



EASY HOME FINANCE LIMITED

DEPARTMENT NAME: SECRETARIAL

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*Policy shall be valid until next review

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Description	Signature
Prepared by: Secretarial Department	
Reviewed by: Enterprise Risk Management Committee & Risk Management Committee	
Approved by: Board of Directors	

VERSION HISTORY:

Version	Date of applicability	Description of Changes	Next Review Date
1	September 21, 2021	First Draft	
2	October 10, 2022	Second Draft	
3	August 18, 2023	Third Draft	
4	June 08, 2024	Fourth Draft	
5	May 22, 2025 & February 05, 2026	Fifth Draft	
6	June 02, 2026	Sixth Draft	

1. Introduction:

The Co-Lending Policy (hereinafter referred to as 'the Policy') has been drafted in line with the Reserve Bank of India (Co-Lending Arrangements) Directions, 2025 bearing reference RBI/2025-26/139 dated August 06, 2025 ("RBI CLA Directions 2025"), which came into force with effect from January 1, 2026 to improve the flow of credit to the unserved and underserved sector of the economy and make available funds to the ultimate beneficiary at an affordable cost, considering the lower cost of funds from banks and greater reach of the HFCs/NBFCs. The revised scheme was issued in supersession of the erstwhile circular applicable for co-origination of loans by Banks and NBFCs for lending to priority sector bearing reference number FIDD.CO.Plan.BC.No.8/04.09.01/2020-21 dated November 05, 2020 ("CLM"), which stands repealed by the RBI CLA Directions 2025. The Policy covers general principles and practices followed by Easy Home Finance Limited (hereinafter referred to as 'the Company') in the co-lending of loans with partner institutions as under:

Part A- Banks; and

Part B- Other HFCs/NBFCs.

The Policy will be applicable to all the categories of products and services offered by the Company under the co-lending model and apply to related operations such as customer sourcing, loan processing, loan servicing and collection activities.

Note: As per the RBI CLA Directions 2025, these Directions shall NOT apply to loans sanctioned under multiple banking, consortium lending, or syndication arrangements. Small Finance Banks, Local Area Banks and Regional Rural Banks are excluded as eligible partner banks.

2. PART A

Co-Lending Arrangement with Banks

I. Preamble

Reserve Bank of India has issued Reserve Bank of India (Co-Lending Arrangements) Directions, 2025 dated August 06, 2025. This policy is adopted by the Company under the Circular and HFC Directions as Co-Lending Policy ("CLM Policy").

II. Objectives

The Company proposes to engage with eligible banks for exploring CLM opportunities across its existing and new products / segments which qualify as per the Circular.

The target set of eligible Banks for CLM shall exclude foreign banks (including WOS) with less than 20 branches or as may be decided by the Board/Board Committees (including Internal

Management Level Committees). Further, as mandated by the RBI CLA Directions 2025, Small Finance Banks, Local Area Banks and Regional Rural Banks are expressly excluded from eligibility as partner banks under any CLA.

III. Engagement Models with Banks under CLM

The Company shall, on the basis of discussion with eligible Banks, enter into CLM Master Agreements (CLM)/Co-lending Arrangement Agreement (CLA) (hereinafter referred as Agreements) for implementing the Co-lending model. Both, the Company and the Bank/s shall be co-origiators and are permitted to consider all loan segments, including priority sector lending (PSL), non-PSL, secured and unsecured. Under Co-lending arrangement, a single blended/weighted average rate to be offered to the customers.

- All CLA details shall be disclosed to the borrower via a Key Facts Statement (KFS) as prescribed under the RBI Circular on KFS for Loans & Advances dated April 15, 2024 (as amended). The KFS shall include the blended interest rate and all fees/charges expressed as Annual Percentage Rate (APR).

The other criteria including disbursements, detailed disclosures, KFS, maintenance of escrow account, uniform borrower-level classification and other parameters (as may be necessary for CLA), to be adhered in accordance with the master directions and as may be approved by the co-lending partners, it's board or board committees, as may be mutually agreed under the Agreement/s.

