CreditAccess India B.V.

Annual Report FY 2022/23

For the year ended 31 March 2023

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Directors' Report

In business for over 15 years, CreditAccess India B.V., is a fast growing, solid and financially strong company. It is the promotor company of the largest microfinance company of India, CreditAccess Grameen Ltd. and holds 72.44% of the shares. It has nurtured this Company from small beginnings to its current status as the largest and leading company in the microfinance segment in India by providing capital and strategic advice.

The company provides loans to underbanked households primarily in rural areas of India through the so-called group lending model. The Company also provides working capital loans to small business owners and individual loans to clients. CreditAccess India B.V. serves 4.264 million clients with 16,759 employees operating through our 1,786 branches in India. Our clients are mainly women running retail shops, small-scale traders, and family farmers.

In the current financial year we have launched our life insurance initiative through CreditAccess Life Insurance (CALI). We are very proud that we are the first group to have received a license from the Indian regulator IRDAI to sell life insurances to develop the micro life insurance segment in India. The Company has high expectations that after guiding CreditAccess Grameen to become the largest microfinance company in India we can achieve the same with CALI.

In the financial year we were also able to complete the full merger with Madura Microfinance Limited after the acquisition that took place in 2019 as a result of which the Group has an unified legal structure in India.

Vision

To be the preferred financial partner of Rural Under-banked Families in India, enriching their lives by providing convenient and reliable financial solutions, matching their evolving needs.

General information

The legal structure of CreditAccess India N.V. changed to CreditAccess India B.V. on 25th November 2022. The Group structure consists of the parent company CreditAccess India B.V. (the Netherlands) and the core operating company in the microlending business: CreditAccess Grameen Limited (India), as well as a life insurance company: CreditAccess Life Insurance Limited (India), “CALI”. CALI has recently received regulatory approval for underwriting life insurance policies.

CreditAccess Grameen Limited (CA Grameen) is India’s largest microfinance institution, headquartered in Bengaluru, Karnataka. It is publicly listed on the NSE and BSE, and regulated by the Reserve Bank of India. The company is popularly known as “Grameen Koota” amongst its customers, translating to “rural group” in Kannada.

We deploy our assets in a country of more than 1.3 billion individuals and around 107 million underbanked rural households, representing the hidden backbone of the local economy where we operate.

Creation of classes of shares

The holding company has created three classes of shares, namely the Ordinary shares, CALI shares and non-voting T shares, tracking two different businesses and offering the shareholders the possibility of partial liquidity.

Core activities

Products & Services

The Group, through its local operating companies, offers straightforward and transparent loan products:

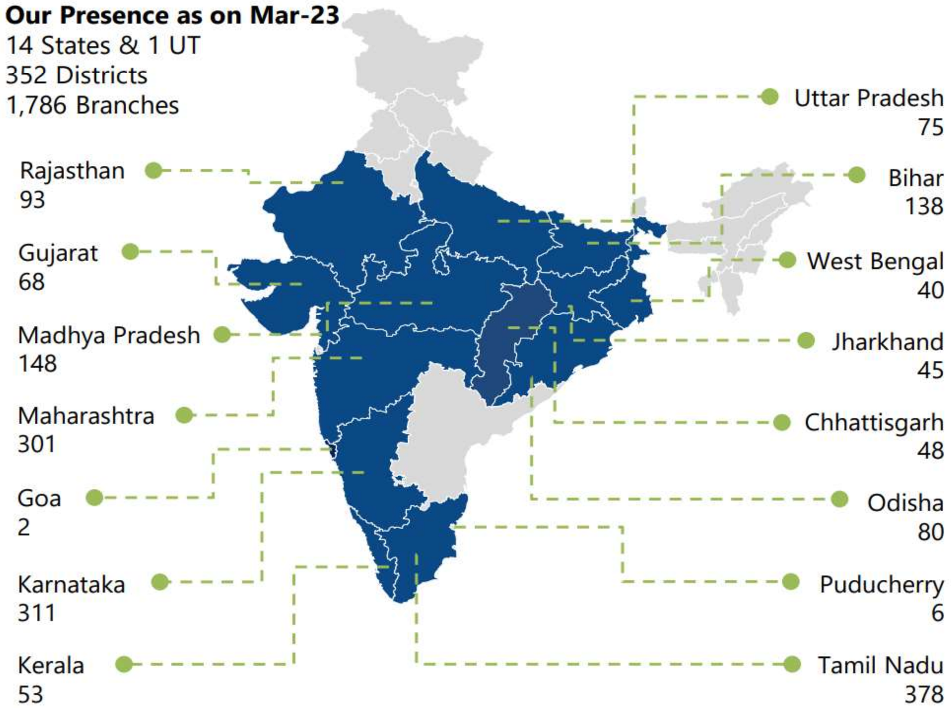
- Micro-lending products (based on the group-lending methodology and joint liability among the group members) to informal businesses, with a typical loan size between EUR 100 and EUR 1,000.
- Retail-lending products (based on the individual-lending methodology) to small businesses, with a typical loan size between EUR 500 and EUR 5,000.

As part of its Vision 2025 strategy, the Group has incorporated a dedicated life insurance company CALI, through which the Group will undertake insurance underwriting. CALI has recently received regulatory approval to design and underwrite insurance policies for the same segment of the population in India; rural households with limited access to the financial system. This will enable the Group to benefit from the new business of offering insurance & savings products to its core customer base. The operationalization of CALI is expected to commence in FY2023/24.

Geographical areas

CreditAccess India B.V. ("CreditAccess" or "CA India" or the "Company"), is the holding company of the Group and its head office is located in Amsterdam, the Netherlands. CreditAccess Grameen Limited ("CA Grameen" or "CA-GR") is the core operating company located in India that provides primarily small loans to our clients. CALI is expected to become another core operating company, as it is expected to become operational during FY2023/24.

CA Grameen has an outreach of 1,786 (+9.2% YoY) branches, in 352 Districts and 14 States & 1 UT of India. Key states by portfolio size are Karnataka 33.2%, Maharashtra 20.9%, Tamil Nadu 20.2%, Madhya Pradesh 6.7% and the remaining states contribute 19.0%.



Customers

The Group's core customers are low-income and self-employed individuals, usually managing a small trade business or operating in agriculture or animal husbandry and earning between EUR 2 and EUR 10 per day. In addition, the Group serves a customer segment, running small businesses and usually generating income between EUR 10 and EUR 100 per day.

Business Strategy

CreditAccess Group aims to be recognized as "the preferred partner of rural underbanked families, providing convenient and reliable financial solutions matching their evolving needs". The Company will continue to oversee and lead the strategic development of CreditAccess Grameen and CALI and the related businesses until full maturity.

Furthermore, the Company will explore all valuable M&A opportunities, remaining committed to substantially increase the value of our business.

Highlights

In the current financial year CA Grameen maintained its position as the largest Non-Banking Financial Company (NBFC) - microfinance institution (MFI) in India.

1- CA Grameen is the largest NBFC-MFI in India, on account of organic growth of 19.4% YoY in Gross Loan Portfolio including off balance sheet portfolio, reaching EUR 2,340 mln by 31 March 2023 as compared to EUR 1,960 mln on 31 March 2022.

2- The Group achieved a consolidated Net Profit After Taxes of EUR 95 mln (FY21/22 EUR 33 mln), with a solid capital position and strong balance sheet: EUR 597 mln equity (FY21/22: EUR 520 mln), EUR 2,473 mln total assets (FY21/22: EUR 2,113 mln).

Performance indicators regarding environment and personnel

The customers we already serve have demonstrated very high loyalty to CA Grameen. We provide our customers with financial products and services that are relevant for all stages of their lives. Combined with the effective delivery of these products and services, constant social focus approach towards customers and ethical collection practices have enabled CA Grameen to maintain customer retention rate of above 80% during the past 5 years.

The CreditAccess Group is an equal opportunity employer, CA Grameen has been certified as one of the "Great Places to Work" in India by the Great place to work Institute of India and has been qualified as one of the top 25 best companies to work for under the list of BFSI Companies in India.

CA Grameen strongly abides by its Vision to be Committed, Reliable, Empathetic, Accountable, Transparent and Efficient (CREATE). Building an environment of trust and mutual respect is one of the company's constant endeavours.

Future outlook

Our strong financial position and credit rating, excellent long-term relationships with our lenders, best in class cost to income ratio, gives the Group an excellent position to maintain its strong growth in the future. By continuing to focus on our core markets, strong discipline in execution and the ability to access funding at competitive rates we are confident that the Group will continue to thrive for the benefit of over 4 million customers and all our stakeholders.

The Group has demonstrated that it has a robust and resilient business model that can weather unexpected major disruptive events as witnessed in the last years. Each time the Group has come out stronger from the adverse non-controllable events. This is a testimony to the highly experienced and stable management team with a lot of depth of talent at all levels of the Group. The Group continues to innovate and develop new activities and initiatives. CALI will start to sell life insurance policies in the Indian market after IRDAI has issued a license to the Company in the current financial year.

The Group is very excited that it has obtained the license, the first one issued in India after more than 10 years. CALI will focus on the same core group of customers that CA Grameen services and we are confident that the Group can unlock synergies in this respect. These developments and the strong position of the Group in the Indian market and the scale the Group has attained, should give comfort and confidence to our lenders, investors and various stakeholders for the successful future of the Group.

Key financial information

	CA Grameen			CA India BV (Company)			CA India BV (Group)		
Figures in EUR million	**FY20/21**	**FY21/22**	**FY 22/23**	**FY20/21**	**FY21/22**	**FY 22/23**	**FY20/21**	**FY21/22**	**FY 22/23**
Interest income and fees	**264.4**	**296.5**	**397.7**	**1.8**	**0.2**	**0.0**	**266.2**	**296.7**	**398.0**
YoY growth %	*27.5%*	*12.1%*	*-100.0%*	*-28.0%*	*-90.9%*	*-100.0%*	*27.1%*	*11.4%*	*-100.0%*
Interest expenses and fees	-107.4	-113.8	-145.4	-2.7	-1.4	-0.1	-110.1	-115.2	-145.5
Net Interest Margin	**157.0**	**182.7**	**252.3**	**-0.9**	**-1.3**	**-0.1**	**156.1**	**181.4**	**252.5**
YoY growth %	*17.4%*	*16.4%*	*-100.0%*	*125.0%*	*40.6%*	*-100.0%*	*17.4%*	*16.2%*	*-100.0%*
Other income	18.5	12.5	19.8	0.0	0.0	0.0	18.5	12.5	19.8
Credit loss expenses	-87.3	-60.4	-41.0	-0.1	0.0	0.0	-87.3	-60.4	-41.0
Gross result	**88.2**	**134.9**	**231.1**	**-1.0**	**-1.3**	**-0.1**	**87.3**	**133.6**	**231.3**
Operating expenses	-67.4	-79.4	-99.0	-4.2	-7.0	-3.4	-71.7	-86.4	-102.7
Operating profit	**20.8**	**55.5**	**132.1**	**-5.2**	**-8.3**	**-3.5**	**15.6**	**47.2**	**128.6**
Result from foreign currency denominations	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	-0.1	-0.0
Share in results of subsidiaries & associates	0.0	0.0	0.0	12.8	31.3	71.6	0.0	-0.0	-0.1
Taxation on result	-5.7	-14.3	-33.4	0.0	0.0	0.0	-5.7	-14.3	-33.4
Net Profit After Taxes	**15.1**	**41.2**	**98.7**	**7.6**	**23.0**	**68.1**	**10.0**	**32.9**	**95.1**
YoY growth %	*-64.6%*	*173.1%*	*-100.0%*	*-73.9%*	*202.2%*	*-100.0%*	*-73.5%*	*228.8%*	*-100.0%*
Fixed Assets	73.7	75.1	67.4	8.1	8.5	7.9	81.9	83.6	75.5
Gross loan portfolio outstanding *	1,438.4	1,818.4	2,169.0	0.0	0.0	0.0	1,438.4	1,818.4	2,169.0
Impairment allowance	-72.6	-63.5	-38.9	0.0	0.0	0.0	-72.6	-63.5	-38.9
Net loan portfolio outstanding	1,365.8	1,755.0	2,130.1	0.0	0.0	0.0	1,365.8	1,755.0	2,130.1
YoY growth %	*2.0%*	*28.5%*	*-100.0%*	*n.a.*	*n.a.*	*n.a.*	*2.0%*	*28.5%*	*-100.0%*
Cash and cash equivalents	275.0	187.9	150.0	54.1	26.1	0.9	329.1	213.9	151.6
All other assets	51.2	60.4	97.3	324.3	349.5	427.9	57.2	60.7	115.4
Total assets	**1,765.7**	**2,078.3**	**2,444.9**	**386.5**	**384.0**	**436.7**	**1,834.0**	**2,113.1**	**2,472.7**
Shareholders' equity	453.2	495.3	571.2	351.3	374.3	434.4	486.2	520.4	596.7
YoY growth %	*29.0%*	*9.5%*	*-100.0%*	*16.4%*	*6.5%*	*-100.0%*	*24.7%*	*7.2%*	*-100.0%*
Finance debt	1,283.8	1,545.8	1,833.4	33.4	8.5	1.7	1,317.2	1,554.3	1,835.1
All other liabilities	28.7	37.2	40.2	1.8	1.2	0.5	30.6	38.4	40.9
Total equity and liabilities	**1,765.7**	**2,078.3**	**2,444.9**	**386.5**	**384.0**	**436.7**	**1,834.0**	**2,113.1**	**2,472.7**

* This is excluding off-balance sheet portfolio of loans to customers. The off-balance sheet portfolio amounts to Euro 171,592,847 at 31 March 2023 (Euro 141,726,696 : 31 March 2022).

Business Growth

31 March 2023 CA Grameen has 1,786 branches across 352 districts in 14 States and 1 Union Territory. The Group was able to raise the necessary resources all through the year to match the business and operational requirements, leveraging its relationships with banks and financial institutions, as well as forming new lender relationships. Below are the key metrics:

	CreditAccess Grameen		
	Mar/23	Mar/22	%
	A	B	(A-B)/B
Branches	1,786	1,635	9.2%
Borrowers ('000)	4,264	3,824	11.5%
Gross loan portfolio* (EUR in mln)	2,169	1,818	19.3%
Employees	16,759	15,667	7.0%

* Include on and off balance sheet portfolio

Profitability

With a net profit growth of 189%, the Group demonstrates the resilience and validity of its business model particularly during challenging times. In the aftermath of COVID-19, the geopolitical tensions and the economic fallout caused by the Russian invasion of Ukraine in February 2022, the Group maintained a strong portfolio quality that has led to the robust increase in profitability.

Total interest income of the Group increased 34% from EUR 297 mln to EUR 398 mln in FY22/23. Total interest expenses of the Group increased only 26% from EUR 115 mln to EUR 146 mln in FY22/23. Net Interest Income grew by 39%. Other income of the Group increased from EUR 13 mln to EUR 20 mln in FY22/23. Total credit loss of the Group decreased from EUR 60 mln to EUR 41 mln in FY22/23. The total operating expenditure increased from EUR 86 mln to EUR 103 mln in FY22/23. The Group recorded Profit after Tax of EUR 95 mln for FY22/23 compared to EUR 33 mln in FY21/22.

Important ratio's improved significantly for CA Grameen:	CreditAccess Grameen	
	Mar/23	Mar/22
Return on Assets	4.2%	2.2%
Return on Equity	18.0%	9.0%
Debt to Equity	3.2	3.1

Quality of Portfolio

The overall asset quality which was still impacted by the aftermath of the COVID-19 pandemic enhanced significantly in FY22/23. The Group has gradually improved credit collections which resulted in reduction in impairment on loans to customers (ECL rate) from 3.44% in FY21/22 to 1.78% in FY22/23.

Debt Funding Plan

The Group's strategic priority is to ensure the business expansion and proper asset-liability management. The Group net interest-bearing debt amounted to EUR 1,835 million at 31 March 2023 (EUR 1,554 mln at 31 March 2022).

The Group has a diversified liability portfolio with more than 50 lenders across local and international banks, financial institutions, Non-Bank Financial Institutions and foreign investors. Further, CA Grameen performed securitization and several direct assignments in the local market during FY22/23.

The Group is aiming to further diversify its funding sources, while increasing the weight of the international lenders over the medium term to support balance sheet growth.

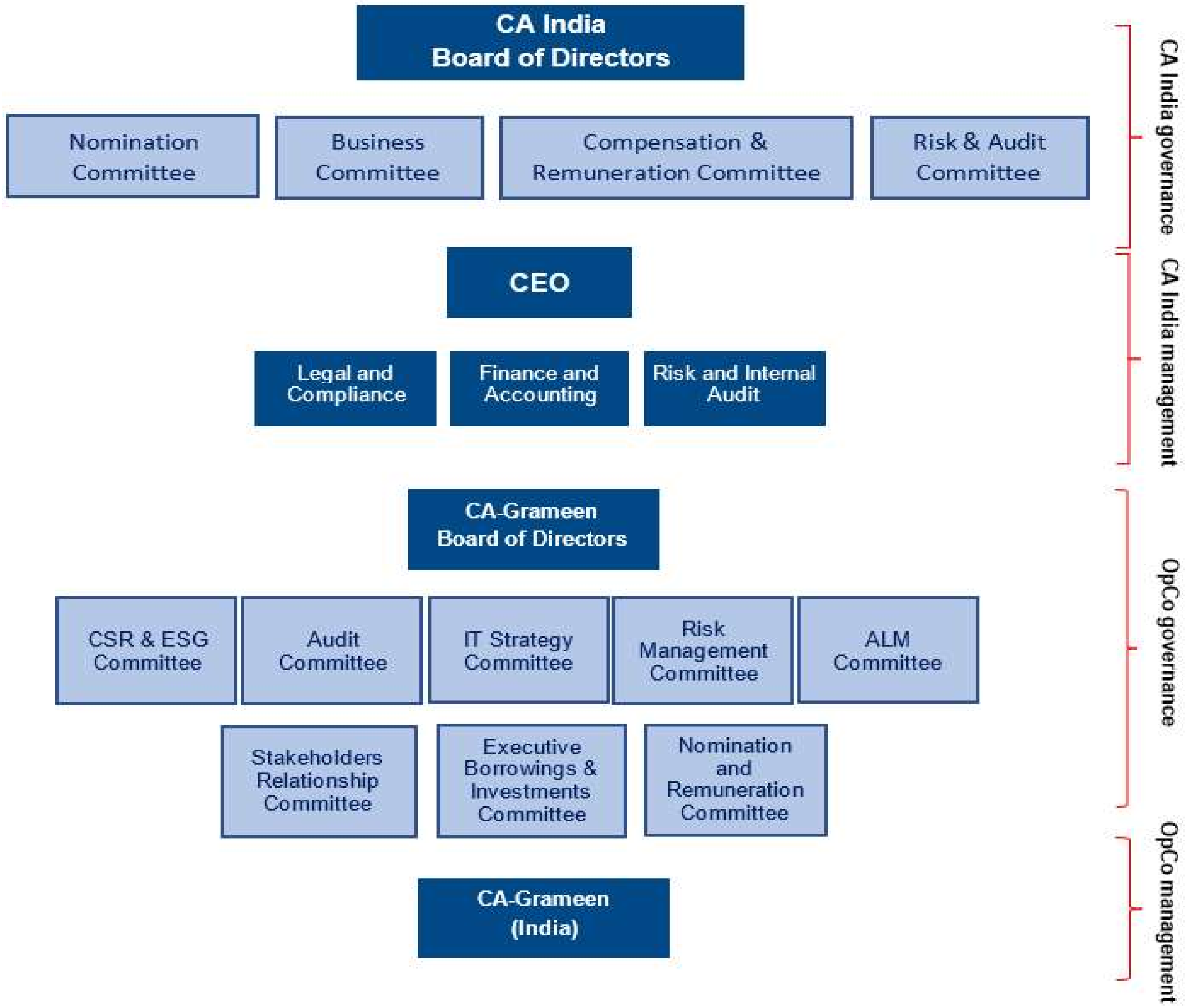
Liquidity and solvency

The Group has maintained a very strong capital and cash position with consolidated closing Debt to Equity of 2.82:1 (FY21/22 2.63:1) and Capital to Risk (Risk Weighted) Assets Ratio (CRAR) of the operating company CA Grameen at 23.58% (31 March 2022; 26.54%).

