

28. 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.

We experienced growth in our business in the past, as indicated in the following table:

(₹ in million)

	As of/for the				
	FY 2021	FY 2022	FY 2023	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Total Income	15,755.5	17,285.6	20,435.2	14,882.1	18,951.7
Profit After Tax	3,401.3	4,448.5	5,447.6	4,040.6	5,478.8
AUM	133,271.0	147,777.9	172,228.3	165,664.6	1,98,651.6

Our business growth is driven by strategies such as expanding our distribution network, growing our customer base and optimizing our borrowing costs. For further details, see “*Our Business – Our Strategy*” on page 160. However, we cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to grow further, or at the same rate. Our ability to sustain our rate of growth depends significantly upon our marketing initiatives, our ability to expand into new regions and markets and our ability to manage key issues such as selecting and retaining key management personnel, maintaining effective risk management policies, continuing to offer products which are relevant to our target base of clients, and ensuring a high standard of customer service and general economic conditions. For risks in relation to our ability to expand into new regions and markets, see “– *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*” on page 41. Going forward, we may not have adequate marketing resources as well as processes and systems such as credit appraisal and risk management to sustain this growth. Our results of operations depend on a number of internal and external factors, including the increase in demand for low income housing segment loans in India, competition, the RBI’s monetary and regulatory policies, NHB / RBI regulations, inflation, our ability to expand geographically and diversify our product offerings and also, significantly, on our net interest income. Further, it cannot be assured that we will not experience issues such as capital constraints, difficulties in expanding our existing business and operations, and hiring and training of new personnel in order to manage and operate our expanded business.

If we grow our loan book too rapidly or fail to make proper assessments of credit risks associated with new borrowers or new businesses, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our business, prospects, financial condition, cash flows and results of operations.

We cannot assure you that our existing or future management, operational and financial systems, processes, procedures and controls will be adequate to support future operations or establish or develop business relationships beneficial to future operations. Any one or a combination of some or all of the above-mentioned factors may result in a failure to maintain the growth of our AUM which may in turn have a material adverse effect on our business, results of operations, cash flows and financial condition.

29. 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.

Our ability to operate and remain competitive depends in part on our ability to maintain and upgrade our information technology systems and infrastructure on a timely and cost-effective basis, including our ability to process a large number of transactions on a daily basis. Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our financial, accounting and other data processing systems, management information systems and our corporate website may fail to operate adequately or become disabled as a result of events beyond our control, including a disruption of electrical or communications services.

We may also face risks relating to our digital transformation program, including implementing our initiatives such as AHFL Connect, AHF mobile app and services from other external IT service providers and migrating to our Tata Consultancy Services (“TCS”) platform in FY2020 which subsequently became operational in October 2021. As we implemented the TCS platform concurrently across all our branches, there was some disruption in disbursement numbers in October and November 2021 due to the “learning curve” associated with the adoption of a new technological system, which have settled down since mid-November 2021. Although we have successfully transitioned into our TCS platform, there is no assurance that our transition to our new technological platforms in the future will be smooth or in the manner that we anticipate or that the any or all technologies we adopt will achieve the efficiencies we expect, or that we will not face any disruptions or problems resulting from any or all technologies we use, which may adversely impact the overall productivity of our business and result in business interruptions, which may in turn affect our business, results of operations, cash flows and financial condition. See “*Our Business – Information Technology – Digital Transformation*