

## CLIX- CO-LENDING POLICY

S.no.	Description	Name
1	Prepared by	Tanu Jain (Manager- Policy) Shoibal Mukherjee (AVP- Policy)
2	Reviewed by	Kumar Suman (Head- Policy)
3	Recommended by	Abhishikta Chadda Munjal (CRO)
3	Approved by	Board of Directors

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This policy applies to all products within Clix Capital and subsidiaries, including subsidiaries, Joint Ventures (JVs), in which Clix Capital has a 50% or greater interest to self-originated accounts as well as accounts that are acquired (Direct Assignment etc.) -(hereinafter called as CLIX).

## Table of Contents

1.	BACKGROUND .....	3
2.	OBJECTIVE .....	3
3.	POLICY APPLICABILITY .....	3
4.	EFFECTIVE DATE: .....	3
5.	TREATMENT OF EXISTING CO-LENDING ARRANGEMENTS .....	3
6.	APPLICABLE PRODUCTS: .....	4
7.	POTENTIAL PARTNERSHIP: .....	4
9.	OTHER KEY FEATURES OF CLA: .....	7
10.	15-DAYS BREACH MANAGEMENT .....	8
11.	CUSTOMER RELATED DISCLOSURES UNDER CLA .....	9
12.	ACCOUNTING TREATMENT .....	10
13.	DEBT RESTRUCTURING .....	10
14.	CLA CONTRACT TERMINATION .....	10
15.	DISPUTE RESOLUTION .....	11
16.	BUSINESS CONTINUITY .....	11
17.	GOVERNANCE .....	11
18.	EXCEPTION TO THE POLICY .....	12
19.	POLICY REVIEW .....	12

## 1. BACKGROUND

This policy is updated in line with Part B: Co-lending Arrangement (CLA), of Reserve Bank of India (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk) Directions, 2025 dated November 28, 2025.

## 2. OBJECTIVE

The objective of this document is to lay down the policy for CLIX Capital (CLIX) to govern and manage the co-lending model (CLM) agenda. The policy document comprises of various guiding principles, which will help CLIX to perpetuate strong governance, controls and realize key benefits such as:

- Adherence to Co-lending guidelines as defined by the RBI;
- Partnership process definition to ensure a consistent approach towards Bank identification and onboarding; and
- Transparency in the roles and responsibilities of key stakeholders.

## 3. POLICY APPLICABILITY

This policy applies to all products within CLIX Capital and its subsidiaries, including Joint Ventures (JVs), in which CLIX Capital has a 50% or greater interest to self-originated accounts.

## 4. EFFECTIVE DATE:

For new business	All new loans originated under a co-lending arrangement from January 1, 2026, CLIX must be in strict compliance with the Part B: Co-lending Arrangement (CLA), of Reserve Bank of India (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk) Directions, 2025 dated November 28, 2025 as amended from time to time.
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## 5. TREATMENT OF EXISTING CO-LENDING ARRANGEMENTS

- All loans originated under earlier co-lending guidelines shall continue under their existing contractual terms until maturity.
- **Disclosure & Reporting:**
  - Loans under legacy CLAs must be segregated and disclosed separately in financial statements and regulatory reports until matured.
  - Website disclosure should clearly indicate which partners operate under revised norms and which under legacy arrangements.

## Co-lending Policy

**6. APPLICABLE PRODUCTS:**

The products, which CLIX would be targeting under this policy, would be Term Loans, Working Capital Loans and other products aligned to CLIX's focus area.

**7. POTENTIAL PARTNERSHIP:**

CLIX intends to collaborate with the eligible regulated entities for the purpose of co-origination of loans.

- The following entities are considered eligible lenders (Regulated Entities – REs) for entering into Co-Lending Arrangements (CLAs): Commercial Banks, excluding Small Finance Banks (SFBs), Regional Rural Banks (RRBs), Local Area Banks (LABs)
  - All-India Financial Institutions (AIFIs)
  - Non-Banking Financial Companies (NBFCs), including Housing Finance Companies (HFCs)
- However, Banks are the most influential and instrumental institutions in India's Financial eco – system. They have access to public deposit, are people's preferred channel for financial transactions. A collaborative approach via partnerships with Banks will emerge as competitive advantage for CLIX Capital as well as Banks.

