Further, we also generate business through corporate channel partners and digital platforms such as digital lead aggregators under the 'Digital Aadhar Mitra' program website and social media platforms.

Credit Approval and Disbursement Processes

For credit underwriting, we use both technology as well as manual verification methods through our well-trained credit officers. Through a mix of technology and manual verification, our credit team can underwrite customers belonging to both formal and informal employment segments. We verify KYC documents and income of customers from the formal employment segment using technology led solutions (for example, the online verification of PAN, Aadhar number, Voter identification data, EPF, TDS, company/employer profile and income tax returns). In case of the informal customer segment, the credit manager visits the customer's business as well as the residential premises and assesses the income of the customer according to pre-defined policies and processes.

We have RPUs for centralized underwriting as well as decentralized processing mechanisms:

- *Regional central processing* (through RPUs): We have 16 RPUs, i.e., one in each business region, where all loan applications for formal salaried customers are processed. This ensures standardization, cost optimization and better turn-around time.
- *Decentralized processing*: For loan applications of customers from informal segments (self-employed customers or customers who receive their salary in cash), we utilize branch led processing through branch credit managers, as such cases require on-ground verification of the business and income assessment.

We source and onboard our customers through digital means where a member of our sales team meets the customer in person and captures the demographic and income details, KYC and income documents on a mobile application. The application form is digitally signed by customer through an OTP sent to their mobile device. Once sales team submits the file, it moves into processing with all data and documents (stored digitally). We do not maintain any physical file for loan applications and supporting documents. Before submission of the file in our mobility application, our sales team also collects a login fee from the customer. Once the loan application is submitted digitally, our Centralized Data Entry Team begins checking the loan application and supporting documents. If all documents are complete the file is moved to our Operations Team, after which the loan application is assigned to a credit manager in our loan origination system. The credit manager screens the database to avoid duplication with prior applications or existing customers and conducts credit bureau checks. Our credit manager checks the complete credit bureau report where the credit score of the applicant is reviewed along with a track record of loan repayments, if any. Thereafter, the credit manager processes the file for various online and offline verifications as well as arranges physical or video conference meetings with the customer to underwrite the case for decision. Simultaneously, our risk containment unit ("**RCU**") screens every loan application and supporting document. Any suspicious documents are sampled and verified at the source of the document. This is to identify and avoid any fraudulent activity at an early stage. In addition, the system allows the branch team to initiate legal and technical assessment as and when copies of proposed collateral property documents are available. The legal team verifies the authenticity of property documents and ensures that the property is legally enforceable. Technical evaluation is done to identify the property at ground level, assessment its fair market value and overall marketability.

For credit underwriting, (i) for formal banking salaried customers, a credit manager conducts the discussions over the telephone and (ii) for self-employed and informal salaried customers, the credit manager visits the customer's place of business and residence. The purpose of such visit is to understand their business, revenue streams and expenses and, assess the monthly net business income, or review the proof of salary for informal salaried customers. The credit manager fills in details in a pre-defined template which is mandatory for credit appraisal. During the physical visit to the customer, the credit manager also captures the photographs of the customer's business place with date and time stamp and attaches such photographs in the system. The loan eligibility is determined based on the income assessment and existing loan EMIs. The credit manager then prepares the credit appraisal memo. If the credit manager receives any additional documents, then such documents are also attached in the system and the same is verified by the RCU to verify the authenticity of such additional documents. The loan application is then sent to our sanctioning authority for final approval. We seek to mitigate the risk of default by including specific covenants in the loan documentation in addition to our general terms and conditions, on a case-by-case basis.

The approval for the loan is provided once the legal evaluation and technical evaluation are done and the RCU verifications are completed. The loan amount is derived as the lower of (i) customer eligibility based on income and (ii) LTV basis the fair market value of property.

We have implemented a four-pronged system of credit assessment comprising:

- *Underwriting*: We have a credit team of 491 personnel as of December 31, 2023, comprising credit managers who conduct an independent verification of customers, evaluate the customer's business and financing needs, and analyse their ability to repay loans. Our credit managers also conduct an analysis of the existing and expected cash flow of a customer's business.
- *Legal assessments*: We conduct legal assessments through our in-house team of lawyers and by engaging empanelled vendors (lawyers or law firms) who help us perform functions such as the verification of documents, conduct of property