The asset-liability structure is consistently positive due to the nature of loan products offered by the Group that is typically shorter than 24 months, whereas the financial resources mobilized by the Group have a maturity between 2 and 5 years. As a result the assets exceeds liabilities in most maturity buckets.

Organization and Governance structure

The Group has a dual level governance structure, the first level is at the Holding company and second level is at Operating company. Each level has its own board and committees to steer, supervise, control and monitor the business. The management team of the Holding company connects the two levels of governance to provide effective control and management. The Chief Risk Officer (of CAI) is a member of the Board of CA Grameen.



Process Integration of Madura Micro Finance Ltd

The Company successfully completed the process integration of Madura Micro Finance Ltd ('MMFL'). All 471 MMFL branches were transitioned to CA Grameen branch model and incremental lending starting from October 2021 was provided under CA Grameen lending model with weekly/bi-weekly repayment cycles. Adequate training sessions were conducted for MMFL staff to make them comfortable with CA Grameen's operating model, processes, and controls. Technology integration was also implemented extending CA Grameen's core banking solution, digital field application, customer onboarding tool, and branch audit portal to MMFL branches. Customer data migration, automation of reports and alignment of monthly MIS was successfully completed. The legal merger of MMFL into CA Grameen has been completed on 15th February 2023 on the basis of court approval in India.

Board of Directors

The holding company is managed by a one-tier board which reports to the General Meeting of Shareholders. The composition of the Board as from the Annual General Meeting of 31 January 2022 comprised of the following members:

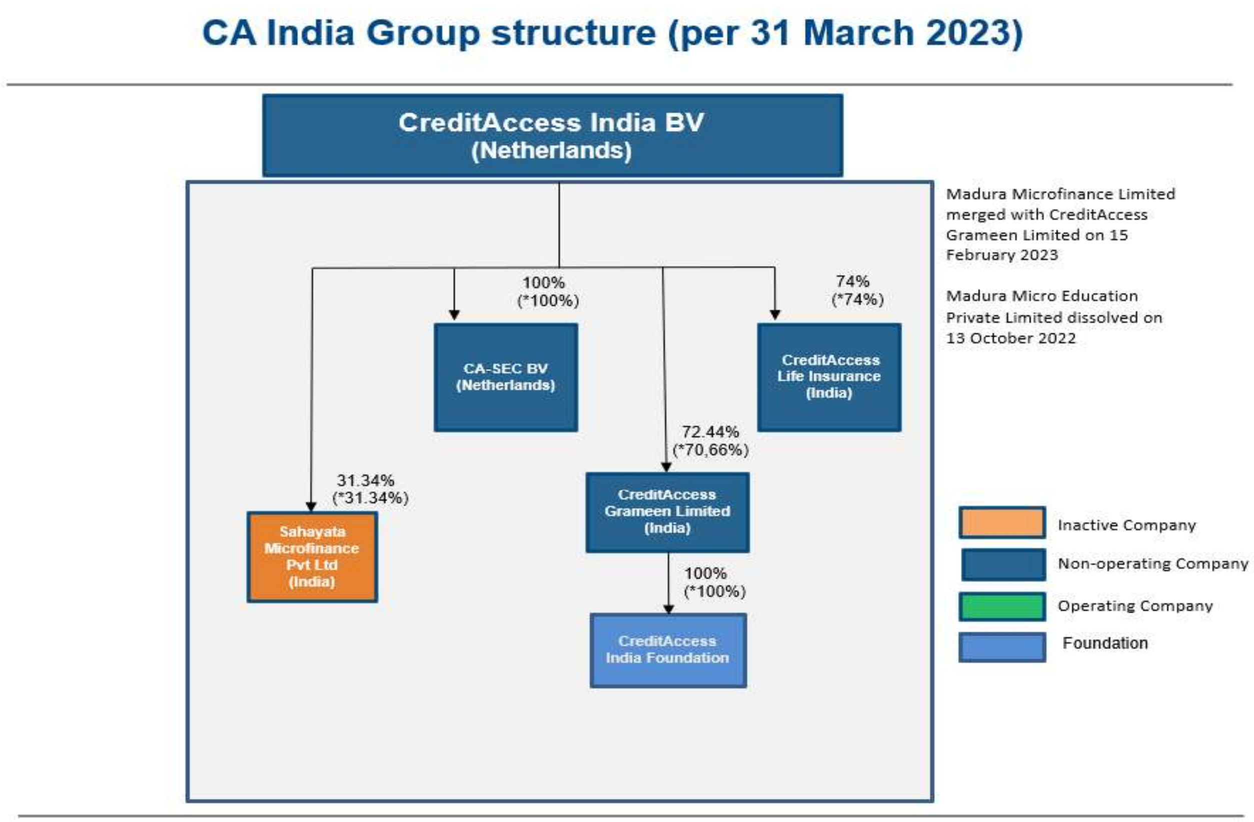
Board members	Date of (re-) appointment
Mr. Francesco G.M. Moccagatta (Independent Non-Executive Director / Chairman)	31-Jan-22
Mr. Paolo Brichetti (Non-Executive Director SH)	31-Jan-22
Mrs. Stefania Petruccioli (Independent Non-Executive Director)	31-Jan-22
Mrs. Benedetta Corazza (Independent Non-Executive Director)	31-Jan-22
Mr. Federico Carini (Non-Executive Director)	31-Jan-22
Mr. Michael P. Atzwanger (Non-Executive Director SH)	31-Jan-22
Mr. Daniel R. Mintz (Non-Executive Director SH)	31-Jan-22
Following directors were appointed/(re-) appointed on 18 November 2022.	
Mr. Lamberto Cremonesi Non-executive Director)	18-Nov-22
Mr. Koen J.M. Slobbe (Non-Executive Director)	18-Nov-22

The Company is committed to have a diversified Board of Directors by striving to have at least 30% women amongst its Board members. However, since the Company needs to weigh several relevant selection criteria based on its Governance Policy (GP) when composing its Board (including, but not limited to, shareholder recommendations, executive experience, experience in the financial services sector and general industry), the current composition of the Board - two female and seven male Board members – has fallen short of this objective in FY22/23.

Compensation of Directors

All members of the board of the Company are remunerated based on the compensation policy as adopted by the General Meeting of Shareholders held on 17 November 2022. The compensation is based on a fixed base fee for the board membership and is supplemented for chairs of the committees and the position of Presiding Director. The actual amounts are disclosed in note 31. There are no loans outstanding, paired or waived and no advance payments and guarantees granted to any of the (former) members of the Board in FY22/23.

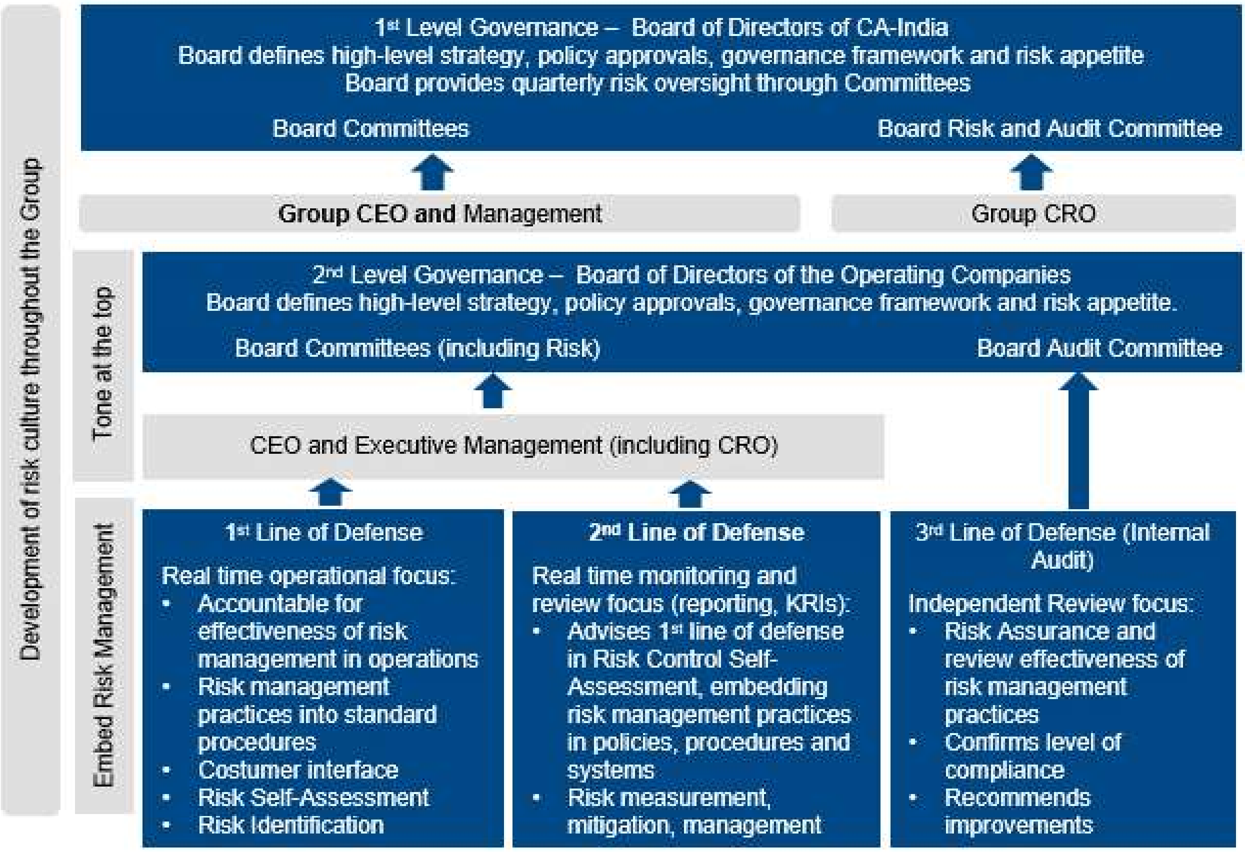
Legal structure as at 31 March 2023



(*) - diluted shareholding

Risk management framework

The Group follows a comprehensive risk management framework which is a systematic approach adopted to mitigate risks associated with the accomplishment of objectives, operations, revenues, and regulations. The risk management framework defines the risk governance structure, determines the risk appetite and tolerance, and provides the three lines of defense model that ensures proactive mitigation and helps achieving stated objectives.



While the Group accepts the risks inherent to microfinance business, it aims to manage these risks in an efficient, effective and compliant way. The table below provides various types of risks that the Group's business is exposed to. Please refer to note 5 of this report for the extensive tables presenting risk mitigation measures by the Group.

Risk Type	Definition	Risks Categories
FINANCIAL RISK	Risk or loss resulting from any type of risk associated with financing and financial transactions.	Capital Risk Credit Risk Interest Rate Risk Foreign Currency Risk Liquidity Risk
OPERATIONAL RISK	Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.	People Risk Process Risk Systems (Technology) Risk External Event Risk
STRATEGIC RISK	Risk of loss that failed business decisions, or lack thereof, may pose to a company.	Political Risk Reputational Risk Regulations Risk Internal Policy Compliance Risk Country Risk Business Plan Risk including Market Dynamics Risk

Corporate social responsibility

At CA Grameen, the CSR initiatives are aligned with the Company's strategic planning and core business operations to safeguard the interest of the local communities that we operate in and contribute to thriving communities.

An overview of the main CSR Projects approved by the Board of CA Grameen for the FY 2022-23

Improving Anganwadi/primary school facilities:

It included inspection of the local Anganwadi or primary schools, understanding the basic needs like availability of toilets, safe drinking water, furniture, painted walls, toys, playing/sports items etc., and fulfilling few basic needs of these educational institutes.

Humanitarian aid and disaster relief activities:

CA Grameen provides as needed the support when a (natural) disaster occurs focusing on relief activities for damages caused by cyclones, floods, earthquakes, fire incidents, etc.

Scholarships programs:

CA Grameen offers scholarship program to two top scoring girl students from Government schools in each selected district, who pass 10th standard in order to motivate them to continue higher education and to help their families recognize the performance of the child, and encourage her to study further. A set of top districts in discussion with field teams is chosen for this initiative.

Sushikshana:

Sushikshana is an interactive program designed to provide children in Class 8 and above, a holistic learning experience on Water-Sanitation-Hygiene (WASH), financial literacy including money management, household budgeting, saving, and wealth creation. It shall also include career guidance sessions for class 10 students to help them make better career choices in future after completing their class 10 education. CA Grameen has experience in implementing this program since many years for now.

Mobile health check-up vehicles pilot:

This is an ongoing pilot conducted in partnership with Dr. M.D. Sachidananda Murthy Memorial Educational Trust, Mysuru in Mysore, Chamarajnagar, and Kodagu districts with 2 vans conducting camps in these districts. The pilot will be continued for 6 months and will be scaled up based on the evaluation of the pilot.

Livelihood:

Tailoring training for women: This project is taken up based on the successful response received for the pilot conducted with multiple partners in the previous year. This program will train women participants on tailoring skills [basic and advanced] through which they can generate income for their families, either through self-employment or by joining suitable organizations.

Livelihood and skill development for physically/mentally challenged children: This objective will be achieved by providing financial aid or partnering with the institutions that are already providing this support to the physically/mentally challenged children from economically poor backgrounds.

Environment:

Rainwater harvesting [pilot]: Encouraging water conservation activities in government schools through rainwater harvesting and recharge structures. This program shall be piloted in 1-2 govt. schools in rural areas before the rainy season and based on the impact and positive response, it shall be scaled up to include more schools across our operational geographies.

Block level ground water improvement program [pilot]: Training and equipping farmers on borewell/groundwater recharge techniques and improving the groundwater level of the block.

Authorisation of the consolidated financial statements

The financial statements were approved for issue by the Board of Directors on 27 June 2023.

Board of Directors:

Non-executive Board:

F.G.M. (Francesco) Moccagatta

B. (Benedetta) Corazza

D.R. (Daniel) Mintz

F. (Federico) Carini

S. (Stefania) Petruccioli

M. (Michael) Atzwanger

P. (Paolo) Brichetti

L. (Lamberto) Cremonesi

Executive Board:

K.J.M. (Koen) Slobbe

Consolidated Financial Statements
CreditAccess India B.V.

Consolidated Financial Statements

Consolidated statement of profit or loss and other comprehensive income/(loss)

Statement of profit or loss	Note	2022/2023 EUR	2021/2022 EUR
Interest and similar income	6	397,983,494	296,669,841
Interest and similar expenses	7	- 145,508,913	- 115,236,249
Net interest income		**252,474,581**	**181,433,592**
Other income	8	19,790,160	12,548,935
Total income		**272,264,741**	**193,982,527**
Credit loss expenses	9	- 40,989,458	- 60,355,073
Gross result		**231,275,283**	**133,627,454**
Personnel expenses	10	- 63,545,069	- 52,455,200
Depreciation and amortization	11	- 6,047,375	- 5,513,640
Other operating expenses	11	- 33,110,731	- 28,410,511
Total operating expenses		**- 102,703,175**	**- 86,379,351**
Operating result before value adjustments		**128,572,108**	**47,248,103**
Results from foreign currency denominated transactions		- 5,882	-77,521
Share in result of associates	42	- 112,388	- 8,303
Result before taxation		**128,453,838**	**47,162,279**
Taxation on result	12	- 33,391,536	- 14,284,974
Net result for the period		**95,062,302**	**32,877,305**
Net result for the year attributable to:			
Owners of the parent		68,102,122	22,970,173
Non-controlling interest		26,960,180	9,907,132
		95,062,302	**32,877,305**

Statement of other comprehensive income /(loss)	Note	2022/2023 EUR	2021/2022 EUR
Items that will or may be reclassified to profit or loss:			
Foreign exchange gains/(losses) arising on translation of foreign operations	27	- 16,315,916	- 315,125
Cash-flow hedge reserve - Effective portion of changes in fair-value	27	-	-332,744
Net change in cost of hedging	27	-	419,197
Other comprehensive income/(loss) for the year, net of tax		**- 16,315,916**	**- 228,672**
Total comprehensive income/(loss) for the year		**78,746,386**	**32,648,633**
Total comprehensive income/(loss) for the year attributable to:			
Owners of the parent		51,786,206	22,741,501
Non-controlling interest		26,960,180	9,907,132
		78,746,386	**32,648,633**

Consolidated statement of financial position

(before appropriation of result)	Note	31 March 2023	31 March 2022
		EUR	EUR
Assets			
Cash and cash equivalents	33	151,587,219	213,928,227
Derivative financial instruments	18a	3,537,941	-
Other financial assets	18b	68,386,413	63,732
Deferred tax assets	24	9,052,699	18,469,941
Loans to customers – Gross		*2,169,037,186*	*1,818,431,322*
Impairment allowance		*- 38,909,224*	*- 63,453,308*
Loans to customers - Net	17	2,130,127,962	1,754,978,014
Investments in associates	42	-	11,742
Tangible fixed assets	14	11,118,688	12,875,256
Intangible fixed assets	13	64,397,820	70,708,554
Other assets	19	34,445,315	42,109,263
Total assets		**2,472,654,057**	**2,113,144,729**
Liabilities			
Finance debt	22	1,835,130,588	1,554,315,532
Deferred tax liabilities	24	-	-
Derivative financial instruments	18a	-	196,830
Post-employment benefit obligations	29	1,181,962	1,011,226
Other liabilities	21	39,691,100	37,197,970
Total liabilities		**1,876,003,650**	**1,592,721,558**
Assets minus liabilities		**596,650,407**	**520,423,171**
Capital and reserves attributable to owners of the Company			
Share capital	25	174,282,823	45,840,568
Share premium	26	-	114,729,160
Treasury shares	26	- 320,433	- 320,433
Revaluation reserve	26	- 7,524,556	- 8,161,917
Translation reserve	26	- 56,058,234	- 39,104,939
Merger reserve	26	798,915	798,915
Other reserves	26	132,321,515	145,660,279
Retained earnings	26	190,938,875	122,836,753
Controlling interest		**434,438,905**	**382,278,386**
Non-controlling interest	16	**162,211,502**	**138,144,785**
Total equity		**596,650,407**	**520,423,171**
Total equity and liabilities		**2,472,654,057**	**2,113,144,729**

For current vs non-current refer to note 5.4.

