maintaining a healthy mix of NHB refinance in our Total Borrowings and expanding our lender base. For instance, we have received sanction letter from NHB in December 2020, December 2021, October 2022 and October 2023 for loans up to ₹ 10.0 billion, ₹ 12.5 billion, ₹ 15.0 billion and ₹ 10.0 billion, respectively. See "*– Competitive Strengths – Access to diversified and cost-effective long-term financing with a disciplined approach to asset liability and liquidity management*" for further details.

Our fully built-out distribution and collections infrastructure is a key source of operating leverage and will help reduce our operating expenses. Further, we expect that our strategic investments in technology and digitization across our business will further reduce our operating expenses and credit costs over time. We will continue to review and identify means to improving our revenue to operating expenses ratio and improving our overall NIM from current levels.

We believe that as a result of these various initiatives we would be in a position to continue to maintain our low NPA levels and reduce it further, improve our credit ratings for new fund raising, borrow at competitive rates and hence sustainably deliver superior return ratios.

With a strategy to leverage our distribution network and widen our sources of funds, we signed co-lending agreements with two public sector banks and one private sector bank in FY2022 and FY2023. The partnerships with the two public sector banks have been operationalized. We may also enter into such arrangements with other private and public sector banks to increase the number of our co-lending partners. We believe co-lending presents a unique opportunity through the combination of the banks' availability of low cost of funds, coupled with an NBFC (including HFC's) ability to source retail customers efficiently as well as manage these customers, including collections. This model allows NBFCs or HFCs to cater to a larger customer base with lesser capital by leveraging the larger balance sheet of their partner banks.

RBI had amended the co-lending framework in November 2020 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 wider reach of the NBFCs. Under the terms of the revised Co-Lending Model ("**CLM**"), banks are now also permitted to co-lend with all registered NBFCs (including HFCs) based on a prior agreement in a manner akin to bilateral assignment. The co-lending banks will take their share of the individual loans on a back-to-back basis in their books. However, NBFCs will be required to retain a minimum of 20% share of the individual loans on their books.

In view of CLM, we strategically partnered with two public sector banks and one private sector bank to take advantage of this new framework. Under our arrangement with these banks, we will source and disburse loans in our usual course of business in accordance with our existing policies and subsequently, may request these banks to participate in the specific home loans or loan against property with pre-agreed parameters. The partnering co-lending banks, after completing their internal due diligence, may agree to participate by transferring an 80% share of the loan to our Company through an escrow account. Our Company will continue to service the loan as a servicing agent, and continue to have interface with the customers, and share the collections with these banks.

Our Business Operations

We are a HFC focused on the low income housing segment (ticket size less than ₹1.5 million), targeting primarily first-time home buyers in economically weaker and low-to-middle income segments. We serve formal and informal customers in salaried and self-employed segments. As of March 31, 2023 and December 31, 2023, salaried customers accounted for 58.6% and 57.2% of our Gross AUM and self-employed customers account for 41.4% and 42.8% of Gross AUM, respectively. As of December 31, 2023, we have 255,683 live accounts (including assigned and co-lent loans). Apart from home loans, we also offer loans against property, loans for renovation and property extension and loans for purchase of commercial property. As of March 31, 2023, home loans and non-home loans (including respective insurance portion) accounted for 78.1% and 21.9% of our Gross AUM, respectively. As of December 31, 2023, home loans and non-home loans (including respective insurance portion) accounted for 75.9% and 24.1% of our Gross AUM, respectively. Further, for the disbursements made in the year ended March 31, 2023 and December 31, 2023, approximately 11.9% and 9.6% of our customers are new-to-credit, respectively.

The average ticket size of our loans was ₹1.0 million, with an average loan-to-value of 58.3%, as of December 31, 2023.

As of December 31, 2023, we had a network of 487 branches* (including 109 sales offices) covering over 533 districts in 20 states and union territories in India. We are evenly spread across states thereby helping us reduce risk of geographic concentration. We have increased our scale and have strategically expanded to geographies where there is substantial demand for housing finance.

** The number of branches does not include regional offices and corporate offices.*

We utilize a diverse range of lead sourcing channels such as direct selling teams, direct selling associates, Aadhar Mitras, digital channels and a call center. Our focus is on ground level activities such as market combing, loan tents, and various other marketing activities to assist the front end teams reach out to the desired segment.

We have been actively participating in various affordable housing initiatives of the government of India. For example, we participate in the PMAY Scheme of the government of India, pursuant to which we provide to borrowers from economically