The partner bank and the Company shall have to put in place suitable mechanisms for ex-ante due diligence by the bank as the credit sanction process cannot be outsourced under the extant guidelines on Outsourcing.

The bank shall also be required to comply with the Master Directions - Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Directions, 2025, issued vide RBI/DOR/2025-26/361 DOR.AML.REC.No.280/14.01.003/2025-26 dated November 28, 2025 and updated from time to time, which already permit regulated entities, at their option, to rely on customer due diligence done by a third party, subject to specified conditions.

IV. Products for Co-lending

Lending under the CLM can be undertaken in all existing products of the Company qualifying under the Circular. It can also be undertaken for any new product that is specifically developed for the purpose of CLM.

a. Common Product program / Assignment Parameters

The Company and the partner Co-Lending bank will formulate a common product, policy and guideline (PPG) for Co-lending. This PPG needs to be jointly signed off by the respective board approved authorised signatory for each lender and shall pre-agree on the Assignment Parameters (AP) to be evaluated, wherever required.

b. Origination

The Company shall identify and refer the potential customers to the bank only if the customer complies with the underwriting Criteria applicable to the PPG / AP as applicable.

V. Geographical Scope

Co-lending model will be applicable across the Company's branch network.

VI. Co-lending guidelines

The proposed CLM/CLA arrangements are for the sector as eligible under the Circular from time to time. The key features of the proposed policy are summarised below:

a. Board Approved Policy

The Company, through this document, proposes the CLM/CLA Policy to comply with the Circular and explore partnerships with Banks.

- The Company's Board-approved credit policy shall incorporate specific provisions relating to CLAs, including: (i) internal portfolio limit for CLAs; (ii) target borrower segments; (iii) due diligence standards for partner entities; (iv) customer service and grievance redressal mechanism; and (v) objective criteria for fees/charges for lending services. [Required by RBI CLA Directions 2025, Para 11]

b. Sharing of Risk and rewards

For all loans under CLM arrangements the Company will directly hold exposure as per the extant RBI Circular. Currently the policy requires that originating NBFC/HFC should hold minimum 10% of the credit risk (10 % share of the individual loans on their books) until maturity. This may be increased subject to agreed appropriate terms and the nature of the mutual agreement with Banks.

- Unrealised Profit Treatment [NEW – RBI CLA Directions 2025, Para 16]: The Company shall adhere to applicable accounting standards while booking unrealised profit under CLAs. Any such unrealised profit shall be deducted from Net Owned Funds (NOF) for the purpose of meeting regulatory capital adequacy requirements, until the maturity of the underlying CLA loans.

c. Commercial

- Interest rate- 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.
- Blended Rate Formula [NEW – RBI CLA Directions 2025, Para 17]: The blended rate shall be the weighted average of the individual interest rates of the Company and the partner bank, weighted by their respective proportionate funding shares. Any change in either party's rate shall be reflected in the updated blended rate and communicated to the borrower in advance.

- APR Disclosure [NEW – RBI CLA Directions 2025, Para 19]: Any fees/charges payable by the borrower in addition to the blended interest rate shall be incorporated in the computation of APR and disclosed appropriately in the KFS at the time of sanction.
- Fees for Lending Services [NEW – RBI CLA Directions 2025, Para 20]: Fees/charges for lending services shall be based on objective criteria (nature of service, loan quantum, etc.) and shall NOT involve, directly or indirectly, any element of credit enhancement or Default Loss Guarantee (DLG), unless otherwise permitted.
- Fees and Expense sharing for other activities- Appropriation between the Co-lenders may be mutually decided on the basis of mutual agreement with Banks.
- AUM / Servicing Fees / Any other commercial terms – Would be agreed mutually with Banks.

d. Due Diligence (Know Your Customer)

The Company will adhere to applicable KYC/ AML regulatory guidelines, as prescribed by RBI and any other regulation as stipulated by RBI from time to time.

e. Credit Appraisal

A detailed Standard Operating Process (SOP) would be created in discussion with the partner banks following the CLM Master Agreement being entered into, to suitably detail the Credit Appraisal process within the SOP.

f. Loan Sanction

Under the CLM arrangements, the process of sanction letter issuances and the loan agreement execution would be detailed in the SOP as mutually agreed with Partner Banks.

g. Borrower Loan Documentation

Necessary disclosures in the Borrower Loan Agreement would be required as mandated in the RBI circular.

