



**ZIPLOAN**

**GUIDELINES FOR CO-LENDING MODEL (CLM)**

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**BLUE JAY FINLEASE PRIVATE LIMITED**  
**(Formerly known as Blue Jay Finlease Limited)**

CIN No: U65910DL1996PTC083130

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## **Introduction:**

Blue Jay Finlease Private Limited (hereinafter referred as “BJFPL”/ “Company”/ “Ziploan”), a company registered as Non-Systemically Important Non-Deposit taking Non- Banking Financial Company with Reserve Bank of India, is predominantly engaged in the business of providing working capital loans to micro, small and medium enterprises. Further, in compliance with RBI circular no. RBI/2020-21/63 FIDD.CO.Plan. BC.No.8/04.09.01/2020-21 dated November 05, 2020, the Company is adopting the following policy/ guidelines on co-origination of loans by NBFCs to make funds available to the unserved and underserved sector of the economy.

While ZipLoan is primarily a lender in its own capacity, it will also act as an intermediary to Partner Bank/ NBFC/ other entities in the lending industry to render product promotion, customer identification & acquisition, loan documentation, customer enrolment, post sanction monitoring, account maintenance services and collection for Small Business Loans in partnership with a Partner Bank/ NBFC to facilitate credit extension.

## **I. PROCESS UNDER CLM**

1. ZipLoan will generate leads utilizing its “own” network including but not limited to channel partners, digital marketing, referrals etc or using Partner Bank’s/ NBFC’s customer base.
2. Customer applications on ZipLoan’s online platform (“website”/“mobile application”/ or any other platform) would contain information about customer and his business and certain relevant documents for obtaining such loan as required by RBI and master agreement entered between ZipLoan and Partner Bank/NBFC in order to reduce risks and understand customer behaviors.
3. Based on the documents and information submitted by the Customer, ZipLoan will check the same for adherence to the gating criteria and other program norms as agreed with Partner Bank/ NBFC.
4. On adherence to the same, the customer/ lead would be referred to Partner Bank/ NBFC along with all necessary documents, which are requisite for ZipLoan to sanction limits to customer.
5. Partner Bank/ NBFC will review the case basis the mutually agreed gating criteria and documents and will either approve or reject the loan. Once Partner Bank/ NBFC has accorded its approval, ZipLoan will execute necessary documents for release of limits with the customer and submit the same to Partner Bank/ NBFC along with a disbursement memo.
6. Operations team of Partner Bank/ NBFC will conduct necessary checks of the KYC documents at

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their end and proceed for disbursement. Other documents shall be checked during hindsighting.

7. Agreed portion as per arrangement with Partner Bank/ NBFC of the said Loan will be booked under Partner Bank's/ NBFC's Loan Book and balance under ZipLoan's Loan Book.

#### ***A. Scope of Services***

In addition to the general scope of services offered by ZipLoan, it will also perform the following specific operations, duties, and functions:

1. Identification of potential Eligible Customers desirous of obtaining loan Facility.
2. Liaising and ensuring support staff for sourcing and handling potential Eligible Customers.
3. Collection of requisite application, KYC documents, documents pertaining to income, professional status and any such document required under the agreed co-lending arrangement with PARTNER BANK/NBFC and under RBI guidelines from the Eligible Customers for credit assessment and analysis.
4. Credit assessment related analysis and pre sanction due diligence as per the norms agreed between ZipLoan and Partner Bank/ NBFC.
5. Ensure submission of the necessary documents related to execution of the loan facility amongst Partner Bank/ NBFC, ZipLoan and borrower.
6. Attend to the Eligible Customer/ Customers service requests and product related queries and processing and forwarding them to Partner Bank/ NBFC and coordinating with Partner Bank/ NBFC for the completion of these requests and routing them back to the Eligible Customers/ Customers. Ziploan shall act as a primary point of contact for the customer.
7. Collection of dues from the Eligible Customers/ Customers and appropriately depositing the collected amounts to the Partner Bank/ NBFC's designated account as per the mutually agreed terms.
8. Post-sanction monitoring of Facilities.
9. End use checks of the Facilities.
10. Establish mode of communication and grievance redressal mechanism for the customers:

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- i. Ensure that all complaints received from Customers shall be immediately communicated to Partner Bank/ NBFC and shall be jointly discussed by the representatives of ZipLoan and Partner Bank/ NBFC and shall be resolved in accordance with the service standards.
11. Store and ensure safe custody of all physical/ digital documents pertaining to customers.

**B. Customer Interface**

1. Partner Bank/ NBFC shall book the loan at the rate of interest contracted/ agreed with the customer. Partner Bank/ NBFC will retain a yield % as agreed between the ZipLoan and Partner Bank/ NBFC.
2. ZipLoan will be the sole point of contact with the customer and shall be responsible for unified communication to the customer of all terms and conditions pertaining to the loan at any stage of the loan life cycle.
3. ZipLoan will ensure the necessary documents at all stages of loan processing clearly conveying the loan terms and conditions as applicable to the customer and shall make reasonable effort to help the customer understand loan terms and conditions.
4. ZipLoan will continue to service the obligations for the Facilities extended under the CLM up to the point of notice of termination with Partner Bank/ NBFC **and** till the extinguishment of those Facilities.
5. ZipLoan will continue to service post the termination of the CLM arrangement with Partner Bank/ NBFC in respect to their accrued rights, duties, obligations, and liabilities so that any interest of the Customers is not jeopardized.
6. The customer's primary point of contact will be ZipLoan representatives. This would include activities pertaining to:
  - i. Conveying of sanction letter, repayment schedule, welcome kit to customer.
  - ii. Negotiation of terms of sanction and commercials
  - iii. Requests for partial/ complete prepayment
  - iv. Collections and recovery of all the sum/ money/ amount due on part of customer
  - v. Any other activity as may be mutually agreed
7. Initiation of legal action in case of default (In the event of default by customer, if any Party chooses to not initiate legal action against the Customer, the other Party shall have the liberty to independently initiate action against the Customer in question)

