

million for the nine months ended December 31, 2022, which is in line with the growth of our business operations and the increasing compliance costs. Goods and services tax also increased by 65.1% to ₹ 177.1 million for the nine months ended December 31, 2023 from ₹ 107.3 million for the nine months ended December 31, 2022.

*Total tax expense.* Our total tax expense increased by 36.5% to ₹ 1,531.0 million for the nine months ended December 31, 2023 from ₹ 1,122.0 million for the nine months ended December 31, 2022. For the nine months ended December 31, 2023, we had a current tax expense of ₹ 1,571.8 million and a deferred tax credit of ₹ 35.2 million. For the nine months ended December 31, 2022, we had a current tax expense of ₹ 1,127.3 million and a deferred tax credit of ₹ 5.3 million. Increase in total tax expenses was on account of increase in profit before tax by 35.8% to ₹ 7,009.8 million for the nine months ended December 31, 2023 from ₹ 5,162.6 million for the nine months ended December 31, 2022.

*Profit for the period.* As a result of the foregoing, our profit for the period increased by 35.6% to ₹ 5,478.8 million for the nine months ended December 31, 2023 from ₹ 4,040.6 million for the nine months ended December 31, 2022.

## **FY2023 compared to FY2022**

### **Total Income**

Our total income increased by 18.2% to ₹ 20,435.2 million for FY2023 from ₹ 17,285.6 million for FY2022.

*Revenue from Operations.* Our revenue from operations increased by 18.2% to ₹ 20,432.3 million for FY2023 from ₹ 17,282.7 million for FY2022, primarily due to an increase in interest income by 15.5% to ₹ 17,762.8 million for FY2023 from ₹ 15,382.9 million for FY2022. The increase in interest income was primarily due to an increase in our interest on loans, which increased by 14.4% to ₹ 16,748.5 million from ₹ 14,634.3 million. This increase was in line with the growth in our Retail AUM which increased to ₹ 172,228.3 million as of March 31, 2023 from ₹ 147,766.9 million as of March 31, 2022 primarily on account of housing and other property loan disbursements of ₹ 59,026.1 million for FY2023 from ₹ 39,919.3 million for FY2022 and an increase in the number of customers to 233,228 as of March 31, 2023 from 204,135 as of March 31, 2022.

Further, net gain on derecognition of financial instruments under amortized cost category increased by 40.3% to ₹ 1,304.3 million for FY2023 from ₹ 929.6 million for FY2022. This was primarily due to an increase in the fresh assignment of our portfolio to ₹ 11,339.6 million during FY2023 from ₹ 7,721.2 million during FY2022. Additionally, net gain on fair value changes increased by 35.5% to ₹ 317.9 million for FY2023 from ₹ 234.6 million for FY2022 primarily due to an increase in realized investments, as a result of an increase in investments made in liquid and overnight mutual funds.

*Other income.* Our other income, comprising miscellaneous, remained at ₹ 2.9 million for FY2023 and FY2022.

### **Expenses**

*Finance costs.* Our finance costs increased by 5.0% to ₹ 7,991.9 million for FY2023 from ₹ 7,612.0 million for FY2022, primarily due to an increase in interest on borrowings (other than debt securities) by 6.8% to ₹ 5,934.6 million for FY2023 from ₹ 5,556.3 million for FY2022. This was primarily due to an increase in borrowings (other than debt securities). In addition, interest on non-convertible debentures increased by 5.0% to ₹ 1,782.4 million for FY2023 from ₹ 1,697.4 million for FY2022. The increase in interest on NDCs was due to increase in the outstanding balances of NCDs. These increases were partially offset by a lower average cost of borrowing, which decreased to 7.0% as of March 31, 2023, compared with 7.2% as of March 31, 2022. Our average total borrowing increased to ₹ 114,140.2 million as of March 31, 2023, compared with ₹ 105,245.3 million as of March 31, 2022.

*Impairment on financial instruments.* Our impairment on financial instruments increased by 1.0% to ₹ 492.1 million for FY2023 from ₹ 487.1 million for FY2022, primarily due to an increase in bad-debts written off by 210.1% to ₹ 187.3 million for FY2023 from ₹ 60.4 million for FY2022. For FY2023, provisions / write-offs in our portfolio of loans to developers for the year ended March 31, 2023, amounted to a gain of ₹ 75.4 million, compared to a loss of ₹ 209.1 million for the year ended March 31, 2022 due to recoveries in written off loans.

*Employees benefits expense.* Employees benefits expense increased by 29.7% to ₹ 3,220.1 million for FY2023 from ₹ 2,481.9 million for FY2022, primarily due to an increase in salaries, bonus and other allowances by 31.9% to ₹ 2,878.7 million for FY2023 from ₹ 2,182.9 million for FY2022. The increase in salaries, bonus and other allowances was due to an increase in the number of our employees for FY2023 compared with FY2022. Our on-roll employees increased to 3,663 as of March 31, 2023, as compared with 2,769 as of March 31, 2022. In FY2023, our company accrued a one-time special bonus of ₹ 250.0 million given to 353 employees in recognition of their contribution to our Company, after taking into account factors such as their criticality, performance and future delivery capability. This was treated as an exceptional item in the restated consolidated financial information considering its nature, frequency, and materiality.

*Depreciation and amortization expense.* Our depreciation and amortization expense increased by 24.5% to ₹ 164.9 million for FY2023 from ₹ 132.5 million for FY2022, primarily due to an increase in depreciation of right to use assets amounting to