The comparative information for FY2021/22 has been restated to incorporate the retrospective merger, as disclosed in note 13, 15, 16, 19, 24, and note 41.

Consolidated statement of cash flows

	Note	2022/2023 EUR	2021/2022 EUR
Cash flows from operating activities			
Interest received from loans to customers		413,892,058	311,278,965
Cash paid for interest on borrowings		- 145,268,155	- 114,391,438
Payments to suppliers and employees		- 89,099,352	- 91,573,982
Income tax paid		- 28,697,737	- 13,895,129
Principal disbursed to customers		- 2,215,201,297	- 1,785,814,740
Principal repaid by customers		1,663,519,017	1,377,194,724
Net cash flow from operating activities		**-400,855,466**	**-317,201,600**
Cash flow from investing activities			
Purchases of tangibles and intangibles		- 2,274,854	- 3,439,985
Proceeds from sale of tangibles and intangibles		6,059	15,073
Net proceeds from transfers of financial assets		6,631,793	5,053,020
Net proceeds / (placements) or margin money deposits and other liquid investments		- 60,013,305	-6,846,026
Net payments for acquisition of shares in subsidiaries *(MMFL through CA Grameen)*		-	- 65,091
Acquisition of subsidiary (CALI), net of cash acquired		- 1,295,328	-
Net cash flow from investing activities		**-56,945,635**	**-5,283,009**
Cash flow from financing activities			
Net proceeds from issue of shares by subsidiaries to non-controlling interest holders		5,961,095	349,937
Proceeds from borrowings		1,387,166,499	1,000,259,854
Repayments of borrowings		- 989,854,622	- 796,182,007
Net cash flow from financing activities		**403,272,972**	**204,427,784**
Net increase/(decrease) in cash and cash equivalents		**-54,528,129**	**-118,056,825**
Cash and cash equivalents at the start of the period		**213,928,227**	**329,114,312**
Cash and cash equivalents acquired from business combinations		1,459,670	-
Net foreign exchange (losses)/gains on cash and cash equivalents		-9,272,549	2,870,740
Cash and cash equivalents at end of the period	33	**151,587,219**	**213,928,227**

Consolidated statement of changes in equity

Figures in EUR	Share capital	Share premium	Treasury shares	Revaluation reserve	Translation reserve	Merger reserve	Cash flow hedge reserve	Cost of hedging reserve	Other reserves	Retained earnings	Total equity attributable to owners of the company	Non-controlling Interest	Total equity
											(A)	(B)	(A+B)
1 April 2022	**45,840,568**	**114,729,160**	**-320,433**	**-8,161,917**	**-39,104,939**	**798,915**	**-**	**-**	**145,660,279**	**114,861,115**	**374,302,748**	**135,320,644**	**509,623,392**
Restatement in relation with MMFL-merger in CA-Grameen	-	-	-	-	-	-	-	-	-	*7,975,638*	*7,975,638*	*2,824,141*	*10,799,779*
1 April 2022 - restated *	**45,840,568**	**114,729,160**	**-320,433**	**-8,161,917**	**-39,104,939**	**798,915**	**-**	**-**	**145,660,279**	**122,836,753**	**382,278,386**	**138,144,785**	**520,423,171**
Capital restructuring (note 25)	128,442,255	-114,729,160	-	-	-	-	-	-	-13,713,095	-	-	-	-
Total contributions by owners	**128,442,255**	**-114,729,160**	**-**	**-**	**-**	**-**	**-**	**-**	**-13,713,095**	**-**	**-**	**-**	**-**
Net result for the year	-	-	-	-	-	-	-	-	-	68,102,122	68,102,122	26,960,180	95,062,302
Other comprehensive Income/(loss) for the year (note 27)	-	-	-	637,361	-16,953,295	-	-	-	-	-	- 16,315,934	-	- 16,315,934
Total comprehensive income for the year	**-**	**-**	**-**	**637,361**	**-16,953,295**	**-**	**-**	**-**	**-**	**68,102,122**	**51,786,188**	**26,960,180**	**78,746,368**
Share-based payments (note 30)	-	-	-	-	-	-	-	-	374,331	-	374,331	-	374,331
Total other movements	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**374,331**	**-**	**374,331**	**-**	**374,331**
Other movements in NCI (note 16)	-	-	-	-	-	-	-	-	-	-	-	- 2,893,463	- 2,893,463
31 March 2023	**174,282,823**	**-**	**-320,433**	**-7,524,556**	**-56,058,234**	**798,915**	**-**	**-**	**132,321,515**	**190,938,875**	**434,438,905**	**162,211,502**	**596,650,407**

* An amount of EUR 7,975,638 has been adjusted in the opening balance of Retained earnings and EUR 2,824,141 in Non-controlling interest, in relation to the retrospective merger of MMFL in CA-Grameen.

Consolidated statement of changes in equity (continued)

Figures in EUR	Share capital	Share premium	Treasury shares	Revaluation reserve	Translation reserve	Merger reserve	Cash flow hedge reserve	Cost of hedging reserve	Other reserves	Retained earnings	Total equity attributable to owners of the company (A)	Non-controlling Interest (B)	Total equity (A+B)
1 April 2021	**45,840,568**	**114,729,160**	**-320,433**	**-712,731**	**-46,238,997**	**798,915**	**332,740**	**-419,196**	**145,371,573**	**91,890,942**	**351,272,541**	**124,105,453**	**475,377,994**
Restatement in relation with MMFL-merger in CA-Grameen	-	-	-	-	-	-	-	-	-	*7,975,638*	*7,975,638*	*2,824,141*	*10,799,779*
1 April 2021 - restated *	**45,840,568**	**114,729,160**	**-320,433**	**-712,731**	**-46,238,997**	**798,915**	**332,740**	**-419,196**	**145,371,573**	**99,866,580**	**359,248,179**	**126,929,594**	**486,177,773**
Total contributions by owners	-	-	-	-	-	-	-	-	-	-	-	-	-
Net result for the year	-	-	-	-	-	-	-	-	-	22,970,173	22,970,173	9,907,132	32,877,305
Other comprehensive Income/(loss) for the year (note 27)	-	-	-	-7,449,186	7,134,058	-	-332,740	419,196	-	-	- 228,672	-	- 228,672
Total comprehensive income for the year	-	-	-	**-7,449,186**	**7,134,058**	-	**-332,740**	**419,196**	-	**22,970,173**	**22,741,501**	**9,907,132**	**32,648,633**
Share-based payments (note 30)	-	-	-	-	-	-	-	-	288,706	-	288,706	-	288,706
Total other movements	-	-	-	-	-	-	-	-	**288,706**	-	**288,706**	-	**288,706**
Other movements in NCI (note 16)	-	-	-	-	-	-	-	-	-	-	-	1,308,059	1,308,059
31 March 2022	**45,840,568**	**114,729,160**	**-320,433**	**-8,161,917**	**-39,104,939**	**798,915**	-	-	**145,660,279**	**122,836,753**	**382,278,386**	**138,144,785**	**520,423,171**

* An amount of EUR 7,975,638 has been adjusted in the opening balance of Retained earnings and EUR 2,824,141 in Non-controlling interest, in relation to the retrospective merger of MMFL in CA-Grameen.

Notes forming part of the consolidated financial statements

1. General

CreditAccess India B.V. (“CreditAccess” or “CA India” or the “Company”) has its legal seat in Amsterdam, the Netherlands. The Company is registered at the Chamber of Commerce in Amsterdam under number 60281758 and has its registered address at Strawinskylaan 1043, tower C-10, 1077 XX Amsterdam.

The Company holds, steers, controls and finances the businesses of CreditAccess India B.V. Group (the “Group”) (note 3.2). The Group provides working capital loans and other financial services to small, informal businesses and unbanked workers in India.

This Annual Report covers the financial year 2022/2023, running from 1 April 2022 to 31 March 2023.

2. Application of new and revised International Financial Reporting Standards (IFRS)

a) New standards, interpretations and amendments effective from 1 Jan 2023

New standards, interpretations and amendments are either not applicable to the Group or the impact is not material for the Group for the financial year ended 31 March 2023.

The new and revised pronouncements issued before 31 March 2023 and effective for financial year 2022/2023 are:

- *Reference to the Conceptual Framework – Amendments to IFRS 3 (ED 1Jan2022 - First Application FY2023)*
- *Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 (ED 1Jan2022 - First Application FY2023)*
- *Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37 (ED 1Jan2022 - First Application FY2023)*
- *AIP IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter (ED 1Jan2022 - First Application FY2023)*
- *AIP IFRS 9 Financial Instruments – Fees in the ’10 per cent’ test for derecognition of financial liabilities (ED 1Jan2022 - First Application FY2023)*
- *AIP IAS 41 Agriculture – Taxation in fair value measurements (ED 1Jan2022 - First Application FY2023)*

b) New standards, interpretations and amendments not yet effective

As of 31 March 2023, the following standards and interpretations have been issued. However, these are not yet effective and/or have not yet been adopted by the EU and the Group.

Information on standards expected to be relevant to the Group financial statements is provided below. Management anticipates that all relevant pronouncements will be adopted in the Group’s accounting policies for the first application period after the effective date. Regarding new standards, interpretations and amendments which are not adopted, listed below, the Group expects those not to have any material impact on the consolidated financial statements of CreditAccess India B.V..

- *IFRS 17 Insurance Contracts (ED 1Jan2023 - First Application FY2024)*
- *Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (ED 1Jan2023 - First Application FY2024)*
- *Definition of Accounting Estimates - Amendments to IAS 8 (ED 1Jan2023 - First Application FY2024)*
- *Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (ED 1Jan2023 - First Application FY2024)*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 (ED 1Jan2023 - First Application FY2024)*
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 (ED postponed)*

3. Summary of significant accounting policies

3.1. Basis of preparation

These consolidated financial statements have been prepared in accordance with a) International Financial Reporting Standards (IFRS), including International Accounting Standards (IASs), promulgated by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB as adopted and endorsed by the European Union and with b) Section 2:362(9) of the Netherlands Civil Code.

Information related to the subsidiaries in these financial statements may differ from those appearing in their statutory reports owing to the differences between applicable EU-IFRS and the accounting standards of the subsidiaries.

These consolidated financial statements have been prepared on a going concern basis. Please refer to note 4.1.

The financial year of the Company and the Group runs from 1 April to 31 March.

The consolidated financial statements and notes thereto are presented in EUR which is also the Company's functional currency. Amounts are rounded to the nearest EUR, unless otherwise stated.

Foreign exchange rate against EUR applicable to the Group is:

	31-Mar-23	31-Mar-22	Average 1-Apr-22/ 31-Mar-23	Average 1-Apr-21/ 31-Mar-22
INR (India)	89.400	84.134	83.663	86.587

Source: Dutch Central Bank

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Group's accounting policies.

The areas where significant judgments and estimates have been made, in preparing the financial statements, and their effects are disclosed in note 4.

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis unless otherwise stated.

Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilizes market observable inputs and data as much as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized are (the 'fair value hierarchy'):

- *Level 1:* Quoted prices in active markets for identical items (unadjusted).
- *Level 2:* Observable direct or indirect inputs other than Level 1 inputs.
- *Level 3:* Unobservable inputs (i.e. not derived from market data).

The classification of an item into one of the above levels is based on the lowest level of inputs used that have a significant effect on the fair value measurement of the item. Transfers of items between levels are recognized in the period when they occur.

The Group reports the following items at fair value:

- Derivative financial instruments (note 18).
- Loans to customers based on business model test (note 17).

For further details in relation to the fair value measurement of the items above, refer to the applicable notes and to note 3.4.26 under "Financial instruments measured at fair value".

3.2. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its controlled entities, including a structured entity, and are prepared using consistent Group accounting policies.

Based on IFRS 10, control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than the majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings to the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control over the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed during the year, are included in the consolidated statement of profit or loss from the date the Company gains control until the date the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interest even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash-flows relating to the transactions between consolidated entities are eliminated in full on consolidation.

The Group held investment in CreditAccess Life Insurance (CALI) in India. During the current financial year, the Group increased its investments in CALI and obtained control of the entity, therefore, this year, the Group is consolidating the financial information from the moment of obtaining control over CALI. The operational activities of the entity will commence only after 31 March 2023.

The table below shows the consolidation perimeter of CreditAccess India Group and the non-consolidated entities in which the Group has minority interest:

			Shareholding as at	
Consolidated entities:	**Abbreviation**	**Place, country**	**31-Mar-23**	**31-Mar-22**
CreditAccess India B.V. (formerly known as CreditAccess Asia N.V.)	CAI or CreditAccess or Company	Amsterdam, NL	100.00%	100.00%
CreditAccess Grameen Ltd.	CA Grameen or CA-GR	Bangalore, India	72.44%	73.85%
CA-SEC B.V.	CA-SEC	Amsterdam, NL	100.00%	100.00%
CreditAccess Life Insurance Ltd.	CA-LI	Bangalore, India	74.00%	49.00%

Madura Microfinance Limited has been fully merged in CreditAccess Grameen with retrospective effect.

The shareholding percentage of CreditAccess India B.V. Group is reported on non-diluted basis, i.e. not counting stock option schemes for which equity shares may be issued at a future stage and on direct plus indirect ownership.

For legal organizational structure as at reporting date, please refer the Directors' Report.

Non-controlling interests

The total comprehensive income and equity of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests.

3.3. Changes in accounting policies and disclosures

There is no change in accounting policies in the current financial year.

New and amended standards and interpretations

The Group has not adopted early any standards, interpretations or amendments that have been issued but are not yet effective. The details on new standards and amendments are disclosed in note 2.

3.4. Significant accounting policies

3.4.1. Recognition of interest income/expenses

The effective interest rate method

Under IFRS 9, interest income is recorded using the effective interest rate (EIR) method for all financial instruments. The EIR is the rate that exactly discounts contractual future cash flows through the contractual life of the financial instrument to the net carrying amount of the financial instrument.

The EIR method (and therefore, the amortized cost of the instrument) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR.

Interest and similar income/expenses

The Group calculates interest income/expenses by applying the EIR to the gross carrying amount of financial assets/liabilities.

The carrying amount of the financial asset or financial liability is adjusted if the Group revises its estimates of cash flows. The adjusted carrying amount is then calculated based on the revised cash flow using the original effective interest rate.

Other income

Other income may include a) fee income charged in compensation for services other than providing loans to customers b) gains from sale of mutual fund investments c) donations and grants income and d) income from sale of loan portfolio.

3.4.2. Recognition of expenses

Expenses are accounted for in the period they relate to, regardless of whether these have already resulted in payments in that particular period. Herewith any relation between recognized revenue and associated cost is taken into account.

Expenses that are directly attributable to the interest and similar income are included in net interest income. Income and expenses that relate to the same transaction or other event are recognized simultaneously. Expenses can normally be measured reliably when the other conditions for the recognition of revenue have been satisfied. However, income is not recognized when the expenses cannot be measured reliably; in such circumstances, any consideration already received for the sale of the services or goods is recognized as a liability.

3.4.3. Results from foreign currency denominated transactions

Transactions entered into by the Group entities in a currency other than their functional currency are recorded at the rates ruling when the transactions occur.

Foreign currency monetary assets and liabilities are translated at the rates ruling on the reporting date.

Exchange differences arising, when monetary items are settled or when monetary items are translated at rates different from those at which they were translated when initially recognized or in previous financial statements, are reported in profit or loss in the period, with the exception of exchange differences arising on monetary items that form part of the reporting entity's net investment in a foreign operation which are recognized, in the consolidated financial statements that include foreign operations, in other comprehensive income; they will be recognized in profit or loss on disposal of the net investment.

3.4.4. Results from financial instruments

Results arising from financial instruments include all gains or losses from changes in fair value and related interest income or expense and dividends from financial assets and financial liabilities.

3.4.5. Current Taxation

Income tax on profits is recognized as an expense based on the applicable tax laws in each jurisdiction in the period in which profits arise.

Current tax for the current and prior periods is recognized as a liability to the extent that it has not yet been settled, and as an asset to the extent that the amount already paid exceeds the amount due.

3.4.6. Financial Assets

Recognition of financial assets

Financial assets are initially recognized in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Initial measurement of financial assets

All financial assets are initially measured at fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent measurement of financial assets

IFRS 9 divides all financial assets that were previously in the scope of IAS 39 into two classifications - those measured at amortized cost and those measured at fair value.

Debt instruments

At amortized cost

A debt instrument that meets the following two conditions are measured at amortized cost (net of any write down for impairment), unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test: The objective of the entity's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Where assets are measured at fair value, gains or losses are either recognized entirely in profit or loss (fair value through profit or loss, FVTPL), or recognized in other comprehensive income (fair value through other comprehensive income, FVTOCI).

At Fair Value Through Other Comprehensive Income (FVTOCI)

A debt instrument that meets the following two conditions are measured at FVTOCI, unless the asset is designated at FVTPL under the ‘Fair value through profit or loss’ option:

- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At Fair Value Through Profit or Loss (FVTPL)

All other debt instruments must be measured at fair value through profit or loss (FVTPL).

