

assure you that we will be able to raise adequate additional capital in the future in order to maintain our CRWAR above the existing and future minimum required levels or otherwise on terms favorable to us, in a timely manner, or at all, which may adversely affect the growth of our business. For further details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Government Policy and Regulation*” on page 341.

26. Our prior joint statutory auditors included a matter of emphasis in their audit report on financial statements as at and for FY ended March 31, 2021.

Our prior joint statutory auditors included the following matter of emphasis in their audit report on our financial statements as at and for FY2021 and did not modify the statutory auditors’ opinion in respect of such matter:

“We draw attention to Note 6 (viii) to the consolidated financial statements in which the Group describes the continuing uncertainties arising from the COVID 19 pandemic. Our opinion is not modified in respect of this matter.”

Note 6 (viii) in the above matter of emphasis related to the management judgements and estimates based on which we made our impairment loss allowance for FY2021. In FY2021, we made additional provision in light of the uncertainties associated with the COVID-19 pandemic and the then widespread second wave. See “– *The outbreak of severe communicable disease or pandemic, including the resurgence of COVID-19, could have a potential impact on our business, financial condition, cash flows and results of operations.*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations – General Economic Conditions in India and the impact of the COVID-19 outbreak*” for further details of the relevant risks. For further details of the above matter of emphasis, see “*Restated Consolidated Financial Information*” on page 237. There can be no assurance that similar remarks or matters of emphasis will not form part of our financial statements for the future FY, which could subject us to additional liabilities due to which our financial condition may be adversely affected.

27. Our business and result of operations are dependent on the general economic conditions and activities in certain states in which we have concentrated presence and may be adversely affected by difficulties in expanding our business or pursuing new business opportunities in new regions and markets.

As of December 31, 2023, 27.6% of our Gross AUM is from our top two states, namely Uttar Pradesh and Maharashtra. Our concentration in these states exposes us to any adverse geological, ecological, economic and/or political circumstances in those respective regions. If there is a sustained downturn in the economy of those regions or a sustained change in housing market in those regions for any reason, our financial position may be adversely affected. The following table sets forth details of our AUM by state/territory as of the dates indicated:

(₹ in million, except percentages)

| AUM BY STATE/TERRITORY | As of | | | | | | | | | |
|---------------------------|------------------|---------------|------------------|---------------|------------------|---------------|-------------------|---------------|-------------------|---------------|
| | March 31, 2021 | | March 31, 2022 | | March 31, 2023 | | December 31, 2022 | | December 31, 2023 | |
| | Amount | % Share | Amount | % Share | Amount | % Share | Amount | % Share | Amount | % Share |
| Uttar Pradesh | 21,221.1 | 15.9% | 22,240.0 | 15.0% | 24,389.6 | 14.2% | 23,757.5 | 14.3% | 27,097.0 | 13.6% |
| Maharashtra | 20,000.9 | 15.0% | 21,901.1 | 14.8% | 24,281.8 | 14.1% | 23,740.0 | 14.3% | 27,768.0 | 14.0% |
| Madhya Pradesh | 15,206.1 | 11.4% | 16,022.2 | 10.8% | 17,608.7 | 10.2% | 17,339.7 | 10.5% | 19,515.8 | 9.8% |
| Gujarat | 14,154.0 | 10.6% | 16,298.1 | 11.0% | 18,859.6 | 11.0% | 18,513.1 | 11.2% | 22,054.5 | 11.1% |
| Rajasthan | 13,579.1 | 10.2% | 16,726.9 | 11.3% | 21,451.1 | 12.5% | 20,291.6 | 12.2% | 25,297.0 | 12.7% |
| Tamil Nadu | 9,721.5 | 7.3% | 11,240.3 | 7.6% | 14,061.8 | 8.2% | 13,195.4 | 8.0% | 16,641.2 | 8.4% |
| Telangana | 7,597.5 | 5.7% | 8,808.6 | 6.0% | 11,204.0 | 6.5% | 10,472.8 | 6.3% | 13,312.7 | 6.7% |
| Andhra Pradesh | 5,144.4 | 3.9% | 5,640.0 | 3.8% | 6,784.2 | 3.9% | 6,396.5 | 3.9% | 8,345.9 | 4.2% |
| Karnataka | 6,457.4 | 4.8% | 6,590.6 | 4.5% | 6,731.7 | 3.9% | 6,681.1 | 4.0% | 7,297.2 | 3.7% |
| Others | 20,189.0 | 15.1% | 22,310.1 | 15.2% | 26,855.8 | 15.6% | 25,276.9 | 15.3% | 31,322.3 | 15.8% |
| Total | 133,271.0 | 100.0% | 147,777.9 | 100.0% | 172,228.3 | 100.0% | 165,664.6 | 100.0% | 198,651.6 | 100.0% |

As part of our growth strategy, we continue to seek to expand our business into new regions and markets. For more details, see “*Our Business – Our Strategy – Expand our Distribution Network to Achieve Deeper Penetration in key states*” and “– *We may not be able to sustain our business growth, which may have a material adverse effect on our business, results of operations, cash flows and financial condition*” on pages 160 and 42, respectively. The new regions and markets may have different regulatory regimes, culture, business practices and customs as compared to our current markets, and our experience in our current markets may not be applicable to these new markets. In addition, our expansion may be exposed to challenges such as competition with the local unorganized or semi-organized private financiers, who may be more familiar with local regulations, business practices and customs, and may have stronger relationships with target customers, obtaining necessary governmental approvals, identifying and collaborating with local business with whom we may have no previous working relationship, attracting and retaining new employees and adapting our marketing strategy and operations to different regions of India in which different languages are spoken. To address these challenges, we may incur costs that we may not recover or may not be able to expand at all, which may adversely affect our business prospects, financial condition, cash flows and results of operations.