Any digital lending arrangements involving co-lending by these REs must comply with both:

1. Digital Lending norms as provided under Reserve Bank of India (Non-Banking Financial Companies– Credit Facilities) Directions, 2025, dated November 28, 2025 as amended from time to time.
2. Part B: Co-lending Arrangement (CLA), of Reserve Bank of India (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk) Directions, 2025 dated November 28, 2025 as amended from time to time.

Business Head, CRO, Head of Co-lending (Currently, COO) and Chief Executive Officer (CEO) will jointly evaluate all the partnership proposal received to ensure rights of CLIX are protected and such proposals are not detrimental to CLIX Interest.

**8. CLA – OPERATIONAL ARRANGEMENTS/ SCOPE OF THE AGREEMENT**

For the purpose of this policy, CLA refers to an arrangement, formalized through an ex-ante agreement, between a Regulated Entity (RE) which is originating the loans ('originating RE') and another RE which is co-lending ('partner RE'), to jointly fund a portfolio of loans, comprising of either secured or unsecured loans, in a pre-agreed proportion, involving revenue and risk sharing.

- Basis this board approved policy, a Master Agreement may be entered into between the partner institutions which shall inter-alia include, terms and conditions of the arrangement, the criteria for selection of borrowers, the specific product lines and areas of operation, fees payable for lending services<sup>1</sup> (if any), time-frame for exchanging critical information,

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<sup>1</sup> Lending service shall refer to the set of activities related to lending such as customer acquisition, underwriting, pricing, servicing, monitoring, and recovery of specific loan or loan portfolio, etc. performed by the REs or their agents (in conformity with extant outsourcing guidelines issued by the Reserve Bank of India).

## Co-lending Policy

provisions related to segregation of responsibilities as well as customer interface and customer protection issues and grievance redressal mechanism, as detailed.

- The CLA/Master Agreement shall entail an irrevocable commitment on the part of partner RE to take into its books, on back-to-back basis, its share of the individual loans as originated by the originating RE.
- Both the partners shall ensure that the respective shares of the REs are reflected in the books of both REs without delay after disbursement by the originating RE to the borrower, in any case not later than 15 calendar days from the date of disbursement.
- Originating NBFC/ CLIX shall also ensure that it transfers the loan under CLA only to the partner RE, as per the ex-ante agreement and as specified in the KFS at the time of sanction of loan.
- Both the partners shall maintain a borrower's account individually for its respective share.
- All transactions (disbursements / repayments) between the REs, as well as with the borrower, shall be routed through an escrow account maintained with a bank (which could also be one of the REs involved in CLA). The agreement shall clearly specify the manner of appropriation between the originating and partner REs.
- CLIX under CLA shall comply with the prescribed norms under the Reserve Bank of India of India (Non-Banking Financial Companies – Know Your Customer) Directions, 2025 as amended from time to time. CLIX may rely upon the originating RE for “Customer Identification Process” as per the provisions of the said Directions on KYC.
- Sharing of Risk and Rewards - Minimum 10% of the credit risk by way of direct exposure shall be on CLIX's books till maturity and the balance will be on bank/partner's books. CLIX shall give an undertaking to the bank/partner that its contribution towards the loan amount is not funded out of borrowing from the co-originating bank/partner or any other group company of the partner bank.
- Product and Pricing - A detailed product and pricing strategy, including the blended interest rate and any change to the same, fees/ charges payable for lending services (if any) depending upon relevant factors such as the nature of service provided, quantum of loan, etc.; processing fees, interest subsidies, loan management and performance fees or any other charges, as maybe applicable, shall be outlined in the agreement. Such fees/ charges shall not involve, directly or indirectly, any element of credit enhancement<sup>2</sup>/ default loss guarantee unless permitted otherwise.

