the loans co-lent together as per the terms of the CLA.

8. MISCELLANEOUS

I. Policy Severable

This Policy constitutes the entire document in relation to its subject matter. In an event that any term, condition or provision of this Policy is held to be a violation of any applicable law, statute or regulation, the same shall become severable from the rest of the Policy and shall be of no force and effect, and the Policy shall remain in full force and effect as if such term, condition or provision had not originally been incorporated in the Policy.

II. Disclosures

Company shall prominently display a list of all active CLA partners on its website.

Originating Co-lender shall make appropriate disclosures in their financial statements, under 'Notes to Accounts', relating to necessary details of CLAs on an aggregate basis. The details may inter alia include quantum of CLAs, weighted average rate of interest, fees charged / paid, broad sectors in which CLA was made, performance of loans under CLA, details related to default loss guarantee, if any, etc. The disclosure shall be done on an annual basis or as applicable to concerned Originating Co-lender.

III. Reporting to Credit Information Companies

Co-lenders shall adhere to the extant requirements of reporting to CICs for their share of the loan account, as per the provisions of the Credit Information Companies (Regulation) Act, 2005 and the Rules and Regulations issued by RBI therein, from time to time.

IV. Periodic review of the Policy

Review of the Policy shall be done at least annually.

V. Amendment

Any change in the Policy shall be approved by the board of directors of the Company. Any amendment in the regulatory guidelines shall prevail and necessary amendment shall be carried out at a subsequent date in the Policy. The board of directors of the Company shall have the right to withdraw and/or amend any part of the Policy or the entire Policy, at any time, as it deems fit, or from time to time, subject to applicable law in force.