- Loan Agreement Disclosure [NEW – RBI CLA Directions 2025, Para 13]: The loan agreement with the borrower shall make an upfront disclosure regarding the segregation of roles and responsibilities (sourcing, credit, servicing) of the Company and the partner bank, and shall clearly identify the Company as the single point of interface with the customer. Any subsequent change in customer interface shall be done only after prior intimation to the borrower.
- KFS Requirement [NEW – RBI CLA Directions 2025, Para 14]: All required CLA details shall be disclosed in the Key Facts Statement (KFS) provided to the borrower at the time of sanction, including the blended rate, APR, fees/charges, and grievance redressal mechanism.

h. Audit

The loans under the CLM shall be included in the scope of internal/statutory audit within the banks and the Company to ensure adherence to their respective internal guidelines, terms of the agreement and extant regulatory requirements.

i. Customer Service & Grievance Redressal

- the Company shall be the single point of interface for the customers and shall generate a single unified statement of the Borrower Loan under CLM, through appropriate information sharing arrangements with the bank.
- The extant guidelines relating to customer service and fair practices code and the obligations enjoined upon the Banks and the Company therein shall be applicable in respect of loans given under the arrangement.
- The Company shall be responsible for grievance redressal, suitably within 30 days, failing which the borrower would have the option to escalate the same with the concerned Banking Ombudsman/Ombudsman for NBFCs or the Customer Education and Protection Cell (CEPC) in RBI.

j. Escrow Accounts

The Company and the partner Bank shall open escrow accounts with the partner Bank acting as the Escrow Bank and the manner of operations of such account shall be detailed in the SOP.

- Mandatory Escrow Routing [NEW – RBI CLA Directions 2025, Para 26]: ALL transactions (disbursements and repayments) between the Company and the partner bank, as well as with the borrower, SHALL be routed through the escrow account. No CLA disbursement or repayment may bypass the escrow mechanism. The CLA Agreement shall clearly specify the manner of appropriation of funds between co-lenders.

k. Monitoring and Recovery

The co-lenders shall establish a framework for monitoring and recovery of the loan as mutually agreed upon, which will be part of master agreement.

l. Security and Charge Creation

For CLM Loans the security and charge where applicable will be created as agreed between the co-lenders.

m. Provisioning/Reporting Requirement

The Company will follow the provisioning requirements including declaration of account as NPA, as per the applicable regulatory guidelines. The Company shall also carry out the respective reporting requirements as per applicable law and regulations for its portion of lending. Loans originated by the Company and subsequently approved by Bank, would be assigned to Bank under an Assignment and Servicer Agreement. The process for such

agreements, inter alia including standard formats and agreed turn-around time shall be mutually agreed with partner Banks as part of the Master agreement/ SOP.

n. Direct Assignment Transaction between the Company and Bank

Loans originated by the Company and subsequently approved by Bank, would be assigned to Bank under an Assignment and Servicer Agreement. The process for such agreements, inter alia including standard formats and agreed turn-around time shall be mutually agreed with partner Banks as part of the SOP.

o. Assignment / Change in Loan Limits

Both lenders can enter into a third party loan assignment agreement with the mutual consent of the other party for assigning their share in the CLM Loan by complying with the Circular.