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<sup>2</sup> credit enhancement” means a contractual arrangement in which an entity provides some degree of added protection to other parties to a transaction so as to mitigate the credit risk of their acquired exposures;

### Co-lending Policy

- Governance Model - A detailed governance policy as agreed upon by the lenders including responsibilities, SLAs, authorities, disputes and escalation matrix shall be defined as part of the agreement.
- Escrow Account - The co-lending partner and CLIX shall maintain each individual borrower's account for their respective exposures. However, all transactions (disbursements/ repayments) between the banks and CLIX relating to CLM shall be routed through an escrow account maintained with the banks, in order to avoid inter-mingling of funds. The Master Agreement shall clearly specify the manner of appropriation between the co-lenders.
- Credit Assessment Policy - The agreement will mention the detailed credit assessment process as agreed mutually.
- Risk Management - The agreement will detail out the process for risk management and highlight any specific requirements for the Bank. The lenders shall be entitled to independently assess the risks and requirements of the applicant borrowers. The loan agreement would be tripartite in nature, wherein, both the Bank and CLIX shall be parties as lenders to the loan agreement with the customer.
- Security and Charge Creation - The lenders shall arrange for creation of security and charge as per mutually agreeable terms not breaching the regulatory guidelines.
- Assignment Terms - The agreement will enlist scenarios wherein assignment will be permissible. Both parties will retain the right to buy out each other's portfolio at mutually agreed terms. Such transfers to a third party, however, can be done only with the mutual consent of both the originating and partner REs.

Any subsequent transfer of loan exposures originated under CLA to third parties, or any inter-se transfer of such loan exposures by NBFCs/CLIX, shall be strictly in compliance with the provisions of Part A (Transfer of Loan Exposures) of Reserve Bank of India (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk) Directions, 2025, dated November 28, 2025 as amended from time to time.

- Business Continuity - The agreement will specify the responsibility of the Co-lending partner and CLIX towards servicing existing customers in case both parties decide to terminate the contract for any unforeseen reasons. It will also lay out other roles & responsibilities, and appropriate governance structure.
- Termination Clause and Process – The agreement will lay out processes to be followed in case of any pre-mature termination of partnership.
- Each lender shall adhere to the asset classification and provisioning requirement, as per the respective regulatory guidelines applicable to each of them including reporting to Credit Information Companies, under the applicable regulations for its share of the loan account.

## Co-lending Policy

CLIX shall adhere to the extant requirements of reporting to CICs for its 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.

- The loans under the CLM shall be included in the scope of internal/statutory audit within the banks/partner and CLIX to ensure adherence to their respective internal guidelines, terms of the agreement and extant regulatory requirements.
- Upon expiry of an existing agreement, renewal of contract will be treated as a fresh agreement and the process applicable for a fresh agreement will be followed.

## 9. OTHER KEY FEATURES OF CLA:

Applicability & Scope	Formal agreement between an Originating RE and a Partner RE to jointly fund loans with defined risk/revenue sharing.
Minimum Risk Retention	Minimum 10% of each individual loan to be retained on the books of the originating RE/CLIX.
Default Loss Guarantee (DLG) <sup>3</sup>	<ul style="list-style-type: none"> <li>• CLIX may provide a DLG up to 5% of the outstanding loan amount.</li> <li>• The guarantee can be invoked only after 90 days of delinquency and must be extinguished within 120 days of invocation.</li> </ul> CLIXCLIX
Blended Interest Rate	Weighted average rate computed from each RE's rate and funding share; disclosed to borrowers via KFS/APR.
Borrower-level Asset Classification	Uniform asset classification is mandated. If one lender classifies a loan as a Special Mention Account (SMA) or Non-Performing Asset (NPA), the co-lending partner must apply the same classification for their exposure to the borrower, with information shared in real-time or by the next working day.
Operational & Governance	<ul style="list-style-type: none"> <li>• The co-lending agreement must be a comprehensive legal document detailing borrower selection criterion, product lines, fee structures, and operational protocols.</li> <li>• All transactions must be routed through an escrow account with a bank.</li> <li>• The loan agreement/KFS with the borrower must clearly disclose the roles and responsibilities of each partner.</li> <li>•</li> </ul>
Website Disclosure	In addition to all disclosure requirements under applicable regulations, CLIX shall prominently publish on its website a list of all active co-lending partners. This list must be kept current and accurate to ensure transparency for customers and stakeholders.

<sup>3</sup> Provision of such default loss guarantee shall be governed mutatis mutandis in terms of Reserve Bank of India of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025 as amended from time to time.

