

searches and issuance of legal scrutiny reports of title to properties. Legal reports prepared by empanelled lawyers are reviewed by our in-house legal team. The in-house legal team is responsible for clearing the title of collateral for the reports issued by empanelled local law firms and lawyers. As of December 31, 2023, we had an in-house team of 45 lawyers, and approximately 667 local law firms and lawyers were empanelled with us.

- *Technical assessments:* In relation to loans for construction, home improvement or home extension, we conduct technical assessments primarily through our in-house team of engineers and by engaging empanelled valuers who help us perform functions such as site visits, conducting technical evaluation of properties and the periodical review of construction projects. As of December 31, 2023, we had a team of 304 technical members and 213 technical agencies were empanelled with us. Further, for properties above a certain threshold, we also obtain additional valuation from independent third parties. Additionally, our branch managers or credit managers also visit properties valued above the threshold limits. As an additional measure, approximately 5.0% of the properties mortgaged in each quarter are re-valued to review the variance in valuation. In cases where there is a variance, the properties are examined for taking necessary remedial measures.
- *Risk Containment Unit:* Our risk containment unit conducts trigger based checks, scrutinizes documents, field investigation, visits certain customers and seeks to identify fraud at early stages. They also conduct geography specific risk assessments, authentication of demand letters and employment certifications. As of December 31, 2023, our risk containment unit comprised 35 personnel. We also engage third party vendors to assist in fraud control.

Loan Collection and Monitoring

We have well established processes and a strong four-tier collections infrastructure comprising tele-calling, field collection, legal recovery and settlement to help us with loan collections. At the outset of loan disbursement, we provide our customers with the option to make their payments using methods such as automated clearing house payment gateways, post-dated cheques and other digital modes of payment. We have also entered into arrangements with e-commerce payment systems to augment our digital payment gateways. However, given the limited digital access of our customers in semi-urban areas, we have also entered into an agreement with service providers to provide assisted digital payment services, to facilitate seamless cash payments through their network. As of December 31, 2023, 94.8% of our customers pay their monthly instalments through automated clearing house modes. Since 2018, we have been collecting pre authorizations from customers for electronic auto debits from their bank accounts and also collect post-dated cheques in advance for use in case of delays in registration of the auto debit facility. For overdue cases, our field executives visit customers to collect instalments. We track loan repayment schedules on a monthly basis by monitoring instalments due and loan defaults. We ensure that all customer accounts are reviewed by our personnel at periodic intervals, particularly for customers who have larger exposures or have missed their payments.

Our field executives are responsible for collecting instalments, with each field executive typically having responsibility for specified number of borrowers, depending on the volume of loan disbursements in the area. Our entire collection field team is equipped with a mobility application for handy customer information useful for collection with the capability to issue digital receipts to customers. We also use services of third party call centers. We believe that our loan recovery procedures are well-suited to the markets that we cater to.

We employ a structured collection process wherein we remind our customers of their payment schedules through text messages and calls from our tele-callers. In certain cases, our in-house team also visits our customers. If the customer has not made payment by the due date and despite regular follow-ups for a certain period of time, a senior member of our collections team visits the customer and legal action is initiated if the customer's ability or intent to repay is suspect.

In the event of default under a loan agreement, we may initiate the process for re-possessing collateral. We work with local authorities to repossess such assets and take appropriate care in dealing with customers while enforcing on assets. Where appropriate, our collections department coordinates with our legal team and external lawyers to initiate and monitor legal proceedings.

Other Business Initiatives

Distribution of Insurance Products

We hold a certificate of registration to act as corporate agent from the IRDAI. Pursuant to this certificate and applicable guidelines, we are permitted to enter into arrangements with insurers for the distribution of life, general and health insurance products. For further details, see “*Government and Other Approvals*” on page 372. We currently act as corporate agents for three general insurance companies and one life insurance company.

We provide our customers with multiple insurance products linked to their life, health and property. Under life insurance, we provide mortgage reducing term insurance linked to the loan facility. Under general insurance we provide property insurance, personal accident, critical illness and health insurance. These products are optional to the customer.

The following table sets forth details of and the split of total income generated by life insurance products and non-life insurance