- Transfer Compliance [NEW – RBI CLA Directions 2025, Para 34]: Any subsequent transfer of CLA loan exposures to third parties, or any inter-se transfer between the Company and the partner bank, shall strictly comply with the provisions of MD-TLE (Master Directions – Transfer of Loan Exposures, 2021). Transfers to a third party can be done ONLY with the mutual written consent of both the Company and the partner bank.

p. Loan Limit

Further, any change in CLM loan limit being offered under CLM arrangements will be done only with the mutual consent of both the lenders.

q. Business Continuity Plan

Notwithstanding termination of CLM Master Agreement, both Lenders agree and acknowledge that Borrower servicing shall be rendered till each loan originated under this CLM agreement is completely repaid or settled as detailed in the SOP repaid or settled as detailed in the SOP on the behest of the Company.

r. 15-Day Booking Compliance [NEW – RBI CLA Directions 2025, Para 22]

The Company shall ensure that the partner bank's share of each individual CLA loan is reflected in both entities' books without delay after disbursement by the Company to the borrower, and in any case not later than 15 calendar days from the date of disbursement. The Company shall transfer the loan only to the partner bank as specified in the ex-ante CLA Agreement and the KFS issued at the time of sanction.

- If the Company is unable to transfer the partner bank's share within 15 calendar days for any reason, the loan shall remain on the Company's books and may only subsequently be transferred to other eligible lenders under the provisions of MD-TLE.
- Each RE shall maintain an individual borrower account for its respective share of the CLA loan.
- EHFL Operations and Technology teams shall maintain a T+15 compliance tracker for all active CLA portfolios. Breaches shall be escalated to the CRO within 24 hours.

s. Reporting to Credit Information Companies (CICs) [NEW – RBI CLA Directions 2025, Para 31]

Each RE (both the Company and the partner bank) shall independently adhere to requirements of reporting to CICs for their respective share of the CLA loan account, as per the provisions of the Credit Information Companies (Regulation) Act, 2005 and the Rules and Regulations issued by RBI. EHFL's MIS and loan management system shall capture individual-share data enabling independent CIC reporting.

t. Asset Classification – Borrower-Level NPA [NEW – RBI CLA Directions 2025, Para 33]

The RBI CLA Directions 2025 mandate borrower-level asset classification across co-lenders:

- If either the Company or the partner bank classifies its exposure to a borrower as SMA/NPA on account of default in the CLA exposure, the SAME classification shall automatically apply to the other RE's exposure to the same borrower.
- The Company shall implement a robust, near-real-time mechanism for sharing NPA/SMA classification with partner banks – and in any case latest by end of the next working day.
- This borrower-level classification is a hard regulatory requirement and cannot be waived by mutual agreement or contractual arrangement between the co-lenders.
- EHFL Risk and Credit teams shall monitor partner bank portfolio quality and trigger early-warning reviews where partner banks show stress signals that may trigger contagion NPA classification on EHFL's book.

u. Default Loss Guarantee (DLG) [NEW – RBI CLA Directions 2025, Para 32]

The Company (as originating RE) may provide a Default Loss Guarantee to the partner bank subject to the following regulatory constraints:

- DLG Cap: Maximum 5% of the outstanding CLA loan portfolio of the partner bank at any point in time.
- DLG shall be governed mutatis mutandis as per RBI (Digital Lending) Directions, 2025 (MD-DLD).
- DLG shall NOT be embedded in or derived from fees/charges payable by the borrower (directly or indirectly).
- Internal Control: An alert trigger shall be set at 4.5% (50 bps below the regulatory cap). Any DLG exceeding the 5% cap shall be immediately flagged to the Board Risk Committee.
- DLG arrangements shall be specifically disclosed in EHFL's financial statements (Notes to Accounts) and on EHFL's website.

v. Disclosures [NEW – RBI CLA Directions 2025, Para 35-36]

- Website Disclosure: The Company shall prominently disclose on its website a list of all active CLA partner banks. This list shall be updated upon every new or terminated CLA.
- Financial Statement Disclosure: The Company's financial statements shall include, under 'Notes to Accounts', aggregate CLA disclosures on a quarterly/annual basis, covering:

quantum of CLAs, weighted average rate of interest, fees charged/paid, broad sectors, performance of CLA loans, and DLG details (if any).