**C. Operations related.**

1. ZipLoan and Partner Bank/ NBFC shall mutually appoint an escrow bank ("**Escrow Bank**") and execute the relevant documentation with Escrow Bank. All disbursements to the Customer and all repayments by the Customers shall be transacted through respective escrow accounts maintained with the Escrow Bank.

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2. Ziploan/ PARTNER BANK/NBFC shall ensure timely accounting of all the transactions related to the Loan/s into their respective books of accounts and shall further ensure a reconciliation of the same with the entries in other Party's books of accounts from time to time.
3. ZipLoan may exercise authorization on behalf of Partner Bank/ NBFC as required from time to time under CLM model to enable itself to execute and deliver all such acts, deeds, and things on behalf of Partner Bank/ NBFC under the co-lending agreement.
4. Ziploan shall host its respective Loan Share on its loan management system. (Similarly, Partner Bank/ NBFC shall host its respective Loan Share on their loan management system)
5. ZIPLOAN/PARTNER BANK/NBFC 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.
6. **Monitoring and Assessment**
  - i. ZipLoan will exercise routine assessment vide primary and secondary sources which will include bureau scrubs, asset monitoring visits, but not limited to them so that any corrective measure can be taken immediately.
  - ii. Information collected as part of monitoring and assessment exercise by ZipLoan will be passed on to Partner Bank/ NBFC in a timely manner.
7. ZipLoan may provide Performance Security/ FLDG to the Partner Bank/ NBFC to the extent required to ensure:
  - i. Better alignment of risks between the Partner Bank/ NBFC and ZipLoan and
  - ii. to help the Partner Bank/ NBFC safeguard its interest in case of non-fulfilment of certain obligations by ZipLoan.
8. **Inspection and Right to Audit**
  - i. ZipLoan will keep complete and accurate records of all the transactions in connection with the Services provided to the Partner Bank/ NBFC.
  - ii. Ziploan will provide access to Partner Bank/ NBFC, their officials, auditors and / or regulators to inspect, examine and audit the operations.
  - iii. ZipLoan will co-operate in good faith with the Partner Bank/ NBFC to correct any practices which are found to be deficient because of any such audit.
  - iv. ZipLoan will preserve the documents and data that are directly in relation to the loan/s and its obligations under the CLM arrangement in accordance with legal/ regulatory obligation of Ziploan/ PARTNER BANK/NBFC.
  - v. ZipLoan will ensure that all these documents and data are stored in its system and be provided to Partner Bank/ NBFC as may be agreed between the Service Partner

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and Partner Bank/ NBFC from time to time.

#### 9. Business Continuity Plan

- i. Ziploan/ PARTNER BANK/ NBFC will ensure service performance under CLM in ordinary circumstances.
- ii. In the event of any difficulty in performing the required Services, both Ziploan/ PARTNER BANK/ NBFC will make reasonable efforts to make alternative arrangements to ensure that the required Services are performed.
- iii. If one of Ziploan or PARTNER BANK/ NBFC is rendered incapable of serving its responsibilities and duties under the agreed CLM between them, the other can take over and become the primary point of interaction to the customers. ZipLoan will ensure seamless transfer of any and every information, material or/ and instruments necessary to serve the customers through their respective loan lifecycle including but not limited to NACH, cheques, customer information etc to the Partner Bank/ NBFC.
- iv. In case of termination of the CLM arrangement between Ziploan/ PARTNER BANK/ NBFC, ZipLoan will continue to serve the customer in the manner as agreed between Ziploan and PARTNER BANK/ NBFC in the CLM arrangement failure to which, the Partner Bank/ NBFC will have the right to take over the customer servicing.

10. The co-lenders shall arrange for creation of security and charge as per mutually agreeable terms.

#### 11. Sub-Contracting and Assignment

- (i) Neither Ziploan nor PARTNER BANK/ NBFC shall assign, delegate, sub-contract or transfer any of its responsibility or any right or obligation to any agent and/ or sub-agent and/ or a third party without prior written permission of the other.

#### **Notes:**

- i. "KYC" shall mean the Know Your Customer scrutiny in consonance with RBI guidelines as issued and amended from time to time;
- ii. "Eligible Customers" shall mean the Eligible Customers of **PARTNER BANK/ NBFC**, both present and future in terms of this Agreement. The expression "Eligible Customer " shall, as the subject or context may permit or require, mean any, all or each of such Eligible Customers;
- iii. "Escrow Bank"- a separate bank maintained with the Banks, in order to avoid inter-mingling of funds, having rights with Ziploan and Partner Bank/ NBFC

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- iv. 'Gating Criteria' means the minimum threshold criteria agreed between ZipLoan and partner basis which ZipLoan will check the documents and refer to partner for review and approval
- v. Customer and Borrower can be used interchangeably
- vi. The Guidelines can be amended/ updated to be in line with the RBI directions.

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