‘Fair value through profit or loss’ option

Even if an instrument meets the two requirements to be measured at amortized cost or FVTOCI, IFRS 9 contains an option to designate, at initial recognition, a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains or losses on them on different bases.

Equity instruments

At fair value

All equity investments in scope of IFRS 9 are to be measured at fair value in the statement of financial position, with value changes recognized in profit or loss, unless designated at FVTOCI under ‘Other comprehensive income’ option. There is no 'cost exception' for unquoted equities.

'Other comprehensive income' option

If an equity investment is not held for trading, the entity can make an irrevocable election at initial recognition to measure it at FVTOCI with only dividend income recognized in profit or loss.

Group’s Financial Assets

The Group’s financial assets include loans to customers,investments in quoted/unquoted securities, cash and cash equivalents and other assets.

3.4.6.1. Loans to customers

Loans to customers are initially recognized at fair value plus transaction costs that are directly attributable to their issue and are subsequently:

1. carried at amortized cost using the EIR method, if (a) are held within a business model whose objective is to hold assets in order to collect contractual cash flows and (b) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the loans to customers, which are reported net, such allowances are recorded in a separate allowance account with the loss being recognized under the credit loss expenses in the consolidated statement of profit or loss.

2. carried at FVTOCI, if (a) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (b) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In prior years, due to securitization and assignment deals, CA Grameen reported a portion of loans to customers at FVTOCI. No loans have been classified as FVTOCI as at 31 March 2023.

Further details on securitization and assignment deals are disclosed in the section "transfers of financial assets" in this note. The quantitative details of the split of loans to customers into amortized cost and FVTOCI are provided in note 17.

3.4.6.2. Impairment of loans to customers

In order to estimate impairment of loans to customers, the Group applies IFRS 9 from 1 April 2018.

Impairment methodology

IFRS 9 fundamentally changed the loan impairment methodology. The standard replaced IAS 39's incurred loss approach with a forward-looking Expected Credit Loss approach. The Group estimated the allowance for expected losses for all loans to customers at amortized costs and at FVOCI and for other financial assets not held as FVTPL.

ECL measurement

To calculate ECL, the Group estimated the risk of a default occurring on the financial instrument following the "General approach" of the IFRS 9 and defines a model in line with the standard's requirements towards the assessment of ECL allowance.

ECL = PD% x LGD% x EAD + Overlay

Inputs into measurement of ECL:

Probability of Default (PD);

Loss Given Default (LGD);

Exposure At Default (EAD);

and

Forward looking information (Overlay)

Impairment stages

Following the General approach, the management has distributed the total outstanding portfolio of the Group into three impairment stages as at the reporting date. All loans need to be allocated to one of these stages, depending on the increase in credit risk since initial recognition (i.e. disbursement date):

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the Lifetime ECLs.

Stage 3: Includes default loans. A loan is considered default at the earlier of (i) the Group considers that the obligor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing collateral (if held); or (ii) the obligor is past due more than 90 days on any material credit obligation to the company.

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date by considering the change in the risk of default occurring over the remaining life of the financial instrument.

For Joint Liability Group (JLG) Loans , it has been identified that the following stage classification is most appropriate:

Stage 1 - Performing loans: 0 to 15 DPD.

Stage 2 - Underperforming loans: 16 to 60 DPD (SICR).

Stage 3 - Nonperforming or default loans: above 60 DPD (Default).

For Self Help Group (SHG) loans and Individual Loans, it has been identified that the following stage classification is most appropriate.

Stage 1 - Performing loans: 0 to 30 DPD.

Stage 2 - Underperforming loans: 31 to 90 DPD (SICR).

Stage 3 - Nonperforming or default loans: above 90 DPD (Default).

Probability of Default

(i) Joint Liability Loans (JLG)

PD describes the probability of a loan to eventually default (i.e. fall into Stage 3). PD percentage is calculated for each loan group (stage) separately and is determined by using available historical observations as below:

PD for stage 1: is derived as %age of all loans in stage 1 moving into stage 3 in 12-months' time.

PD for stage 2: is derived as %age of all loans in stage 2 moving into stage 3 in the maximum lifetime of the loans under observation.

PD for stage 3: is derived as 100% considering that the default occurs as soon as the loan becomes overdue for 60/90 days which matches the definition of stage 3.

The loans falling into each stage will be treated as below:

a) For Stage 1 loans, 12-month ECLs are recognized i.e. credit loss expected in the next 12 months.

b) For Stage 2 loans, Lifetime ECLs are recognized i.e. credit loss expected in the remaining lifetime of the loans.

c) For Stage 3 loans, Lifetime ECLs are recognized i.e. credit loss expected in the remaining lifetime of the loans.

(ii) Individual Loans

Disbursements of Individual loans started in November 2016. Long-term performance history of matured vintage loans is not available for Individual loans in adequate number to build the PD model. The PD estimation for Individual loans portfolio is, therefore, carried out using an ad-hoc methodology based on management judgement.

Significant Increase in Credit Risk

IFRS 9 requires financial assets to be classified in Stage 2 when their credit risk has increased significantly since initial recognition. Group entities assess each of its customers and loans individually by means of a qualitative assessment process that is based on current and historical past-due status, indebtedness of the client, credit bureau checks and on the client's business. Group entities are able to identify changes in credit risk since initial recognition on individual customers and loans through internal methodologies and procedures, however the management is of the opinion that no other indicator except 15/30 days overdue points toward Significant Increase in Credit Risk.

This is in line with the IFRS 9 that there is a rebuttable presumption that the credit risk has increased significantly if contractual payments are more than 30 days past due. The Group entities have policies, procedures and software in place to calculate and report overdues consistently.

Loss Given Default:

LGD is the opposite of recovery rate, i.e., LGD = 1 – (Recovery rate). LGD is calculated based on the average of past observations of recovery of Stage 3 loans as further detailed below.

LGD is computed as below:

The Group determines its expectation of extent of lifetime losses by estimating recoveries on its default loans through analysis of historical information. The Group determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. LGD is the difference between the exposure at default and its recovered amount.

Grouping financial assets measured on a collective basis:

The Group maintains that its loan portfolio has two distinct groups of loans as they do not share credit risk characteristics between them namely; the Group Loans (GL) and the Individual Loans (IL). Internally each of these groups are homogenous. These are, therefore, treated as two separate groups for the purpose of determining impairment allowance. Both JLG and SHG mentioned above are part of Group Loans.

Exposure At Default:

For the Group, the Exposure At Default is the sum of outstanding principal and the interest amount accrued but not received on the loans as at reporting date.

Forward looking information

Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions on the historical loss experience or to remove the effects of conditions in the historical period that do not exist currently. The methodology and assumptions used for estimating future cash flows is reviewed regularly to reduce any differences between loss estimates.

The Group follows a governance process to assess the adjustment required on the historical estimate of ECL in the form of overlay which may result in a positive or negative scenario applied to the estimated historical ECL, or, in some cases, unadjusted historical information (neutral scenario) may be the best estimate.

For forward looking information, the Group assessed if there are any macroeconomic indicators or socio-economic, socio-political events and natural disasters that may impact the future expectation of credit quality compared to historical information captured in the ECL model. The Group acknowledged that in the recent years it had been attempted by several academic researchers and by microfinance industry practitioners to establish a statistical relationship between historical default rates and the macroeconomic, socio-economic, socio-political variables. This typically entailed using various types of correlation and regression analysis to ascertain if that relationship is statistically significant. However, the results were found to be statistically insignificant.

The Group strongly believed that in the absence of significant correlation, the professional judgement of senior management should be used and hence it has been formalized in a structured governance process in order to ensure best quality inputs, process and consensus of the senior management toward exercising such judgement. Therefore, subsidiaries structured and documented a governance process whereby senior management met, received inputs, analysed them and eventually reached a consensus on the determination of a quantitative overlay.

Expecting no further effects of COVID pandemic on the portfolio of the Group over and above the ECL estimate itself, no specific overlay for COVID has been considered by the Group as at 31 March 2023. However, a management overlay of 10% on self help group segment of the portfolio amounting to Euro 1.5 million has been estimated.

Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written-off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement of profit or loss.

3.4.6.3. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

3.4.7. Transfers of financial assets

An asset is transferred if either the Group has transferred the contractual rights to receive the cash flows, or the Group has retained the contractual rights to receive the cash flows from the asset, but has assumed a contractual obligation to pass those cash flows on, under an arrangement that meets the following three conditions:

1. the Group has no obligation to pay amounts to the eventual recipient unless it collects equivalent amounts on the original asset,
2. the Group is prohibited from selling or pledging the original asset (other than as security to the eventual recipient),
3. the Group has an obligation to remit those cash flows without material delay.

Once the Group has determined that the asset has been transferred, it then determines whether or not it has transferred substantially all of the risks and rewards of ownership of the asset. If substantially all the risks and rewards have been transferred, the asset is derecognized. If substantially all the risks and rewards have been retained, derecognition of the asset is precluded.

If the Group has neither retained nor transferred substantially all of the risks and rewards of the asset, then the Group must assess whether it has relinquished control of the asset or not. If the Group does not control the asset then derecognition is appropriate; however if the Group has retained control of the asset, then the Group continues to recognize the asset to the extent to which it has a continuing involvement in the asset.

The Group entities continued to enter into two types of transactions for transfer of own originated financial assets, namely securitization and direct assignment during the current financial year for the primary purpose of funding and liquidity management. CA Grameen continued to perform collection service for both direct assignment and securitization deals in exchange of a service fee and a share in the interest from the underlying assets agreed with the counterparties.

In securitization transactions, CA Grameen sold the legal title of the assets to SPVs which in turn have issued securities to investors. The interests of CA Grameen in the securitized assets were retained through provision of credit enhancements in the form of cash deposit and/or portfolio over-collateral. In all these cases, the originating entity retains substantial risk and reward of the assets in such a manner that the transfers do not fulfil the derecognition criteria under IFRS 9 and hence the transferred assets are reported as on-balance sheet assets in loans to customers. For details refer to note 20. However, the Group does not exercise control over the SPVs (which are controlled by independent Trustees) and hence does not consolidate the SPVs.

Following are the loans to customers transferred through securitization:

	2022/2023 EUR	2021/2022 EUR
No. of SPVs sponsored by CA-GR for securitization transactions.	1	-
Number of loans	31,904	-
Coupon rate	8.95%	-
Cash collateral	8.95%	-
Outstanding amount of securitized loans to customers as at end of the year	11,583,933	-
Number of Loans in securitization deals in default as at end of year	-	-
Amount of Loans in securitization deals in default as at end of year	-	-

In direct assignment transactions, CA Grameen sold legal and economic title of loans directly to third parties as true sale whereby the transfers qualified for the derecognition criteria under IFRS 9 and are considered as off-balance sheet exposure, hence not reported on the consolidated balance sheet.

Following are the loans to customers transferred through direct assignment during the financial year:

	2022/2023 EUR	2021/2022 EUR
Number of assignment deals	9	5
Number of derecognized loans	559,186	374,239
Aggregate consideration received	205,772,850	129,384,444
Outstanding amount of assigned loans to customers as at end of the year. (off balance sheet)	171,592,847	141,726,696
Income recognized in statement of profit or loss	14,231,144	8,083,121
Coupon rate range	8.55% - 10.25%	8.5% - 9.8%
Minimum Retention Requirement	23,529,293	18,751,732
Number of loans in assignment deals in default as at end of year	9,004	20,383
Amount of Loans in assignment deals in default as at end of year	1,155,845	2,210,178

On direct assignment a gain/(loss) on transfer of financial assets (in the form of excess spread) is recognised, at the time of transfer, in other income section in the statement of profit or loss.

The Group has not purchased / sold any non-performing financial assets in the current and previous year.

3.4.8. Business combinations

The Group uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and whether control is transferred from one party to another. Control exists when the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Group incurs in connection with a business combination, such as stamp duty for title transfer in the name of the Group, finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

CA Grameen acquired controlling stake in Madura Micro Finance Limited ("MMFL"), an NBFC MFI, in FY2019/2020. In order to consolidate the business of the lending entities for creation of a single larger unified entity, it was proposed that MMFL be amalgamated with CA Grameen. Amalgamation leads to consolidation and help synergise integration of the businesses of transferor companies and the transferee company to enable better operational management, greater focus and simplification of the corporate structure.

The Board of directors of MMFL and CA Grameen had approved the scheme of amalgamation by way of merger by absorption ("Scheme") of MMFL (referred as Transferor Company) with CA Grameen (Transferee Company) on November 27, 2019 effective from April 01, 2020 (Appointed date). Pursuant to receipt of necessary orders from National Company Law Tribunal (NCLT), Bengaluru and Chennai, India, sanctioning the scheme of amalgamation by way of merger by absorption of MMFL with CA Grameen, under Sections 230 to 232 of the Companies Act, 2013 of India, the Scheme became effective on February 15, 2023. On and from the Appointed Date, i.e., April 1, 2020, the Company has accounted for amalgamation as a common control business combination with a retrospective effect.

The comparative information for FY2021/22 has been restated to incorporate the retrospective merger, as disclosed in note 13, 15, 16, 19, 24, and note 41.

During the current financial year, CreditAccess India further invested an amount of Euro 14.5 mln to obtain control of CreditAccess Life Insurance (CALI). CreditAccess India, therefore, is consolidating the financial information of CALI from the moment of obtaining control over CALI.

3.4.9. Other assets

Other assets include penalty receivable from loan customers, security deposits for rental premises, advances to staff, prepayments, tax receivables, interest receivable on term deposit & liquidity management instruments, dividend receivable and technical assistance fee receivable etc.

At the end of each year, the impairment on receivables is assessed and deducted (if any) from the carrying amount of such receivable.

3.4.9.1. Other financial assets

Other financial assets include investments in quoted and unquoted securities for cash management.

3.4.10. Externally acquired intangible assets

An intangible fixed asset is an identifiable non-monetary asset without physical substance. Externally acquired intangible asset is a resource that is controlled by the Group as a result of purchase from external party and from which future economic benefits are expected to flow to the Group.

At initial recognition Intangible Assets are measured at cost. The cost of intangible assets consists of all cost involved that are directly attributable to purchase, create, produce and prepare the asset so that it is ready to be used in accordance with the intent of the management.

After initial recognition intangible assets should be carried at cost less accumulated amortization and impairment allowance.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Group has determined its estimate of useful economic life of intangible assets (including software) as five years. The useful lives of intangible assets are reviewed at each financial year and adjusted.

3.4.11. Goodwill

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss. Goodwill is then tested for impairment annually. Please refer to note 15.

3.4.12. Tangible fixed assets

Tangible assets are assets, with physical substance, which have been purchased in the ordinary course of business and are held for use in the production of services or for administrative purposes and which are expected to be used for more than one year. Tangible fixed assets include land and buildings, vehicles, computer equipment, office equipment, furniture and fittings, electrical equipment and leasehold improvements. Tangible assets are initially recognized at cost which includes all costs necessary to bring the asset to working condition for its intended use.

After initial recognition, a tangible asset shall be carried at its cost less any accumulated depreciation and any accumulated impairment allowance.

Freehold land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of tangible fixed assets so as to write off their carrying value over their expected useful economic lives.

The Group has adopted following useful life criteria for its various categories of tangible fixed assets. The Group calculates depreciation, on tangible fixed assets, using the straight line method on the expected useful life of the asset and, if applicable, the estimated residual value at the end of the useful life of the asset.

Category of tangible assets	Useful life
Buildings	30 years
Furniture and fittings	10 years
Office equipment	5 years
Computer equipment	3 years
Electrical equipment	10 years
Vehicles	8 years
Leasehold improvements (Right of use assets)	Lease term

3.4.13. Impairment of non- financial assets (excluding deferred tax assets)

Impairment tests on goodwill are undertaken annually at the financial year end. An impairment is necessary in the event that the carrying amount of a specific Cash Generating Unit (CGU) exceeds the estimated recoverable amount/ fair value of such CGU. The recoverable amount is measured as the greater of value in use (i.e. discounted cash flow) and fair value less cost to sell.

Tangible assets, intangible assets, trade and other receivables are all reviewed for impairment whenever triggering events indicate that the carrying amount of the assets may not be recoverable. Where the carrying amount of such asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains or losses on disposal of assets are determined by reference to their carrying amount and are reported in operating profit.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows, its CGUs. Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in profit or loss, except to the extent when they reverse gains previously recognized in other comprehensive income. An impairment loss recognized for goodwill can not be reversed.

3.4.14. Financial liabilities

Recognition of financial liabilities

Financial liabilities are initially recognized in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Initial measurement of financial liabilities

All financial liabilities are initially measured at fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs.

Subsequent measurement of financial liabilities

Adoption of IFRS 9 doesn't change the basic accounting model for financial liabilities followed by the Group under IAS 39. Two measurement categories continue to exist: FVTPL and amortized cost.

Financial liabilities held for trading are measured at FVTPL, and all other financial liabilities are measured at amortized cost unless the fair value option is applied.

Group's Financial Liabilities

The Group's financial liabilities include finance debt.

3.4.14.1. Finance debt

Finance debt is initially recognized at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortized cost using the effective interest rate method.

For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

3.4.15. Defined contribution schemes

Under a defined contribution plan, the Group pays fixed contributions into a fund but has no legal or constructive obligation to make further payments if the fund does not have sufficient assets to pay all of the employees' entitlements to post-employment benefits. The Group's obligation is therefore effectively limited to the amount it agrees to contribute to the fund and effectively place actuarial and investment risk on the employee.

Contributions to defined contribution pension schemes are charged to the statement of profit or loss in the period to which they relate.

3.4.16. Defined benefit schemes

These are post-employment benefit plans other than a defined contribution plan. These plans create an obligation on the Group to provide agreed benefits to current and past employees and effectively places actuarial and investment risk on the Group.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year. Gains or losses through remeasurements of net benefit liabilities/ assets are recognised with corresponding charge/credit to the retained earnings through other comprehensive income in the period in which they occur.

Other employee benefits

Other employee benefits that are expected to be settled wholly within 12 months after the end of the reporting period are presented as current liabilities. Other employee benefits that are not expected to be settled wholly within 12 months after the end of the reporting period are presented as non-current liabilities and calculated using the projected unit credit method.

3.4.17. Share based payments

Where equity-settled share options are awarded to employees, the fair value of the options on the date of grant is charged to the statement of profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest on each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the statement of profit or loss is charged with the fair value of goods and services received.