3. Part B- Other HFCs/NBFCs.

1. Sharing of Risk and Rewards:

The arrangement would entail joint contribution of credit at the facility level, by both the Company and the Other HFC/NBFC (“Lenders”). It would involve sharing of risks and rewards between the Lenders for ensuring appropriate alignment of respective business objectives, as per the mutually decided agreement between the Lenders. A minimum 10 % of the credit risk by way of direct exposure shall be on the Company’s books till maturity and the balance will be on the Other HFC’s/NBFC’s books. The Company will not fund its contribution towards the loan amount of borrowing from the other HFC/NBFC or any other group company of the other HFC/NBFC and shall give an undertaking to the other HFC/NBFC to that effect.

2. Interest Rate:

The Company would have the flexibility to price their part of the exposure, while the other HFC/NBFC shall price its part of the exposure in a manner found fit as per their respective risk appetite/ assessment of the borrower and the RBI regulations issued from time to time. Based on the respective interest rates and proportion of risk sharing, a single blended interest rate will be offered to the ultimate borrower in case of fixed rate loans. In the scenario of floating interest rates, a weighted average of the benchmark interest rates in proportion to the respective loan contribution, will be offered. However, notwithstanding the charging of a single blended/ weighted average rate of interest from the borrower, the repayment/ recovery of interest shall be shared between the other HFC/NBFC and the Company in proportion to their share of credit and interest. The interest rate charged by the other HFC/NBFC for its portion of credit, shall be subject to applicable directions on interest rates on advances. The benefit of low-cost funds from the other HFC/NBFC and lower cost of operations of the Company would be passed on to the ultimate beneficiary through the blended rate/ weighted average rate. In this regard, other HFC/NBFC/Company shall provide all the information like loan details including interest rate and other charges, details of risk sharing arrangement, etc., as and when called for by the Reserve Bank of India.

- APR & KFS Requirement [NEW – RBI CLA Directions 2025, Para 19]: Any fees/charges in addition to the blended interest rate shall be incorporated in the computation of the Annual Percentage Rate (APR) and disclosed in the KFS provided to the borrower at sanction. The KFS shall be in the format prescribed under the RBI Circular on KFS for Loans & Advances dated April 15, 2024 (as amended).

3. Know Your Customer (KYC):

The co-lending Lenders shall adhere to applicable KYC/ AML guidelines, as prescribed by Department of Banking Regulation (DBR)/ Department of Non-Banking Regulation (DNBR).

4. Loan Sanction:

The Company shall recommend to the other HFC/NBFC proposals as found relevant for joint lending. Each Lender will independently assess the risks and requirements of the applicant borrowers. The loan agreement would be tripartite in nature, wherein, both the other HFC/NBFC and the Company shall be parties as lenders to the loan agreement with the customer.

- Loan Agreement Disclosure [NEW – RBI CLA Directions 2025, Para 13]: The tripartite loan agreement shall upfront disclose the segregation of roles and responsibilities (sourcing, credit, servicing) of the Company and the partner HFC/NBFC, and shall clearly identify the single point of interface with the customer. Customer protection provisions and grievance redressal mechanism shall also be disclosed in the agreement.

5. Common Account:

The other HFC/NBFC and the Company shall open an escrow type common account for pooling respective loan contributions for disbursement as well as to appropriate loan repayments from borrowers, without holding the funds for usage of float. Regarding loan balances, the Company/ other HFC/NBFC shall maintain individual borrower's accounts and should also be able to generate and share a single unified statement to the customer, through appropriate sharing of required information with the HFC/NBFC/ Company.

- Mandatory Routing [NEW – RBI CLA Directions 2025, Para 26]: ALL transactions (disbursements and repayments) between the Lenders and with the borrower shall be routed through the escrow/common account. Direct payments bypassing the escrow mechanism are prohibited.

6. Monitoring & Recovery:

Both Lenders shall create the framework for day-to-day monitoring and recovery of the loan, as mutually agreed upon.

7. Security and Charge Creation:

The Lenders shall arrange for creation of security and charge as per mutually agreeable terms.

