

Interest Rates, Fees and Collateral for our Home Loans

The pricing of our loans is linked to our reference rate which we determine from time to time based on market conditions. Our reference rate was 16.2% as of March 31, 2021 and March 31, 2022, 16.7% as of December 31, 2022, 16.7% as of March 31, 2023 and 17.4% as of December 31, 2023. As of December 31, 2023, 21.4% of our Total Borrowings and assignment were at fixed rates of interest and 78.6% were at floating rates, which allows us to adjust the interest rates for our home loans based on the reference rate. As of December 31, 2023, all of our outstanding loans are secured in our favor by a mortgage over property or other security.

We require our customers to pay certain processing fees and charges prior to the disbursement of the loans at different stages of the loan application. These fees and charges are subject to change from time to time based on market conditions and regulatory requirements.

The underlying collateral for a loan is the house or property towards which the loan is provided. The security for home loans is created either through an equitable mortgage by way of deposit of title deeds or a registered mortgage of immovable property. We also offer our customers an option to take an insurance cover for the home, with the sum assured cover of at least the home loan amount, which offers an additional cover for any damage to the collateral.

Loan sourcing

We generate loans through both in-house and external sources. We use a combination of our in-house sales teams, including direct selling teams (“DSTs”) and sales managers. Our external channels include direct sales agents (“DSAs”) and Aadhar Mitras. As of December 31, 2023, our direct selling team including sales managers comprised 3,177 members. Further, we have 5,152 DSAs and 12,451 Aadhar Mitras as of December 31, 2023. As of March 31, 2023 and December 31, 2023, 58.2% and 54.3% of our total disbursements was contributed by in-house sourcing (through DSTs and Aadhar Mitras), respectively. The following table sets forth details of disbursements by sourcing channels for the periods indicated:

(₹ millions, except percentages)

Channel	For the year ended March 31, 2021		For the year ended March 31, 2022		For the year ended March 31, 2023		For the nine months ended December 31, 2022		For the nine months ended December 31, 2023	
	Disbursements	Contribution to total disbursements %	Disbursements	Contribution to total disbursements %	Disbursements	Contribution to total disbursements %	Disbursements	Contribution to total disbursements %	Disbursements	Contribution to total disbursements %
Aadhar Mitras	8,759.4	24.7%	9,003.9	22.5%	11,388.0	19.2%	7,455.5	18.9%	10,180.0	20.8%
DSAs	10,175.6	28.7%	13,004.0	32.6%	24,645.0	41.8%	15,511.3	39.3%	22,419.0	45.7%
DSTs	16,512.1	46.6%	17,911.4	44.9%	22,993.1	39.0%	16,486.8	41.8%	16,441.6	33.5%
Total	35,447.1	100.0%	39,919.3	100.0%	59,026.1	100.0%	39,453.6	100.0%	49,040.6	100.0%

The following table sets forth details of the referral fees paid to Aadhar Mitras and DSAs for the periods indicated:

(₹ in million)

	For the year ended			For the nine months ended	
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Aadhar Mitra	76.3	109.4	273.8	177.8	196.2
DSAs	35.8	33.1	57.5	40.1	40.9

We enter into agreements for the appointment of our DSAs and Aadhar Mitras. These agreements govern our arrangements for the appointment, termination and compensation of these external sourcing channels. These agreements also specify the responsibilities and requirements that these sources have to satisfy in the conduct of their activities while dealing with our customers. The leads generated or customers sourced by these external sourcing channels are subject to our internal credit approval and disbursement process in accordance with our internal policies. For further details, see “- Credit Approval and Disbursement Process” on page 167.

In 2018, with a view to lowering our cost of acquisition for new loans and to widen our reach, we launched the 'Aadhar Mitra Program'. Aadhar Mitras are individuals engaged by us who may be in a non-allied industry (for example, hardware store owners, property brokers and building material suppliers) and act as lead providers to our DSTs. We incentivize Aadhar Mitras with a referral fee for every referral that results in a loan disbursement by us. Our onboarding process for Aadhar Mitras involves the verification of documents of a prospective Aadhar Mitra by our local branch, followed by training programs for the Aadhar Mitra. In August 2021, we launched a “Mahila Aadhar Mitra” program which catered to enrolling women as Aadhar Mitras. This enables us to widen our network of Aadhar Mitras and at the same time helps to providing a source of income to our Mahila Aadhar Mitras.