3.4.18. Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- The initial recognition of goodwill;
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit; and
- Investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable income will be available against which deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable Group company, or
- Different Group entities which intend either to settle current tax assets and liabilities on a net basis, or
- To realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

3.4.19. Other liabilities

Other liabilities include payable to creditors on ordinary business transactions, insurance, tax payable and other accruals. Please refer to note 21 for details.

3.4.20. Hedge accounting

The Company enters into swap contracts and other derivative financial instruments to hedge its exposure to foreign exchange and interest rates. The Company does not hold derivative financial instruments for speculative purpose. Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

A valid hedge relationship exists when a specific relationship can be identified between financial instruments in which the change in value of one instrument, the 'hedge instrument', is correlated highly negatively to the change in value of the other, the 'hedged item'. To qualify for hedge accounting, this correlation must be within 80% to 125%, with any ineffectiveness recognized in the profit or loss account.

A hedging relationship qualifies for hedge accounting only if all of the following criteria are met:

1. the hedging relationship consists only of eligible hedging instruments and eligible hedged items.
2. at the inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge.
3. the hedging relationship meets all of the hedge effectiveness requirements.

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss.

Here, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity as 'hedging reserve'.

The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the Statement of Profit or Loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to the effective portion are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item.

The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised in profit or loss when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

3.4.21. Capital Disclosures

Share capital

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Group's shares are classified as equity instruments.

Treasury shares

Consideration paid/received for the purchase/sale of treasury shares is recognized directly in equity. The cost of treasury shares held is presented as reserve ("treasury shares").

3.4.22. Cash flow statement

The cash flow statement has been prepared using the direct method. The cash items disclosed in the cash flow statement comprise cash in hand and at banks except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received, and income taxes are included in cash from operating activities. The purchase consideration paid for an acquired Group company has been recognized as cash used in investing activities where it was settled in cash.

Any cash in bank and at hand in an acquired Group company have been deducted from the purchase consideration. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognized in the cash flow statement. Payments of finance lease instalments qualify as repayments of borrowings under cash flow from financing activities and as interest paid under cash flow from operating activities.

3.4.23. Current versus non-current

Assets and liabilities with a maturity date within one year are classified as current. Assets and liabilities with a maturity date of more than one year are classified as non-current. For current versus non-current presentation refer to note 5.4.

3.4.24. Offsetting of financial instruments

Assets and liabilities are offset and reported net insofar the Group has a legally enforceable right to set-off the recognized amounts and intends to settle them on a net basis.

3.4.25. Provisions

Provisions are recognized when:

1. The Group has a present legal or constructive obligation as a result of past events; and
2. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
3. A reliable estimate of the amount of the obligation can be made.

3.4.26. Financial instruments measured at fair value

The following table gives an overview of the financial instruments valued at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements (ref. note 3.1). It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value.

Fair Value	**31 March 2023 EUR**	**31 March 2022 EUR**
Financial assets	**Level 3**	
Derivative financial instruments	3,537,941	-
Loans to customers at FVTOCI	-	1,335,618,280
	3,537,941	**1,335,618,280**
Financial liabilities	**Level 2**	
Derivative financial instruments	-	196,830
	-	**196,830**

Fair values of Loans to customers designated under FVOCI had been measured under level 3 at fair value based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest.

Derivative financial instruments refer to contracts that are traded on the Over The Counter market. The fair value of derivative instruments is determined using observable inputs (Level 2 of the Fair Value Hierarchy).

4. Critical accounting judgements and estimation uncertainty

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historic experience and various other factors that are believed to be reasonable and appropriate under the circumstances, the results of which form the basis of the judgments about the carrying values of assets and liabilities that cannot be determined, without undue cost or effort, from other sources.

Although these estimates are based on management's best knowledge of current events and actions, there is an inherent risk that actual results could differ from such estimates. Several estimates made by the Group, including but not limited to the estimate of impairment of loans to customers, are highly dependent on uncertain future developments.

The estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

4.1. Critical judgements in applying accounting policies

Going concern

Our strong balance sheet, increasing profitability, adequate liquidity & capital position, stable credit rating, strong relationship with our lenders and low cost/income ratio should enable us to receive continued funding access over the coming period. Furthermore, our demonstrated capability of managing asset quality stress, witnessed multiple times in the past, backed by our resilient business model coupled with highly experienced stable management team, should give comfort and confidence to our lenders, investors and various stakeholders. Based on the foregoing and necessary stress tests considering various scenarios, the consolidated financial statements have been prepared on a going concern basis.

Hedge Accounting

A valid hedge relationship exists when a specific relationship can be identified between financial instruments in which the change in value of one instrument, the 'hedge instrument', is correlated highly negatively to the change in value of the other, the 'hedged item'. Refer note 3.4.20 and note 18a.

Business model assessment

This refers to the classification of financial instruments, mainly loans to customers. Refer note 3.4.6.1, 3.4.26 and note 17.

4.2. Assumptions and estimation uncertainties

Fair value of financial instruments

This refers to the fair valuation of loans to customers classified as FVTOCI. Please refer to note 3.4.6.1, note 17 and 18.

Impairment of intangible fixed assets

Please refer to note 15

Impairment of loans to customers

Estimate of expected credit loss (please refer to note 17)

Share based payments

Estimate of fair value of share based payments (please refer to note 30).

Recognition of deferred income tax assets

Availability of future taxable income against which tax losses carried forward can be used (please refer to note 24).

Measurement of defined benefit obligations

Key actuarial assumptions (please refer to note 29).

Residual value and useful life of intangible and tangible assets

Please refer to note 13,14 and14a

Effective interest rate (EIR): Please refer to note 3.4.1

Provisions: Please refer to note 3.4.25

Provision for tax expenses: Please refer to note 12.

Contingent liabilities and assets: Please refer to note 28.

5. Risk management

Risk Type	Definition	Risks	Application for the Group
FINANCIAL RISK	The Group is exposed to financial risks such as credit risk, interest rate risk, foreign currency risk and liquidity risk that impact its earnings	Capital Risk	Risk of loss of part or all of an investment.
		Credit Risk (transaction and concentration risk)	Risk that the Group will incur a loss because its clients or counterparties fail to meet their financial obligations towards the Group. Refer note 5.2 for Group's measurement and mitigation of the credit risk. Credit risk includes portfolio concentration risk that is the risk of financial losses related to the composition of the overall loan portfolio, caused by inadequate portfolio diversification. The Group has low appetite for this risk and hence it follows a strong diversification strategy. The Group monitors and analyses the concentration risk and the trends (in terms of gross loan portfolio and portfolio at risk both for amount and number of clients) at various levels such as: - By product - By geography (i.e. by branch/area/district/region/state) - By loan cycle.
		Interest Rate Risk	Risk that the Group's earnings and profitability will be affected by fluctuations in the market interest rates. Refer to note 5.3.1 for Group's measurement and mitigation of the interest rate risk.
		Foreign Currency Risk	Risk of loss to the Group that may arise from open positions in foreign currencies due to adverse movements in foreign exchange rates. Refer to note 5.3.2 for Group's measurement and mitigation of the foreign currency risk.
		Liquidity Risk	Risk that the Group will be unable to meet its payment obligations as and when they fall due under normal and stressed circumstances. Group takes following measures to mitigate this risk: - Diversified funding resources, - Asset-Liability management (e.g., maturity mismatches, static and dynamic scenarios), - Effective fund management, - Maximum & minimum liquidity ratio thresholds, and - Projected cash flow analysis. Refer to note 5.4 for Group's measurement and mitigation of the liquidity risk.

OPERATIONAL RISK	Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.	People Risk	People risk may arise due to staffing inadequacy, loss of key personnel, employee errors, lack of information awareness, information and communication, other human resource issues and wrongful acts. In order to mitigate people risk, Nomination and Remuneration Committee of Board is in place. Dedicated HR function in the subsidiary ensures efficient organizational structures, fair compensation policies, standard recruitment and remuneration practices, induction trainings, healthy workplace, excellent code of conduct, customer-oriented culture, and sufficient training and development.
		Process Risk	Process risk may arise due to flawed/inefficient business/ operational/ financial processes, loose internal controls, inappropriate/inadequate/inaccurate reporting processes etc. In microfinance, major process risk factors include cash handling, lending process exposures and transmitted reputational risks. Risk mitigation by the Group entities includes: - Use of policies, procedures and systems for a strong control environment. - Adoption of the core control standards. - Proactive monitoring and reporting of operational risks (analysis of internal audit/control findings, internal loss collection and analysis, business process mapping, operational predictive Key Risk Indicators).
		Systems (Technology) Risk	Sources of systems (technology) risk include general technology problems, hardware failures, software failures, security issues, system failures, system maintenance issues, network failure, interface failure, hacking, data theft and virus schemes etc. Subsidiary mitigates this risk through well-established IT function, strong and recognized core banking system, use of policies and procedures for data access, information security processes (e.g., access rights, logical access, information classification, equipment protection), strong network, software installation, data privacy, back-up and through audit trails. Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) are tested, and an annual IT risk and audit assessment is conducted through specialized service provider.
		External Event Risk	Sources of external event risk include natural disasters and non-natural (man-made) disasters. Group prepares itself for such risks through putting in place a business resiliency and continuity plan, by conducing scenario analysis and by following the appropriate policies on risk mitigation and management strategies.
Why Operational Risk is critical for MFIs			Microfinance companies mainly run based on human interaction in the field through designed processes using available tools and technologies. Therefore, the Group is clearly exposed to all operational risk types described above. The Group for its low appetite for operational risk, has extensive governance and internal control environment. It mitigates this risk through internal control systems, automation, IT innovation and internal audit.
Roles and Responsibilities		Three lines of Defense	The Group uses the three lines of defense structure to measure and manage all the risks. Refer risk governance section for the details of three lines of defense.

		Core Control Standards	The Group follows the following core control standards to mitigate and manage the operational risks. - Segregation of duties and rotation - Annual leaves and adequate compensation - Compliance with all regulatory requirements - Code of business conduct/code of ethics - Internal and external reporting & communication - Oversight and independent monitoring - Legal agreements - Documented job descriptions - Regular trainings - Adequate and competent staff - Maintain adequate records - Protection of staff, information and property - Passwords/access rights - Data and record protection - Compliance reviews/internal audits
STRATEGIC RISK	Risks of loss that failed business decision, or lack thereof, may pose to a company	Business Plan risk including Market Dynamics Risk	Risk of loss that might arise from the poor decisions and substandard execution of decisions by inadequate resource allocation or from failure to respond well to changes in business environment. Group mitigates this risk though a detailed business plan exercise taking into account all the market dynamics and planning accordingly the internal resources allocation. Market dynamics risk is the risk of loss due to failure to respond to changes in business environment. The Group uses the following measures to mitigate such risk: - Clear responsibility assigned for scanning the market environment and the changing technological context for potential disruptions - Scenario analysis - Stress testing for strategic initiatives (products, process) and analysis of the downside scenarios - Consultative strategic planning process.
		Political Risk	Political risk is the risk of negative impact on business operations due to political changes and interference. We provide loans under group lending model to women and low-income households without any collateral. This exposes our Group to risks from intentional default by customers (contagious risk) arising from external factors such as political interventions and community influence.
		Reputational Risk(includes but not limited to Integrity risk from code of conduct)	Reputation risk arises from ethics violations, safety issues, security issues, poor quality of controls and poor customer relations. There is a reputational risk linked to how our business is perceived in terms of responsible lending and fair pricing, transparency and for code of conduct. The Group has a low appetite for reputation risk where such risks could prompt key stakeholders to intervene in the decision making or running of the day to day business. Risk arising from unethical contacts with customer. The Group has implemented a code of conduct and embedded it in the HR culture via regular trainings.

STRATEGIC RISK
Continued

The mitigants that the Group follows are:

- Low cost operations and low pricing for customers
- Customer centric approach, high customer retention
- Systematic customer awareness activities
- High social focused activities
- Adherence to client protection guidelines
- Robust grievance redressal mechanism
- Adherence to regulatory guidelines in letter and spirit
- Strong compliance officers
- The Group has implemented a code of conduct and embedded it in the HR culture via regular trainings.

Risk	Risk type	Description
Regulatory Risk	External Regulations risk	Regulatory risk is the risk of a change in regulations and laws that might affect the industry or business. Investment in developing countries poses the risk of changing regulations that can significantly change the framework of an industry and also the cost-structures. The Group has low appetite for regulatory risk. Group ensures through compliance, accounting and audit to adhere to regulatory guidelines in the true letter and spirit.
	Internal policy compliance risk	The audit function in each Company helps identifying the policy non-compliance which is communicated to the operations through Audit Committee. The compliance is ensured through a follow up process.
Country Risk	Country Risk	Country risk arises from country-specific events that adversely impact the Group's exposure in a specific country. Within the Group, country risk is broadly defined. It includes all relevant factors that have a common impact on Group's portfolio in a country such as economic, banking and currency crises, sovereign default and political risk events. The assessment of the country rating is based on a benchmark of external rating agencies and other external information. Most recent rating of the country where the Group operates is provided below:

Agency	**Rating**	**Outlook**
Moody's	Baa3	Stable
Fitch	BBB-	Stable
DBRS	BBB (low)	Stable

Source: Trading Economics

Risk governance

The Group has in place a structured risk governance, ensuring an effective level of alignment between oversight and management responsibility for risk.

The Group has two levels for risk governance:

1st level of Governance - Group

- Group Board of Directors
- Group Business Committee
- Group Risk & Audit Committee

2nd level of Governance - Subsidiary

- Subsidiary Board of Directors
- Subsidiary Business Committee
- Subsidiary Risk & Audit Committee

At Group level – 1st level of governance

Group Board of Directors (Group BoD) Group Risk and Audit Committee (Group R&A Committee)

This Committee is mandated by the Group Board to assist in fulfilling its oversight responsibilities regarding the effectiveness of the risk management (including compliance) and internal control framework performed across the subsidiaries of the Group.

The Committee conducts quarterly review of the Key Risks Indicators (KRIs) and the status of the mitigation measures adopted for the most relevant and strategic risks. For this purpose the Group CRO reports and participates at the Risk and Audit Committees meetings and the Board meetings of the subsidiary and provide recommendations and feedback on all risk related matters on behalf of the Group R&A Committee.

The Group CRO submits to this R&A Committee a quarterly Risk Oversight Report (including credit risk management) which typically covers:

- The status and evolution of the Risk Management and Internal Control Framework.
- The KRIs dashboard and status of mitigation measures adopted for the most relevant and strategic risks.
- Information about any critical issues and risks and the effective risk management and mitigation and the plan to improve the internal controls.

The role of this R&A Committee is not to directly control and monitor the risks of the businesses, because these activities are already carried out by the Board and the Risk and Audit Committee of the subsidiary and through their local management team. The Group delegated the responsibility to review and approve all the policies (including the credit policies) to the Board of Directors and the Risk and Audit Committee of the subsidiary.

Risk profile and appetite

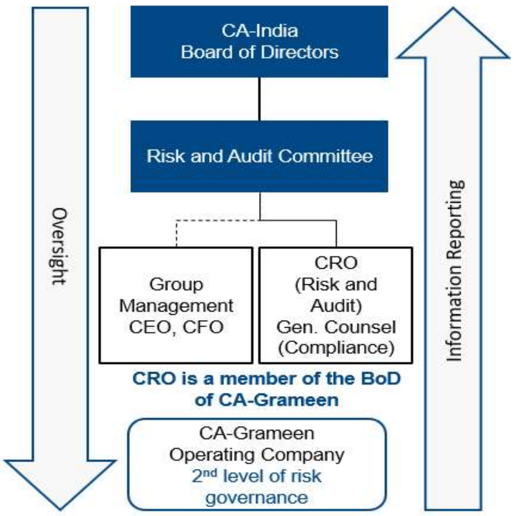
The risk appetite articulates the type and quantum of risk that the Group is willing to accept in pursuit of its strategy. The Group has to accept the risks that are required or necessary to conduct its core business of providing loans to customers. It is therefore needed to have a risk appetite that supports a stable organization that can continue in the long run. The Group actively pursues credit risk resulting from loans to customers. Other risks cannot always be avoided, but the Group mitigates these risks as much as possible. The Board determines which risks the Group may assume, the appetite levels for these risks and the principles for calculating and measuring such risks.

The Group's risk profile consists of financial risks, operational risks and strategic risks.

Overall, Group's risk appetite is low to moderate. Maintaining relatively tight caps on risk exposures is seen as the most conducive approach to providing cost-appropriate mass-market financial services in a socially inclusive manner. The Group rejects any speculative, short-term, high-risk/high-return approach to financial services delivery. The cornerstones of Group's business model are customer service, outreach and financial inclusion, innovation, technology, proactive risk management and sustainable growth. For example, Group will not engage in activities or otherwise enter into risks that do not have a clear relationship to the mission of the institution and support the Group in delivering on its promise to shareholders and customers of integrity, social advancement, economic empowerment and sustainable profitability.

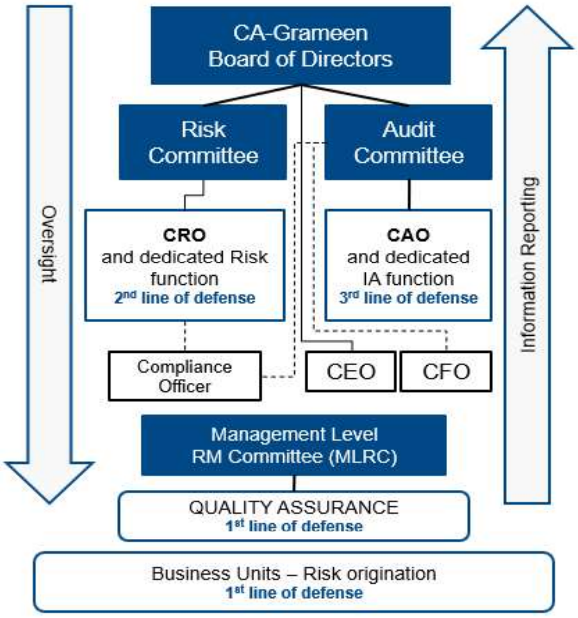
The stated mission and fundamental risk appetite will guide the Group in developing its strategy, in considering decisions about new products or new markets and in setting appropriate exposure limits in each of the risk areas.

The risk-based roles and responsibilities in the Group are organized in adherence to the 'three lines of defense' principle to ensure appropriate levels of segregation.



CA India has a structured risk governance in place, ensuring an effective level of alignment between oversight and management responsibility for risk.