8. Provisioning/Reporting Requirement:

Each of the Lenders shall follow its independent provisioning requirements including declaration of account as NPA, as per the regulatory guidelines respectively applicable to each of them. Each of the Lenders shall carry out their respective reporting requirements including reporting to Credit Information Companies, under respectively applicable law and

regulations for their portion of lending. The Company shall adhere to its broader Provisioning/Reporting standards even in the case of a co-lent loan.

9. Assignment/ Change in Loan Limits:

Any assignment of loans by any of the Lenders can be done only with the mutual consent of both the Lenders. Further, any change in loan limit of the co-lent facility can be done only with the mutual consent of both the Lenders.

- Transfer Compliance [NEW – RBI CLA Directions 2025, Para 34]: All assignments/transfers shall strictly comply with the provisions of MD-TLE (Master Directions – Transfer of Loan Exposures, 2021). Transfers to third parties require the mutual written consent of both the Company and the partner HFC/NBFC.

10. Grievance Redressal:

It shall be the responsibility of the Company to explain to end borrower regarding the difference between products offered through the co-lending model as compared to its own products. The front-ending lender will be primarily responsible for providing the required customer service and grievance redressal to the borrower. However, any complaint registered by a borrower with the Company and/or other HFC/NBFC shall also be shared with the other HFC/ NBFC/ Company and in case, the complaint is not resolved within 30 days, the borrower would have the option to escalate the same with concerned Banking Ombudsman/ Ombudsman for the Company as laid out in the Fair Practices Code adopted by the Company.

11. Business Continuity Plan:

Both the other HFC/NBFC and the Company shall formulate a business continuity plan to ensure uninterrupted service to the borrowers till repayment of the loans under the co-lending agreement.

12. Other Policies & Guidelines:

The Company will ensure that it adheres to the regulations prescribed by the RBI/any other relevant regulatory body and the Company's policies for any loan that has been disbursed through the co-lending model in the same manner as would have been the case if the entire loan were being disbursed solely on the behest of the Company.

13. Asset Classification – Borrower-Level NPA [NEW – RBI CLA Directions 2025, Para 33]

- If either Lender classifies its exposure to a borrower under CLA as SMA/NPA on account of default, the SAME classification shall apply to the other Lender's exposure to the same borrower.
- Both Lenders shall implement a near-real-time information sharing mechanism for NPA/SMA classification, and in any case no later than end of the next working day.
- This requirement is mandatory and non-waivable by contractual arrangement.

14. Default Loss Guarantee (DLG) [NEW – RBI CLA Directions 2025, Para 32]

- The Company (as originating RE) may provide DLG to the partner HFC/NBFC up to a maximum of 5% of the outstanding CLA loan portfolio.
- DLG governance shall be mutatis mutandis as per RBI (Digital Lending) Directions, 2025 (MD-DLD).
- DLG shall not be linked (directly or indirectly) to fees/charges payable by the borrower.
- DLG details shall be disclosed in the Company's financial statements and on EHFL's website.

15. Disclosures [NEW – RBI CLA Directions 2025, Para 35-36]

- Website Disclosure: A list of all active CLA partner HFCs/NBFCs shall be prominently displayed on EHFL's website and updated on every new or terminated CLA.
- Notes to Accounts Disclosure: Aggregate CLA details (quantum, weighted average rate, fees, sectors, performance, DLG details if any) shall be disclosed in EHFL's financial statements on a quarterly/annual basis.

4. Review of the Policy

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. A consolidated report of such reviews may be submitted to the Board at regular intervals. The Company shall abide by this Policy following the spirit of the Policy and in the manner as may be applicable to its business.

- Regulatory Update Cycle [NEW – RBI CLA Directions 2025]: Any changes to the RBI (Co-Lending Arrangements) Directions, 2025 shall be incorporated into this Policy within 60 days of the regulatory notification (or earlier as directed by the Board / Enterprise Risk Management Committee). Compliance with updated Directions shall be effective from the date specified in the RBI circular, irrespective of the Policy update timeline.