## Co-lending Policy

Disclosure in Financials	<p>CLIX shall provide appropriate disclosures in its financial statements under “Notes to Accounts” on an aggregate basis for all co-lending arrangements. These disclosures shall, at a minimum, include:</p> <ul style="list-style-type: none"> <li>• Total quantum of loans originated under co-lending arrangements.</li> <li>• Weighted average interest rate applicable to such loans.</li> <li>• Fees or charges paid/received under the arrangement.</li> <li>• Broad sectoral distribution of co-lending exposures.</li> <li>• Performance indicators of loans under co-lending (e.g., delinquency trends).</li> <li>• Details of any Default Loss Guarantee (DLG) provided or received.</li> <li>• Such disclosures shall be made annually, or at such frequency as may be prescribed by applicable regulatory requirements.</li> </ul>
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## 10. 15-DAYS BREACH MANAGEMENT

If the co-lending partner fails to book their share of the loan within the stipulated 15-day period:

- The loan shall remain entirely on the books of the CLIX.
- The arrangement shall no longer qualify as a co-lending transaction under RBI’s definition.
- Any subsequent transfer of the loan exposure must comply with the Part A (Transfer of Loan Exposures) of Reserve Bank of India (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk) Directions, 2025, dated November 28, 2025 as amended from time to time, including applicable due diligence, valuation, and documentation requirements.

### 10A. Customer Impact & Remediation:

#### Pre-requisites:

- a) Conditional Disclosure Clause: All Loan agreements under CLA will have a clause: *“The roles and responsibilities disclosed herein are contingent upon successful booking of the loan share by the co-lending partner within 15 calendar days. In case of non-transfer, the originating RE shall remain the sole lender and interface for the borrower and/or can be transferred to other eligible lenders only under the provisions of Part A (Transfer of Loan Exposures) of Reserve Bank of India (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk) Directions, 2025, dated November 28, 2025 as amended from time-to-time.”*
- b) CLIX shall implement a flag in LMS to track loans pending for transfer under CLA beyond 15 days.

#### Post breach:

- a) If the partner fails to record its share within 15 calendar days of disbursal, the loan remains on CLIX’s books and will be treated as a single-lender exposure until transfer, under Part A (Transfer of Loan Exposures) of Reserve Bank of India (Non-Banking Financial Companies -

## Co-lending Policy

Transfer and Distribution of Credit Risk) Directions, 2025, dated November 28, 2025 as amended from time to time

- b) Customer servicing, EMI schedule, and blended pricing remain unchanged.
- c) CLIX shall further:
  - i. Inform the customer (via SMS/email) that the loan continues under CLIX without any change in terms.
  - ii. Update CIC reporting to reflect the correct lender until transfer (if any) is completed.
  - iii. Escalate internally to the Co-lending group/team for corrective action.
  - iv. System Flagging: Trigger alerts for legal and operations teams to initiate corrective disclosures.
- v) Ensure partner onboarding gaps are addressed before further disbursements.

## 11. CUSTOMER RELATED DISCLOSURES UNDER CLA

- Single point of interface for the customers shall be governed by the T&C given in Master agreement and shall enter into a loan agreement with the borrower, which shall clearly contain the features of the arrangement and the roles and responsibilities (such as sourcing, and servicing) of CLIX and banks / NBFC.
- Any subsequent change in customer interface shall only be done after prior intimation to the borrower.
- All required details of CLA shall be disclosed appropriately to the concerned borrower in Key Facts Statement (KFS). Any fees / charges payable by the borrower in addition to the blended interest rate shall be incorporated in computation of annual percentage rate (APR) and disclosed appropriately in the KFS.
- All the details of the arrangement shall be disclosed to the customers upfront in the loan agreement and their explicit consent shall be taken. The loan-agreement shall also appropriately disclose suitable provisions related to customer protection, and grievance redressal mechanism.
- The ultimate interest rate charged to the borrower shall be the blended interest rate which is calculated as an average rate of interest derived from the interest rates charged by CLIX and its Co-lending partner, as per their internal lending policies and risk profile of the same or similar borrower, weighted by the proportionate funding share of concerned REs under CLA. Any change in rates by CLIX or its Co-lending partner under CLA will be made as per their credit policy and extant regulatory norms, and the same shall be reflected in the updated blended rate and communicated to the borrower.
- The extant guidelines relating to customer service and fair practices code and the obligations enjoined upon the banks/partner and CLIX therein as applicable to them in respect of loans given under the arrangement.
- CLIX should have access and should be able provide single unified statement of the customer, through appropriate information sharing arrangements with the co-lending partner/bank.

