

you that these approvals would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Additionally, failure by us to comply with the terms and conditions to which such licenses, approvals, permits or registrations are subject, and/or to renew, maintain or obtain the required licenses, approvals, permits or registrations may result in the interruption of our operations and may have a material adverse effect on our business, financial condition, cash flows and results of operations.

36. *We have contingent liabilities and our financial condition may be adversely affected if these contingent liabilities materialize.*

We have recorded contingent liabilities, in accordance with Ind AS 37. The contingent liabilities consist of liabilities on account of income tax and indirect tax matters of earlier years. Below are the details of contingent liabilities as of March 31, 2021, March 31, 2022 and March 31, 2023 and as of December 31, 2022 and December 31, 2023:

(₹ in million)

Particulars	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023	As of December 31, 2022	As of December 31, 2023
Income tax matters of earlier years*	2.1	35.7	37.8	37.8	30.0
Indirect tax matters of earlier years	-	21.6	52.1	48.2	113.6
Total*	2.1	57.3	89.9	86.0	143.6

* Part of the aforementioned contingent liabilities towards income tax have been paid under protest.

In the event that any of these contingent liabilities materialize, our results of operations and financial condition may be adversely affected.

37. *Security breaches of customers' confidential information that we store may expose us to liability and harm our reputation.*

As part of our business, we store and have access to customers' bank information, credit information and other sensitive data. Any accidental security breaches or other unauthorized access to confidential information could expose us to liability related to the loss of the information, legal proceedings against us including the potential imposition of penalties, and negative publicity. Data security breaches could lead to the loss of trade secrets or other intellectual property, or the public exposure of personal information (including sensitive financial and personal information) of our customers and employees. Security measures could be breached by third-party actions, intrusion into our software by hackers due to software flaws or due to employee error and malfeasance. In addition, we may be required under applicable regulations to notify individuals of data security breaches involving their personal data. While we have not experienced any security breaches in the last three FYs and nine months ended December 31, 2023 which had a material impact on our financial condition and results of operations, any security breach in the future may cause our customers to lose confidence in the effectiveness of our data security measures, and in turn have an adverse effect on our business, operations, financial condition or cash flows. For details of the applicable laws on data security, see “– We rely significantly on our information technology systems for our business and operations. A failure, inadequacy or security breach in our information technology and telecommunication systems may adversely affect our business, results of operations, cash flows and financial condition” on page 42.

38. *Negative publicity could damage our reputation and adversely impact our business and financial results.*

Reputational risk arising from negative publicity is inherent in our business. Negative publicity may include public opinion about the banking and financial services industry generally or about us specifically, which could materially adversely affect our ability to attract and retain customers and may expose us to litigation and regulatory action. Further, negative publicity may arise from our own or our third-party service providers' actual or alleged conduct in any number of activities, including lending practices, mortgage servicing and foreclosure practices, technological practices, corporate governance, regulatory compliance, mergers and acquisitions, and related disclosure, sharing or inadequate protection of customer information, and actions taken by government regulators and community organizations in response to that conduct. While we have not experienced any negative publicity that has had a material adverse effect on our reputation, business or financial results in the last three FY and nine months ended December 31, 2023, any adverse publicity in relation to our industry in general or specifically in relation to our Company and our third-party service providers could rapidly erode customer trust and confidence in us. Although we take steps to minimize reputational risk in dealing with customers and other constituencies, we, as a large financial services organization with a high industry profile, are inherently exposed to this risk.

39. *Our insurance coverage may not be sufficient or may not adequately protect us against losses, and successful claims that exceed our insurance coverage could harm our results of operations and diminish our financial position.*