At Subsidiary level – 2nd level of governance



In CA Grameen there is a strong risk culture and a solid risk management (RM) framework:

THIRD LINE DEFENSE – Internal Audit Function

Audit Committee (AC): It assists the BoD in fulfilling its oversight responsibilities regarding the Internal Control system in CA Grameen.

Chief Audit Officer (CAO) and IA Function: Systematic "ex post" appraisal of operations, processes and financial reports. In relation to RM, IA review the effectiveness of RM and compliance with policies.

SECOND LINE DEFENSE – Risk Management Function

Risk Committee (RC): The RC assists the BoD in fulfilling its oversight responsibilities regarding the RM system, policies and practices to ensure the effectiveness and adequacy of risk management in CA Grameen.

CRO and Risk Function: A separate RM function works with and across the business lines. The CRO reports to the CEO and the Board RC (dual reporting). It includes a sub-function focused on data analytics in order to identify, measure/understand, monitor/control risks.

Compliance Officer: It reports to the CEO for legal and admin matters but it has a dotted line to the CRO and the Risk Committee since the role of compliance officer is sensitive and requires independence, discretion confidentiality for these tasks and responsibilities.

Management Level RM Committee (MLRC): Chaired by the CEO, it includes CRO, CFO, CBO and CAO. Other Head of Depts (HODs) may be invited to the meetings. The MLRC facilitates the coordination of the CRO with other HOD's (Business Units) to ensure effective execution of RM Activities.

FIRST LINE DEFENSE

Quality Assurance (1st line): There is a dedicated Quality Control (QC) Team that focuses on adherence to processes on the field. The QC Team reports to the Business Head (but without business targets).

At subsidiary level - Risk mitigation and risk culture

Risk assessments are conducted for all business activities. The assessments are to address potential risks and to comply with relevant legal and regulatory requirements. Risk assessments are performed by competent personnel from individual departments and risk management department including, where appropriate, expertise from outside the Company.

Procedures are established to update risk assessments at appropriate intervals and to review these assessments regularly. Also, based on the Risk Control and Self-Assessment (RCSA) exercise, the Company formulates its risk management strategy and plan on annual basis. The strategy will broadly entail choosing among the various options for risk mitigation for each identified risk. The risk mitigation is planned by using the following key strategies:

Risk Avoidance: By not performing an activity that could carry risk. Avoidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.

Risk Transfer: Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging.

Risk Reduction: Employing methods/solutions that reduce the severity of the loss.

Risk Retention: Accepting the loss when it occurs. Risk retention is a viable strategy where the probability of occurrence is low but the cost of insuring against the risk would be greater over time than the total losses sustained. All risks that are not avoided or transferred are retained by default. This includes risks that are so large or catastrophic that they either cannot be insured against or the premiums would be infeasible.

At subsidiary level - Risk measurement and reporting systems

The heads of all the departments in association with the risk management department are responsible for coordinating the systems for identifying risks within their own department or business activity through RCSA exercise to be conducted at regular intervals.

Based on a cost / benefit assessment of a risk, as is undertaken, some risks may be judged as having to be accepted because it is believed mitigation is not possible or warranted.

As the risk exposure of any business may undergo change from time to time due to continuously changing environment, the updating of the Risk Register is done on a regular basis.

All the strategies with respect to managing these major risks shall be monitored by the CRO and the MLRC.

The MLRC meetings are held as necessary or at least once a month. The MLRC monitors the management of major risks specifically and other risks of the Company in general. The Committee takes an integrated view of the risks facing the entity and monitor implementation of the directives received from the Risk Management Committee and actionable items drawn from the risk management framework.

Accordingly, the MLRC reviews the following aspects of business specifically from a risk indicator perspective and suitably record the deliberations during the monthly meeting:

- Review of business growth and portfolio quality.
- Discuss and review the reported details of PAR, Key Risk Threshold breaches (KRI's), consequent responses and review of operational loss events, if any.
- Review of process compliances including audit performance across the organization.
- Review of HR management, training and employee attrition.
- Review of new initiatives and product/policy/process changes.
- Discuss and review performance of IT systems.
- Review the status of strategic projects initiated.
- Review, where necessary, policies that have a bearing on the operational risk management and recommend amendments.
- Discuss and recommend suitable controls/mitigations for managing operational risk and assure that adequate resources are being assigned to mitigate the risks.
- Review analysis of frauds, potential losses, non-compliance, breaches etc. and determine corrective measures to prevent their recurrences.
- Understand changes and threats, concur on areas of high priority and possible actions for managing/mitigating the same.

At subsidiary level - Risk management strategies

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting the industry or geographical location.

The following management strategies and policies are adopted by the Company to manage the various key risks.

Political Risk mitigation measures:

- Low cost operations and low pricing for customers.
- Customer centric approach, high customer retention.
- Rural focus.
- Systematic customer awareness activities.
- High social focused activities.

- Adherence to client protection guidelines.
- Robust grievance redressal mechanism.
- Adherence to regulatory guidelines in letter and spirit.

Concentration risk mitigation measures:

- District centric approach.
- District exposure cap.
- Restriction on growth in urban locations.
- Maximum disbursement cap per loan account.
- Maximum loan exposure cap per customer.
- Diversified funding resources.

Operational & HR Risk mitigation measures:

- Stringent customer enrolment process.
- Multiple products.
- Proper recruitment policy and appraisal system.
- Adequately trained field force.
- Weekly & fortnightly collections – higher customer touch, lower amount of instalments.
- Multilevel monitoring framework.
- Strong, Independent and fully automated Internal Audit function.
- Strong IT system with access to real time client and loan data.

Liquidity risk mitigation measures:

- Diversified funding resources.
- Asset liability management.
- Effective fund management.
- Maximum & minimum liquidity ratio thresholds

Expansion risk mitigation measures:

- Contiguous growth.
- District centric approach.
- Rural focus.
- Branch selection based on census data & credit bureau data.
- Three level survey of the location selected

The Group is exposed through its operations to the following financial risks:

- Capital risk;
- Credit risk;
- Fair value or cash flow interest rate risk;
- Foreign exchange risk;
- Other market price risk; and
- Liquidity risk.

There have been no substantive changes in the Group's exposure to financial instrument risks and its objectives, policies, and processes for measuring and managing such risks in the current financial period. This note explains how these risks impact the financial statements.

5.1. Capital risk management

The Group aims to optimize the business which can only be achieved with a sound financial framework in place, combining healthy long-term profitability, sound capital adequacy and maximizing the return to stakeholders through the optimization of the debt and equity balance. Therefore, the Group seeks to maintain a strong capital position, by means of an integrated capital planning and control, regularly reviewed by the Asset & Liability Committee at subsidiary level. Capital management risk is therefore considered low. The Group's overall strategy remains unchanged from the previous year.

The capital structure of the Group consists of net debt (borrowings as detailed in note 22 offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as detailed in notes 25 and note 26).

The Group is not subject to any externally imposed capital requirements at consolidated level. CA Grameen is subject to compliance with statutory requirements on 'Capital to risk assets ratio' ("CRAR"), as imposed by the Reserve Bank of India ("RBI") of a minimum of 15%. As per the audited statutory financial statements of 31 March 2023 the CRAR of CA Grameen standalone is reported well above the statutory requirements at 23.58% (31 March 2022; 26.54%). Percentage for March 31, 2022 is not comparable as these percentage is without giving effect for scheme of merger.

When reviewing and approving the business plan of the subsidiary the Group sets the target capitalization at the level of the subsidiary. The capitalization is measured as the ratio between the total assets of the subsidiary minus its cash, cash equivalents and liquid investments versus its equity. Another parameter that is used to measure and monitor the leverage of subsidiaries is the ratio Finance Debt over Equity (D:E). As at 31 March 2023 the Group has maintained a moderate leverage ratio of 2.82 times (FY21/22: 2.63 times) and the Group may leverage further and expand the business without needing to fund-raise additional equity capital.

Debt to Equity	**31 March 2023**	**31 March 2022**
	EUR	**EUR**
Borrowings	1,835,130,588	1,554,315,532
Less: cash & cash equivalents	-151,587,219	-213,928,227
Net debt	**1,683,543,369**	**1,340,387,305**
Total equity	596,650,407	509,623,392
Adjustments*	-	-
Total adjusted equity	**596,650,407**	**509,623,392**
Debt to adjusted equity ratio	**2.82**	**2.63**

*excluding cash flow hedging reserve and cost of hedge reserve

5.2. Credit risk

Credit risk is the risk of financial loss to the Group if the counterparty to a financial instrument, whether a customer or otherwise, fails to meet its contractual obligations toward the Group. Credit risk is the core business risk of the Group. The Group therefore has high appetite for this risk but low tolerance and the governance structures including the internal control systems are particularly designed to manage and mitigate this risk. The Group is mainly exposed to credit risk from loans to customers (including loans transferred to special purpose vehicles under securitization agreements, excluding loans sold under assignment presented as off balance sheet assets).

The major subsidiary company CreditAccess Grameen is a credit-only Institution and is predominantly involved in Group Lending. The credit risk may arise due to over borrowing by customers or over lending by other financial institutions competitors, gaps in joint-liability collateral and repayment issues due to external factors such as political, community influence, regulatory changes and natural disasters (storm, earthquakes, fires, floods) and intentional default by customers.

To address credit risk, the subsidiary has stringent credit policies for customer selection. To ensure the credit worthiness of the customers, stringent underwriting policies such as credit investigation, both in-house and field credit verification is in place. In addition, subsidiary follows a systematic methodology in the selection of new geographies where to open branches considering factors such as the portfolio at risk and over indebtedness of the proposed area/region, potential for micro-lending and socio-economic risk evaluation (e.g.; the risk of local riots or natural disasters). A credit bureau rejections analysis is also regularly carried out in the subsidiary.

Credit risk is being managed by continuously monitoring the borrower's performance if borrowers are paying on time based on their loan dues. The subsidiary ensures stringent monitoring and quality operations through both field supervision (branch/area/region staff supervision, quality control team supervision) and management review. Management at the subsidiary's head office closely monitors credit risk through system generated reports (e.g., PAR status and PAR movement, portfolio concentration analysis and vintage analysis) and Key Risk Indicators (KRIs) which include proactive actionable thresholds limits (acceptable, watch and breach) developed by CRO, revised at the MLRC, and at the Risk Committee at the Board level.

Some of the main strategies to mitigate credit risk are:

1. Maintain stringent customer enrolment process,
2. Undertake systematic customer awareness activities/ programs,
3. Reduce geographical concentration of portfolio,
4. Maximum loan exposure to member as determined from time to time,
5. Modify product characteristics if needed (e.g., longer maturity for group clients in case the loan is above a certain threshold),
6. Carry out due diligence of new employees and adequate training at induction,
7. Decrease field staff turnover,
8. Supporting technologies: core banking solution, credit bureau checks, GPS tagging and KYC checks.

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the country in which the customers are located, as these factors may have an influence on the credit risk.

Break down of the loans to customers by stages is provided in this note whereas breakdown by maturity is provided in note 5.4 and movement schedules of carrying amount and impairment allowance are provided in note 17.

As at reporting date, the impairment allowance is 1.78% (31 March 2022: 3.44%) of the Exposure At Default (EAD). A further 100 basis points increase in the impairment, resulting in 2.78% on EAD, would have a negative impact of EUR 21,888,146 on profit before tax.

Cash and cash equivalents and derivative instruments contain an element of risk of the counterparties being unable to meet their obligations. This financial credit risk is monitored and minimized per type of financial instrument by limiting Group's counterparties to a sufficient number of major financial institutions.

The Group maintains the idle liquidity with primary institutions of the country where they operate. The gross amount of financial assets represents the maximum credit exposure. The probability of credit risk on cash and cash equivalent is considered negligible.

The Group has no outstanding commitments towards its customers.

Further, disclosures regarding other receivables, which are neither past due nor impaired, are provided in note 19.

Below table shows maximum on balance sheet credit risk exposure:

On Balance Sheet Credit Risk Exposure	**31 March 2023**	**31 March 2022**
	EUR	**EUR**
Loans to customers - Net	2,130,127,962	1,754,978,014
Cash and cash equivalents	151,587,219	213,928,227
Other financial assets	88,657,759	14,190,366
Total	**2,370,372,940**	**1,983,096,607**

Consolidated summary table for Expected Credit Loss (ECL) for the Group is as below:

31 March 2023					
Stages	**Exposure At Default (EAD)**	**Probability of Default (PD)**	**Loss Given Default (LGD)**	**ECL with overlay**	**ECL Rate**
	EUR	**w-avg.%**	**w-avg.%**	**EUR**	**%age**
Stage 1	2,157,436,509	0.5% to 18.4%	51.5% to 100%	17,596,268	0.82%
Stage 2	4,887,841	50.0% to 100%	51.5% to 100%	2,350,631	48.09%
Stage 3	26,490,247	100.0%	51.5% to 100%	18,962,325	71.58%
Total as at 31 March 2023	**2,188,814,597**			**38,909,224**	**1.78%**

PD % and LGD % are disclosed as ranges because these relate to various products and product groups in CA Grameen.

At 31 March 2023, consolidated ECL allowance as percentage to EAD is equal to 1.78% (31 March 2022: 3.44%). Further details on ECL estimation approach and definitions are given in note 3.4.6.2.

31 March 2022 Stages	Exposure At Default (EAD) EUR	Probability of Default (PD) w-avg.%	Loss Given Default (LGD) w-avg.%	ECL with overlay EUR	ECL Rate %age
Stage 1	1,710,352,960	0.9% to 2.0%	66.9% to 100%	13,549,435	0.79%
Stage 2	35,756,169	33.2% to 71.3%	36.6% to 92.2%	7,677,800	21.47%
Stage 3	100,115,158	100.0%	36.6% to 92.2%	42,226,073	42.18%
Total as at 31 March 2022	**1,846,224,287**			**63,453,308**	**3.44%**

5.3. Market risk

Market risk arises from the Group's use of interest bearing, tradable and foreign currency denominated financial instruments. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

5.3.1. Cash flow interest rate risk

Interest rate risk arises as an associated risk from the Group's primary business. Overall interest rate risk appetite for the Group is considered at low to moderate level.

The Group is exposed to cash flow interest rate risk mainly from borrowings at a variable rate.

As at 31 March 2023 a significant portion of Group's external borrowing bears floating interest rate.

The Group analyses the interest rate exposure on a quarterly basis and perform sensitivity analysis by applying simulation techniques in order to monitor and control the current and projected interest rate margin.

As at reporting date, if interest rate on interest-bearing assets and liabilities are estimated to be 100 basis points higher/lower, all other variables held constant, pre-tax profit would have an estimated decrease/increase of EUR 6,611,453 (31 March 2022; EUR 5,085,713) respectively.

In this sensitivity test the assumptions for a rate change is applied to:

a) Regenerated loans to customers after maturity of existing ones, for the remaining term estimated by using weighted average maturity for all loans to customers maturing within one year,
b) Cash and cash equivalents estimated to be invested only 25%,
c) Fixed rate borrowings obtained after maturity of existing ones, for the remaining term estimated by using the weighted average maturity of liabilities maturing within one year, and
d) All variable rate borrowing are included.

The management considers that 100 basis points will be the likely change in INR and EUR interest rates over the next year, being the period up to the next point at which the Group expects to make these disclosures.

The Company is of the opinion that the interest rate sensitivity analyses is not fully representative of the quantum of risk that the Group is exposed to. Indeed, the Group has the tools and ability to maintain over time a stable interest rate margin and therefore minimizing the interest rate risk.

This conclusion is based on the reason that the combined effect of the short- term duration of the loan book together with a double-digit growth of the portfolio is such that a large portion of the Group portfolio is recycled on quarterly basis. The Group applies a fixed interest rate on the loans to customers, however fresh loans bear an interest rate that factors in the prevailing cost of funding at the time of disbursement.

The interest rate risk exposure of the Group's interest-bearing financial instruments is as follows:

	31 March 2023 EUR	31 March 2022 EUR
Fixed rate instruments		
Financial assets	2,219,817,395	1,818,431,322
Financial liabilities	601,600,108	571,109,065
Variable rate instruments		
Financial assets	-	-
Financial liabilities	1,224,641,777	972,905,742

A 100 basis-point increase/decrease of the variable interest rates borrowings only, would decrease/increase the consolidated pre-tax profit by EUR 12,246,418 (2021/2022: EUR 9,729,057).

For the purpose of this disclosure financial assets include the gross loan portfolio and investments while financial liabilities include the gross finance debt.

5.3.2. Foreign exchange risk

Foreign exchange risk "currency risk" arises when Group entities enter into transactions denominated in a currency other than their functional currency. Currency risk arises as an associated risk from the Group's primary business and the Group does not actively take trading positions. Group's appetite on market risk is low to medium and direct currency risk is largely hedged to remain within conservative boundaries. Overall currency risk for the Group is considered at medium level. The Group hedges the foreign currency exchange rate risks on these loans, denominated in foreign currencies, through the use of swaps and forward foreign currency exchange contracts with broadly matching terms (e.g. nominal amount, period of risk exposure).

The exposure is the nominal amount of loan balances as at balance sheet date.

The effectiveness of all outstanding hedge contracts is monitored on a regular basis throughout the life of the hedges.

The Group aims to fund expenses and investments in the respective currency and to manage foreign exchange risk at a local level by matching the currency in which revenue is generated and expenses are incurred. Only products and services purchased from abroad may lead to foreign currency denominated expenses and liabilities.

The Group’s net exposure un-hedged to foreign exchange risk is EUR 172,540 (31 March 2022: EUR 167,025) mainly in USD.

The effect of a 10% strengthening of the local currencies against EUR at the reporting date on the consolidated unhedged foreign currency denominated net assets carried at the reporting date would, all other variables held constant, result in an increase in pre-tax profit of EUR 17,254 (31 March 2022: EUR 16,703) and a 10% weakening in the exchange rates would, on the same basis, decrease pre-tax profit by EUR 17,254 (31 March 2022: EUR 16,703).

5.3.3. Other market price risk.

At the reporting date, the Group does not hold assets that are exposed to market price risk.

5.4. Liquidity risk

Liquidity risk arises from the Group’s management of working capital and the repayment obligations of principal and interest on debt instruments. It explains the risk that the Group may encounter difficulty in meeting its financial obligations as they fall due.

The Group's risk appetite is to maintain enough liquidity to meet its obligations and to ensure that the subsidiary disburses loans to its borrowers and repays loans to its lenders and therefore is considered at medium level.