## 12. ACCOUNTING TREATMENT

CLIX shall adhere to the applicable accounting standards, while booking of unrealised profit under CLAs, if applicable. However, such profits, shall be deducted from CET 1 capital or net owned funds for meeting regulatory capital adequacy requirement till the maturity of such loans.

## 13. DEBT RESTRUCTURING

The debt restructuring norms of RBI will govern restructuring under co-origination partnership. The parties would define a common approach.

## 14. CLA CONTRACT TERMINATION

There could be scenarios resulting in contract termination for following reasons (but not limited to):

- **Unfair Practices-**  
In the event of any unfair practice by the partner, CLIX may choose to terminate the contract. Unfair practices can be defined as follows, but not limited to:
  - Mis-treatment of any customer
  - Breach of CLIX's fair practices code
  - Mis-information or mis-selling
  - Breach of responsibility, as specified in the agreement. Any other willful non-compliance amounting to bad reputation, even if it is outside the ambit of this partnership
  - Any other practice or policy, which harms the interest of CLIX or customers.
  - In order to initiate termination, Business head, CRO, CEO, Legal head or any other competent authority, as designated by the Board, will issue a show-cause notice to the Partner.
  
- **Business Reasons:**  
In cases where there is significant departure from the stated business objective, CLIX may decide to terminate the partnership. CLIX or the partner Bank may also choose to re-negotiate any term of the contract. Both lenders will layout a detailed process for the termination, keeping in view continuity of customer servicing and collection protocols for existing accounts.
  
- **Non-Renewal:**  
At the end of the agreement period, both lenders can terminate or renew the agreement. If either of the lenders chooses to terminate the agreement, a detailed process will be followed in order to ensure smooth transition for all customers. The process for contract termination will be mentioned in the individual contracts with the Bank.

## Co-lending Policy

The final authority to decide on termination and non-renewal will vest with Head of Co-lending (Currently, COO), CRO and CEO or any other competent authority, as the Board may designate.

## 15. DISPUTE RESOLUTION

In case of any dispute with the partner Bank, both lenders will first try to resolve the matters amicably. However, in case of non-resolution due to any reason, all differences or disputes between the lenders shall be submitted for arbitration in accordance with the provisions under the Arbitration and Conciliation Act, 1996.

## 16. BUSINESS CONTINUITY

In case of termination of CLA between CLIX and the Co-lending partner due to any reason, a detailed transition plan needs to be executed based on mutual agreement between CLIX and the Bank. The servicing of customers can be done in the following ways:

- CLIX continues to Service – CLIX will continue to service and report the status of all open loan agreements, until the time the all accounts are closed.
- Bank takes over Servicing – CLIX will hand over all necessary information, data and system access to Bank, in order for Bank to continue servicing existing customers.  
Bank is required to maintain all records as per the applicable Rules and Regulations and be made available to CLIX for matters of concern.

Any other means of handling business continuity can be proposed by CLIX in their proposal and mutually agreed upon by Bank.

Additionally, for any other matters leading to requirement of business continuity, CRO, Head of Co-lending (Currently, COO) along with Business Head and Chief Technology Officer (CTO)/ Risk Management committee / as the Board may designate, will decide on the transition plan.

## 17. GOVERNANCE

The Business Head shall be responsible for:

- Implementing CLIX's co-lending policy as approved by the Board;
- All operational matters related to policy implementation;
- Periodical review of the effectiveness of the initiatives, procedures and reporting of the same to the Board;
- Monitoring co-lending operations to ensure a robust control environment exists and new risk exposures are adequately identified, managed and reported;
- Review and adherence to regulatory requirements;
- Ensuring contingency planning (for instance, business and IT continuity plans are periodically reviewed, tested and updated accordingly).

## **18. EXCEPTION TO THE POLICY**

Any deviation, which in the opinion of CRO, Head of Co-lending (Currently, COO), constitutes a material exception, needs to be escalated and be approved by Board of directors.

## **19. POLICY REVIEW**

Policy will be approved by Board of Directors and reviewed on periodic basis. Revisions, if any, will be undertaken as per approved program Delegation of Authority (DOA).

The CRO has overall responsibility for the maintenance of this Policy and is responsible for coordinating closely with the Board in managing that responsibility. This policy should always be read in conjunction with relevant RBI guidelines and directives and in case of any conflict, the relevant RBI guidelines will supersede this policy.