The Boards of Directors of the subsidiaries are responsible to ensure that the relevant company will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, the policy is to seek equity and long term debt to finance the loans to customers. Each Company receiving debt financing has an Asset and Liability policy and a Board committee in charge of its supervision and implementation.

The liquidity risk policies of each Group entity are maintained and applied locally by the finance and treasury function, whilst the Board Assets and Liabilities committees are responsible to verify full compliance to the policy periodically. At the end of the financial period, the cash flow projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Loans to customers have shorter maturities compared to financial liabilities. Shorter maturities of assets allow sufficient flexibility to be liquid for all the liabilities at their maturity.

The following table shows liquidity gap by categorization of the balance sheet per contractual maturities of the carrying amounts of assets and liabilities. It presents, per instrument, the timing of the cash flows of undiscounted principal as well as of the fair market values, wherever required, as described in balance sheet and accompanying notes to the accounts. Expected cash flows resulting from undrawn commitments are not included in the liquidity gap analysis.

31 March 2023	Up to 3 months	Between 3 and 12 months	Sub-total current	Between 1 and 2 years	Between 2 and 5 years	Over five years	Maturity undefined	Sub-total non-current	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Assets									
Intangible fixed assets	-	-	**-**	-	-	56,623,861	7,773,959	**64,397,820**	**64,397,820**
Tangible fixed assets	-	-	**-**	121,217	94,102	10,830,663	72,707	**11,118,688**	**11,118,688**
Financial assets at FVTPL	-	-	**-**	-	-	-	-	**-**	**-**
Loans to customers – Gross	*335,287,561*	*908,978,498*	***1,244,266,058***	*767,059,720*	*155,926,077*	*1,785,331*	-	***924,771,128***	***2,169,037,186***
Impairment allowance	*- 3,154,198*	*- 8,233,452*	***- 11,387,650***	*- 6,918,947*	*- 20,564,470*	*- 38,157*	-	***- 27,521,574***	***- 38,909,224***
Loans to customers - net	332,133,363	900,745,045	**1,232,878,409**	760,140,773	135,361,606	1,747,175	-	**897,249,554**	**2,130,127,962**
Other financial assets	17,546,226	40,320,129	**57,866,355**	10,460,080	-	59,978	-	**10,520,058**	**68,386,413**
Investments in associates	-	-	**-**	-	-	-	-	**-**	**-**
Derivative financial instruments	884,485	2,653,455	**3,537,941**	-	-	-	-	**-**	**3,537,941**
Deferred tax assets	-	-	**-**	-	-	9,052,699	-	**9,052,699**	**9,052,699**
Other assets	14,392,388	8,232,917	**22,625,305**	2,701,016	4,724,465	4,394,530	-	**11,820,010**	**34,445,315**
Cash and cash equivalents	151,587,219	-	**151,587,219**	-	-	-	-	**-**	**151,587,219**
Total assets	**516,543,682**	**951,951,547**	**1,468,495,229**	**773,423,086**	**140,180,172**	**82,708,904**	**7,846,666**	**1,004,158,828**	**2,472,654,057**
Liabilities									
Interest bearing loans and borrowings	220,341,573	671,599,349	**891,940,922**	603,849,780	330,451,183	-	-	**934,300,963**	**1,826,241,885**
Lease liabilities	425,717	974,571	**1,400,289**	1,352,919	4,614,801	1,520,694	-	**7,488,414**	**8,888,703**
Post-employment benefit obligations	291,850	875,550	**1,167,401**	3,555	11,006	-	-	**14,562**	**1,181,962**
Deferred tax liabilities	-	-	**-**	-	-	-	-	**-**	**-**
Derivative financial instruments	-	-	**-**	-	-	-	-	**-**	**-**
Other liabilities	31,501,365	6,181,086	**37,682,451**	522,801	1,485,848	-	-	**2,008,649**	**39,691,100**
Total liabilities	**252,560,505**	**679,630,557**	**932,191,062**	**605,729,055**	**336,562,838**	**1,520,694**	**-**	**943,812,588**	**1,876,003,650**
Equity	**-**	**-**	**-**	**-**	**-**	**-**	**596,650,407**	**596,650,407**	**596,650,407**
Total equity and liabilities	**252,560,505**	**679,630,557**	**932,191,062**	**605,729,055**	**336,562,838**	**1,520,694**	**596,650,407**	**1,540,462,995**	**2,472,654,057**
Gap per bucket	**263,983,176**	**272,320,990**	**536,304,166**	**167,694,030**	**- 196,382,666**	**81,188,210**	**- 588,803,741**	**- 536,304,167**	**-**
Cumulative Gap	263,983,176	536,304,166	536,304,166	703,998,197	507,615,531	588,803,741	-	-	-
Cumulative Gap %age	105%	58%	58%	46%	27%	31%	-	-	-

31 March 2022	Up to 3 months	Between 3 and 12 months	Sub-total current	Between1 and 2 years	Between 2 and 5 years	Over five years	Maturity undefined	Sub-total non-current	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Assets									
Intangible fixed assets	-	-	**-**	-	340,992	55,201,326	15,166,236	**70,708,554**	**70,708,554**
Tangible fixed assets	12,865	4,288	**17,153**	10,294	828,520	12,019,289	-	**12,858,103**	**12,875,256**
Financial assets at FVTPL	-	-	**-**	-	-	63,732	-	**63,732**	**63,732**
Loans to customers – Gross	*295,267,293*	*767,938,572*	***1,063,205,865***	*599,090,639*	*141,027,092*	*15,107,726*	-	***755,225,457***	***1,818,431,322***
Impairment allowance	*- 4,326,775*	*- 9,761,860*	***- 14,088,635***	*- 6,276,906*	*- 34,332,742*	*- 8,755,025*	-	***- 49,364,673***	***- 63,453,308***
Loans to customers - net	290,940,518	758,176,712	**1,049,117,230**	592,813,733	106,694,350	6,352,701	-	**705,860,784**	**1,754,978,014**
Investments in associates	-	-	**-**	-	-	-	11,742	**11,742**	**11,742**
Derivative financial instruments	-	-	**-**	-	-	-	-	**-**	**-**
Deferred tax assets	-	-	**-**	-	-	18,469,941	-	**18,469,941**	**18,469,941**
Other assets	19,589,486	15,083,488	**34,672,974**	2,391,364	1,187,371	3,857,554	-	**7,436,289**	**42,109,263**
Cash and cash equivalents	213,928,227	-	**213,928,227**	-	-	-	-	**-**	**213,928,227**
Total assets	**524,471,096**	**773,264,488**	**1,297,735,584**	**595,215,391**	**109,051,233**	**95,964,543**	**15,177,978**	**815,409,145**	**2,113,144,729**
Liabilities									
Interest bearing loans and borrowings	227,440,641	626,858,461	**854,299,102**	649,346,154	39,978,704	390,847	-	**689,715,705**	**1,544,014,807**
Lease liabilities	447,318	1,070,299	**1,517,617**	2,600,016	2,847,831	3,335,261	-	**8,783,108**	**10,300,725**
Post-employment benefit obligations	43,894	633,452	**677,346**	68,340	161,040	104,500	-	**333,880**	**1,011,226**
Deferred tax liabilities	-	-	**-**	-	-	-	-	**-**	**-**
Derivative financial instruments	-	196,830	**196,830**	-	-	-	-	**-**	**196,830**
Other liabilities	29,287,240	5,522,682	**34,809,922**	1,817,929	42,060	528,059	-	**2,388,048**	**37,197,970**
Total liabilities	**257,219,093**	**634,281,724**	**891,500,817**	**653,832,439**	**43,029,635**	**4,358,667**	**-**	**701,220,741**	**1,592,721,558**
Equity	**-**	**-**	**-**	**-**	**-**	**-**	**520,423,171**	**520,423,171**	**520,423,171**
Total equity and liabilities	**257,219,093**	**634,281,724**	**891,500,817**	**653,832,439**	**43,029,635**	**4,358,667**	**520,423,171**	**1,221,643,912**	**2,113,144,729**
Gap per bucket	**267,252,003**	**138,982,764**	**406,234,767**	**- 58,617,048**	**66,021,598**	**91,605,876**	**- 505,245,193**	**- 406,234,767**	-
Cumulative Gap	267,252,003	406,234,767	406,234,767	347,617,719	413,639,317	505,245,193	-	-	-
Cumulative Gap %age	104%	46%	46%	22%	26%	32%	-	-	-

6. Interest and similar income

			2022/2023 EUR			2021/2022 EUR
	India	Netherlands	Total	India	Netherlands	Total
Interest on loans to customers	391,745,884	-	391,745,884	292,600,303	-	292,600,303
Interest on cash and cash-equivalents	6,221,714	15,896	6,237,610	3,905,091	-	3,905,091
Interest on loans to CreditAccess SEA Group	-	-	-	-	164,447	164,447
Total	**397,967,598**	**15,896**	**397,983,494**	**296,505,394**	**164,447**	**296,669,841**

Interest and similar income contains interest income on loan to customers, on investments, bank and saving accounts, loan processing and loan administration fees. The interest and similar income is calculated on the effective interest rate basis.

This section does not include the interest and similar income from off-balance sheet portfolio.

7. Interest and similar expenses

	2022/2023 EUR	2021/2022 EUR
Interest on external borrowing	143,654,999	113,556,686
Negative Interest on credit balance with banks	49,959	315,888
Interest on Right of Use Assets	1,056,837	940,059
Amortization of hedging forward points	-	76,857
Other fees and expenses	747,118	346,759
Total	**145,508,913**	**115,236,249**

Interest and similar expenses consist of interest and other expense (e.g. disbursement fees, upfront fees, admin fees, monitoring fees, commitment fees, etc.) that an entity incurs in connection with the borrowing of funds (e.g. loan, overdraft, securitization not allowed for derecognition).

Interest expenses are calculated on the effective interest rate basis.

8. Other income

	2022/2023 EUR	2021/2022 EUR
Gain on derecognition of loans to customers	14,230,407	8,083,121
Gain on short term investments	2,551,829	2,094,390
Miscellaneous proceeds	3,007,924	2,371,424
Total	**19,790,160**	**12,548,935**

Gain on derecognition of loans to customers refers to direct assignment transactions whereby the originator transfer the loans to customers to third parties, derecognizing them from the balance sheet and recognizing upfront a gain on such sale (refer to note 3.4.7 ‘Transfer of financial assets’).

Gain on short term investments relate to the capital gain on the investment in short term liquid funds.

Miscellaneous proceeds relates mainly to proceeds from the distribution of third party services.

9. Credit loss expense

	2022/2023 EUR	2021/2022 EUR
Impairment expense on group loans to customers (principal and interest)	47,298,863	66,071,487
Impairment expense on Individual retail finance loans to customers (principal and interest)	633,993	2,846,717
Recoveries of written-off loans to customers (principal and interest)	- 6,943,398	- 8,563,131
Total	**40,989,458**	**60,355,073**

Decrease in credit loss expense in current financial year pertains mainly to improved collection rates.

10. Personnel expenses

	2022/2023 EUR	2021/2022 EUR
Wages and salaries	55,694,840	46,328,905
Social security costs	77,718	125,256
Share-based payment expenses (see note 30)	1,647,151	918,074
Pension costs – defined contribution plans	4,536,803	3,794,932
Pension costs – defined benefit plans (see note 29)	990,704	854,472
Other staff costs	597,853	433,561
Total	**63,545,069**	**52,455,200**

Remuneration of non-executive directors is disclosed under Related Parties (note 31).

The average number of employees Full Time Equivalent (FTE) based on their function:

	2022/2023 FTE	2021/2022 FTE
Field staff	15,317	13,852
Back office staff	1,451	1,655
Total	**16,768**	**15,507**

The average number of employees Full Time Equivalent (FTE) based on their geographical location:

	2022/2023 FTE	2021/2022 FTE
Netherlands	5	9
India	16,763	15,498
Total	**16,768**	**15,507**

11. Expenses by nature

	2022/2023 EUR	2021/2022 EUR
Depreciation tangible assets (note 14)	1,612,850	1,445,007
Depreciation right of use assets (note 14.a)	1,707,748	1,508,126
Sub total (depreciation of tangible assets)	3,320,598	2,953,133
Result on disposal of tangibles assets	-6,367	2,278
Amortisation intangible assets (note 13)	2,733,144	2,558,229
Depreciation and amortization	**6,047,375**	**5,513,640**
Travel and lodging	12,080,299	8,673,080
Legal fees	414,340	3,608,782
Other professional fees	3,492,323	2,836,804
Rental (for the use of tangible assets, exempted from IFRS16)	3,581,790	2,690,161
Repairs and maintenance	2,507,531	2,417,888
Taxes (other than Corporate Income Tax) and licenses	1,415,717	1,142,238
Communication and IT	1,810,288	1,141,567
Staff training and benefits expenses	1,512,691	839,578
Directors fees	928,580	752,894
Office expenses	768,288	746,195
Bank charges	571,518	575,336
Donations	1,015,050	545,397
Insurances for risks of the Group	774,637	497,671
Utilities	678,660	496,999
Audit and accounting	418,942	384,411
Marketing and advertising	2,797	1,120
Expenses recharged to companies demerged in FY19/20	- 64,263	- 64,611
Other operating expenses	1,201,543	1,125,001
Other operating expenses	**33,110,731**	**28,410,511**

Taxes (other than income tax) and licenses mainly consist of non-recoverable Indian Goods and Service Tax, local stamp-duties and similar fees.

Auditors' fee (Group auditor)

Current financial year Baran Audit & Assurance Services B.V. is the external auditor of CreditAccess India B.V., as referred to in Section 1(1) of the Dutch Accounting Firms Oversight Act (‘Wet toezicht accountantsorganisaties’ or ‘Wta’).
The fee listed below (FY2022/2023) relate to all services provided by Baran Audit & Assurance Services B.V. and their member firms, to CreditAccess India Group worldwide.

Prior financial year the Group auditor was Ernst & Young Accountants LLP.
The fee listed below (FY2021/2022) relates to all services provided by Ernst & Young Accountants LLP (the Netherlands) and EY member firms to CreditAccess India Group worldwide, as referred to in Section 1(1) of the Dutch Accounting Firms Oversight Act (‘Wet toezicht accountantsorganisaties’ or ‘Wta’).

	2022/2023 EUR	2021/2022 EUR
Audit annual accounts	52,000	150,000
Other audit assignments	-	-
Other non-audit services	-	56,434
Total	**52,000**	**206,434**

12. Tax expense

	2022/2023 EUR	2021/2022 EUR
(i) Tax expense and share of tax of equity accounted associates and joint ventures		
Current tax expense/(income)		
Current tax on profits for the period	28,523,398	14,064,362
Adjustment for under/(over) provisioning of prior periods	- 48,546	249,683
Total current tax	**28,474,852**	**14,314,045**
Deferred tax expense/(income)		
Origination and reversal of temporary differences (note 24)	5,361,130	150,249
Recognition of previously unrecognized deferred tax assets	- 444,446	- 179,320
Total deferred tax	**4,916,684**	**- 29,071**
Total	**33,391,536**	**14,284,974**

The reasons for the difference between the actual current tax expense charged for the period and the tax expense resulting from applying the standard corporate tax rate to the profits for the period are as follows:

	2022/2023 EUR	2021/2022 EUR
Result before taxation	**128,453,838**	**47,162,279**
Tax using the Company's domestic tax rate of 25,8% (2021/2022: 25%)	33,141,090	11,790,570
Difference in tax rates foreign jurisdictions	- 802,854	96,568
Remeasurement of deferred tax positions	- 492,948	-
DTA not recognized (because of uncertainty of compensation)	821,246	2,017,037
Other expenses not deductible/(income not taxable)	725,002	380,799
Total tax expense	**33,391,536**	**14,284,974**

	2022/2023	2021/2022
Effective tax rate	**26.0%**	**30.3%**

The effective tax rate is impacted by the fact that the main subsidiary has profits, while the holding company has losses that are not deferred.

Estimates and assumptions

The Group companies are subject to income tax in the jurisdictions where they run business and judgements are required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group recognises tax liabilities based on estimates of whether additional taxes and interest will be due. Despite the management's belief that the tax return positions are supportable, it also acknowledges that certain positions may be challenged and may not be fully sustained upon review by tax authorities.

The Company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessments on deferred tax relies on estimates and assumptions on future results based on the business plan of the Group. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

Unrecognized DTA

Deferred tax assets are not recognized in respect of tax losses and other temporary differences for which management believes it is not probable that such assets will be recovered.

Total unused tax losses for which no deferred tax assets has been recognized amounts to EUR 36.2 mln (31 March 2022; EUR 33.2 mln). Further details are provided in note 24.

Tax on each component of other comprehensive income is as follows:

	2022/2023			2021/2022		
	Before tax EUR	Tax EUR	After tax EUR	Before tax EUR	Tax EUR	After tax EUR
Cash flow hedges:						
(i) Gains/(losses) recognized on hedging instruments	-	-	-	86,453	-	86,453
(ii) Transferred to profit or loss for the year	-	-	-	-	-	-
(iii) Transferred to initial carrying amount of hedged items	-	-	-	-	-	-
Exchange (losses)/gains on the translation of foreign Operations	- 16,315,916	-	- 16,315,916	- 315,128	-	- 315,128
Share of associates' other comprehensive income	-	-	-	-	-	-
	- 16,315,916	**-**	**- 16,315,916**	**- 228,675**	**-**	**- 228,675**

13. Intangible assets

	Client base and trademark	Goodwill *	Software	Intangible assets under development	Total
	EUR	EUR	EUR	EUR	EUR
(i) Cost					
1 April 2021 *	23,320,476	52,012,790	4,035,948	72,604	79,441,817
Additions;					
externally acquired	-	-	442,495	443,576	886,071
internally developed	-	-	-	-	-
Disposals	-	-	-	-	-
Foreign exchange rate movements	465,389	900,169	98,065	9,702	1,473,325
Reclassifications	-	-	160,502	-160,502	-
31 March 2022 *	**23,785,865**	**52,912,959**	**4,737,010**	**365,380**	**81,801,213**
Additions;					
externally acquired	-	-	89,586	350,688	440,274
internally developed	-	-	-	-	-
Disposals	-	-	-79,150	-	-79,150
Foreign exchange rate movements	-1,401,078	-3,116,774	-294,863	-28,731	-4,841,446
Reclassifications	-	-	238,354	-238,354	-
31 March 2023	**22,384,787**	**49,796,185**	**4,690,937**	**448,983**	**77,320,891**
(ii) Accumulated amortisation and impairment					
1 April 2021	6,322,016	-	1,976,456	-	8,298,473
Amortisation charge	1,890,725	-	667,504	-	2,558,229
Impairment Losses	-	-	-	-	-
Disposals	-	-	-	-	-
Foreign exchange	181,290	-	54,668	-	235,958
31 March 2022	**8,394,031**	**-**	**2,698,628**	**-**	**11,092,660**
Amortisation charge	1,962,137	-	771,007	-	2,733,144
Impairment losses	-	-	-	-	-
Disposals	-	-	-79,150	-	-79,150
Foreign exchange movements	-620,355	-	-203,227	-	-823,582
31 March 2023	**9,735,813**	**-**	**3,187,258**	**-**	**12,923,072**
(iii) Net book value					
31 March 2022	**15,391,834**	**52,912,959**	**2,038,381**	**365,380**	**70,708,554**
31 March 2023	**12,648,974**	**49,796,185**	**1,503,678**	**448,983**	**64,397,820**

* An amount of EUR 6,905,600 has been adjusted in the opening balance of FY2021/2022 in relation to the retrospective merger of MMFL in CA-Grameen.

The client base originates from the purchase price allocation on acquiring the controlling interest in MMFL in March 2020. It is amortized on a straight line basis over the useful economic life of ten years. Goodwill is further disclosed in note 15.

Intangible assets under development relates mainly to software enhancements at CA-Grameen.

14. Tangible fixed assets

Amount in Euro	Land and buildings	Leasehold improvements	Office Equipment	Furniture and fixtures	Computer equipment	Vehicles	Under construction	Total
(i) Cost or valuation								
1 April 2021	3,189,425	1,133,503	2,661,631	1,568,354	9,323,762	73,681	-	17,950,356
Additions	1,004,550	78,314	169,621	390,871	3,220,252	28540	-	4,892,148
Disposals	- 327,831	-	- 62,320	- 8,800	- 83,818	-	-	- 482,769
Foreign exchange movements	77,182	23,294	66,165	40,825	284,734	2,303	-	494,503
31 March 2022	**3,943,326**	**1,235,111**	**2,835,097**	**1,991,250**	**12,744,930**	**104,524**	**-**	**22,854,238**
Additions	593,509	122,534	564,444	340,452	657,770	71,687	77,693	2,428,089
Disposals	-	-	- 114,229	- 7,872	- 202,294	- 24,041	-	- 348,436
Foreign exchange movements	-255,507	-77,665	-194,908	-138,634	-778,303	-9,214	-4,986	- 1,459,217
31 March 2023	**4,281,328**	**1,279,980**	**3,090,404**	**2,185,196**	**12,422,103**	**142,956**	**72,707**	**23,474,674**
(ii) Accumulated depreciation and impairment								
1 April 2021	1,218,082	665,069	1,092,652	1,024,809	3,166,547	55,210	-	7,222,369
Depreciation	598,082	168,099	495,848	257,621	1,427,523	5,960	-	2,953,133
Disposals	- 288,007	-	- 51,918	- 8,485	- 82,063	-	-	- 430,473
Foreign exchange movements	31,619	16,881	42,353	29,000	110,381	3,719	-	233,953
31 March 2022	**1,559,776**	**850,049**	**1,578,935**	**1,302,945**	**4,622,388**	**64,889**	**-**	**9,978,982**
Depreciation	605,968	163,708	734,920	214,815	1,589,308	11,879	-	3,320,598
Disposals	-	-	-101,992	-7,648	-34,601	-24,041	-	-168,282
Foreign exchange movements	-121,587	-57,626	-132,639	-90,043	-370,375	-3,042	-	-775,312
31 March 2023	**2,044,157**	**956,131**	**2,079,224**	**1,420,069**	**5,806,720**	**49,685**	**-**	**12,355,986**
(iii) Net book value								
31 March 2022	**2,383,550**	**385,062**	**1,256,162**	**688,305**	**8,122,542**	**39,635**	**-**	**12,875,256**
31 March 2023	**2,237,171**	**323,849**	**1,011,180**	**765,127**	**6,615,383**	**93,271**	**72,707**	**11,118,688**

14.a. Leases (IFRS 16)

Movement schedule of carrying amounts

	Buildings EUR	Computer equipment EUR	Total EUR
Right of use assets			
31 March 2022	1,670,416	7,414,520	9,084,936
Movements during the period			
Additions	593,509	-	593,509
Disposals	-	- 165,558	- 165,558
Depreciation	- 605,205	- 1,102,543	- 1,707,748
Foreign exchange movements	-91,825	-355,366	-447,191
31 March 2023	**1,566,895**	**5,791,053**	**7,357,948**
Lease liability			
31 March 2022	1,956,844	8,343,880	10,300,724
Movements during the period			
Additions	593,509	-	593,509
Terminations	-	- 111,120	- 111,120
Accretion of interest	236,768	819,517	1,056,285
Payments (reducing the lease-liability)	-804,536	-1,599,607	-2,404,143
Foreign exchange movements	- 111,159	- 435,393	- 546,552
31 March 2023	**1,871,426**	**7,017,277**	**8,888,703**
General lease term	1-10 year	1-10 year	
Expenses relating to short-term leases and low value assets			3,572,108

Movement schedule of carrying amounts

	Buildings EUR	Computer equipment EUR	Total EUR
Right of use assets			
31 March 2021	1,927,366	5,970,193	7,897,559
Movements during the period			
Additions	353,610	2,200,303	2,553,913
Disposals	- 39,824	-	- 39,824
Depreciation	- 595,464	- 912,662	- 1,508,126
Foreign exchange movements	24,727	156,686	181,413
31 March 2022	**1,670,416**	**7,414,520**	**9,084,935**
Lease liability			
31 March 2021	2,198,425	6,631,649	8,830,074
Movements during the period			
Additions	353,610	2,199,191	2,552,801
Accretion of interest	215,672	724,406	940,078
Payments (reducing the lease-liability)	-841,514	-1,388,423	-2,229,937
Foreign exchange movements	30,651	177,058	207,709
31 March 2022	**1,956,844**	**8,343,880**	**10,300,725**
General lease term	1-10 year	1-10 year	
Expenses relating to short-term leases and low value assets			2,690,161

15. Goodwill and impairment

The carrying amount of goodwill is allocated to the cash generating units (CGUs) as follows:

	Goodwill carrying amount 2022/2023 EUR	Goodwill carrying amount 2021/2022 EUR
Opening balance *	52,912,959	52,012,790
- Foreign exchange movements	- 3,116,774	900,169
- Impairment	-	-
Closing Balance	**49,796,185**	**52,912,959**

* An amount of EUR 6,905,700 has been adjusted in the opening balance of FY2021/2022 in relation to the retrospective merger of MMFL in CA-Grameen.

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment.

For CA Grameen, after the IPO was executed in August 2018, the traded stock price was used to compute the Fair Value. The management has measured sufficient head room for CGU and hence resulted in no impairment. Management believes that any reasonably possible change in the key assumptions on which the recoverable amounts of CA Grameen are based would not cause the carrying amount of the same to exceed the estimated recoverable amount of the CGU.

For MMFL, the acquisition was completed and paid in March 2020. At 31 March 2023, the Group has computed the Fair Value of MMFL based on the Comparable Companies' Multiples (CCM) method, which is furthermore corroborated by the Discounted Cash Flow (DCF) method. Since the carrying value is less than the fair value of MMFL under DCF as well as CCM, there is no impairment of Goodwill as of 31 March 2023.

16. Non-controlling Interests (NCI)

CreditAccess Grameen Limited

As per 31 March 2023 the Company holds 72.44% of CA Grameen or 115,109,028 shares (31 March 2022; 73.85% / 115,109,028 shares).

Highlights of financial information of CA Grameen is provided below:

Statement of comprehensive income	**2022/2023 EUR**	**2021/2022 EUR**
Interest and similar income	397,682,689	296,503,403
Interest and similar expenses	- 145,361,405	- 113,806,592
Net interest income	**252,321,284**	**182,696,811**
Credit loss expenses	- 40,989,458	- 60,355,073
Total operating expenses	- 98,992,585	- 79,362,255
Net result after taxation	**98,734,244**	**41,242,844**
Attributable to:		
Controlling Interest	98,734,244	41,929,287
Non-controlling Interest	-	-686,443
Total comprehensive income		
Attributable to:		
Controlling interest	99,739,641	32,063,473
Non-controlling interest	-	-679,544
Statement of cash flows		
Cash flows from operating activities	- 387,448,401	- 309,182,424
Cash flows from investing activities	- 43,352,748	-8,052,062
Cash flows from financing activities	402,217,546	227,205,627
Net cash inflows/(outflows)	**- 28,583,603**	**-90,028,859**

Financial position	**31 March 2023 EUR**	**31 March 2022 EUR**
Assets	2,444,895,270	2,067,504,813
Liabilities	1,873,648,396	1,583,035,519
Equity: Controlling interest	571,246,874	472,773,728
Non-controlling interest (MMFL in CA-Grameen)	-	11,695,566
Total equity and liabilities	2,444,895,270	2,067,504,813
Total non-controlling interests *	**162,211,502**	**138,144,785**

The total non-controlling interest at year-end consists of the following:	**31 March 2023 EUR**	**31 March 2022 EUR**
CreditAccess Grameen Limited *	157,435,638	138,144,785
CreditAccess Life Insurance Ltd.	4,775,864	-
Total	**162,211,502**	**138,144,785**

* An amount of EUR 2,824,141 has been adjusted in the opening balance of FY2021/2022 in relation to the retrospective merger of MMFL in CA-Grameen.

There may be some immaterial presentational difference between EU IFRS and Ind-AS numbers.

17. Loans to customers

	31 March 2023 EUR	31 March 2022 EUR
Gross carrying amount		
Group loans	2,150,365,539	1,795,037,303
Individual loans	18,671,647	23,394,019
	2,169,037,186	**1,818,431,322**
Impairment allowance		
Group loans	- 37,849,768	- 58,435,962
Individual loans	- 1,059,456	- 5,017,346
	- 38,909,224	**- 63,453,308**
Loans to customers - Net	**2,130,127,962**	**1,754,978,014**

	31 March 2023 EUR	31 March 2022 EUR
Loans to customers - Gross	2,169,037,186	1,818,431,322
Less: Impairment allowance	- 38,909,224	- 63,453,308
Loans to customers - Net	**2,130,127,962**	**1,754,978,014**

31 March 2023	**CreditAccess Grameen**		**Total**
	FVTOCI **EUR**	**Amortized Cost** **EUR**	**Total** **EUR**
Loans to customers - Gross	-	2,169,037,186	2,169,037,186
Impairment on loans to customers	-	- 38,909,224	- 38,909,224
Loans to customers - Net	**-**	**2,130,127,962**	**2,130,127,962**

31 March 2022	**CreditAccess Grameen**		**Consolidated**
	FVTOCI **EUR**	**Amortized Cost** **EUR**	**Total** **EUR**
Loans to customers - Gross	1,373,433,200	444,998,122	1,818,431,322
Impairment on loans to customers	- 37,814,920	- 25,638,388	- 63,453,308
Loans to customers - Net	**1,335,618,280**	**419,359,734**	**1,754,978,014**

Discounted cashflow method was used for the fair valuation of loans to customer falling in hold to collect and sell category (referred in note 3.4.6.1 i.e. FVTOCI) and the discount rate used was the prevailing lending rate of CA Grameen. The fair value of FVTOCI was similar to amortized cost at the start of the year and hence no gain/(loss) on remeasurement, required under IFRS 9, was recognized in opening balance for FVTOCI. The carrying value of the current and non-current portion of loans to customers presented at amortized cost approximates the fair value.

For loans to customers, an analysis of changes in gross carrying amounts and related ECL allowance is as below:

Amount in EUR	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - 1 April 2022	**1,682,822,369**	**35,975,454**	**99,633,500**	**1,818,431,322**
New assets originated/acquired	2,194,420,579	-	-	2,194,420,579
Assets repaid or derecognized (excluding write offs)	-1,586,974,850	-15,893,058	-26,007,321	-1,628,875,230
Transfers to Stage 1 from other stages	9,870,188	-6,114,122	-3,756,066	-
Transfers to Stage 2 from other stages	- 15,234,435	15,517,054	- 282,619	-
Transfers to Stage 3 from other stages	- 4,890,022	- 24,132,117	29,022,139	-
Accrued interest	-5,164,218	-355,481	-761,784	-6,281,483
Amounts written off	-	-	- 70,158,484	- 70,158,484
Foreign exchange adjustments	-137,116,363	-131,180	-1,251,974	-138,499,518
Gross carrying amount - 31 March 2023	**2,137,733,247**	**4,866,548**	**26,437,391**	**2,169,037,186**
ECL allowance - 1 April 2022	**13,549,435**	**7,677,800**	**42,226,073**	**63,453,308**
New assets originated	18,047,706	-	-	18,047,706
Assets repaid or derecognized (excluding write offs)	- 15,106,861	- 5,589,473	- 15,252,620	- 35,948,953
Transfers to Stage 1 from other stages	5,632,364	-2,951,789	- 2,680,575	-
Transfers to Stage 2 from other stages	- 132,971	339,345	- 206,374	-
Transfers to Stage 3 from other stages	- 43,278	- 11,669,193	11,712,471	-
Impact on ECL of exposures transferred between stages during the year	-3,170,834	14,788,575	54,828,553	66,446,294
Accrued interest	-48,949	-126,669	- 444,142	-619,759
Amounts written off	-	-	- 70,158,484	- 70,158,484
Foreign exchange adjustments	-1,130,344	-117,965	-1,062,577	-2,310,887
ECL allowance - 31 March 2023	**17,596,268**	**2,350,631**	**18,962,325**	**38,909,224**
Net carrying amount as at 31 March 2023	**2,120,136,979**	**2,515,917**	**7,475,066**	**2,130,127,962**
Gross carrying amount - 1 April 2021	**1,272,302,537**	**67,207,356**	**98,864,651**	**1,438,374,544**
New assets originated/acquired	1,832,694,020	-	-	1,832,694,020
Assets repaid or derecognized (excluding write offs)	-1,287,854,649	- 84,449,787	- 41,899,472	-1,414,203,909
Transfers to Stage 1 from other stages	78,846,865	-64,831,052	-14,015,813	-
Transfers to Stage 2 from other stages	- 179,273,357	189,378,848	- 10,105,491	-
Transfers to Stage 3 from other stages	- 71,669,344	- 71,779,269	143,448,613	-
Accrued interest	1,475,222	30,944	573,751	2,079,916
Amounts written off	-	-	- 79,171,595	- 79,171,595
Foreign exchange adjustments	36,301,074	418,415	1,938,856	38,658,345
Gross carrying amount - 31 March 2022	**1,682,822,369**	**35,975,454**	**99,633,500**	**1,818,431,322**
ECL allowance - 1 April 2021	**17,764,621**	**8,751,480**	**46,041,878**	**72,557,979**
New assets originated	14,125,781	-	-	14,125,781
Assets repaid or derecognized (excluding write offs)	- 14,822,867	- 13,800,524	- 17,975,013	- 46,598,404
Transfers to Stage 1 from other stages	583,168	- 482,434	-100,734	-
Transfers to Stage 2 from other stages	- 35,485,828	37,332,136	- 1,846,308	-
Transfers to Stage 3 from other stages	- 21,338,708	- 28,663,942	50,002,650	-
Impact on ECL of exposures transferred between stages during the year	1,365,994	1,656,551	16,281,724	19,304,270
Accrued interest	51,132,218	2,745,250	-8,374,974	45,502,494
Amounts written off	-	-	- 42,587,842	- 42,587,842
Foreign exchange adjustments	225,056	139,282	784,692	1,149,030
ECL allowance - 31 March 2022	**13,549,435**	**7,677,800**	**42,226,073**	**63,453,308**
Net carrying amount as at 31 March 2022	**1,669,272,933**	**28,297,654**	**57,407,427**	**1,754,978,014**

Total Portfolio (On and Off Balance Sheet)	31 March 2023 EUR	31 March 2022 EUR
On balance sheet – loans to customers – Net	2,130,127,962	1,754,978,014
Off balance sheet – loans to customers – Net	171,592,847	141,726,696
Total	**2,301,720,809**	**1,896,704,710**

The off balance sheet - loans to customers represent the loans to customers derecognized because these are sold to third parties. After the sale, the Group continues to provide collection services on the off balance sheet loans to customers.

18.a. Derivative financial instruments

	31 March 2023 EUR	31 March 2022 EUR
Derivative financial assets		
Hedging derivative financial instruments	3,537,941	-
Derivative financial liabilities		
Hedging derivative financial instruments	-	- 196,830
Total	**3,537,941**	**- 196,830**

Foreign exchange risk arises when a Group's company enters into transactions denominated in a currency other than its functional currency. Where the risk is considered to be significant, the treasury enters into a matching hedging contract with a primary financial institution according to the prevailing foreign exchange risk policy.

As at year-end CA-Grameen has entered into Currency Swaps in relation to loans taken in foreign currency, thereby hedging its exposure to foreign currency exchange rate movements.

	31 March 2023 EUR	31 March 2022 EUR
USD 195,000,000 / INR 15,753,150,000 notional amount, with a total fair value of	3,537,941	-
USD 15,000,000 / INR 1,117,500,000 notional amount, with a total fair value of	-	- 196,830
Total	**3,537,941**	**- 196,830**

18.b. Other financial assets

CA-Grameen and CA-LI have invested temporary liquidity surplus in securities, as follows;

	31 March 2023 EUR	31 March 2022 EUR
Government securities, including bonds and treasury bills	56,534,969	-
Other bonds and debentures	4,474,272	-
Mutual funds	7,317,194	-
Others	59,978	63,732
Total	**68,386,413**	**63,732**

19. Other assets

	31 March 2023 EUR	31 March 2022 EUR
Collateral against borrowing	8,469,533	20,601,981
Tax and social security *	5,310,578	5,210,213
Staff loans and advances	1,617,323	1,834,784
Security deposits (cash collateral for rent of offices and branches)	1,614,479	1,540,001
Advances	450,318	954,436
Net interest receivable	2,285,830	892,646
Prepayments	1,531,748	891,913
Accounts receivable	-	166,889
Others	13,165,506	10,016,400
Total	**34,445,315**	**42,109,263**

* An amount of EUR 1,170,832 has been adjusted in the opening balance of FY2021/2022 in relation to the retrospective merger of MMFL in CA-Grameen.

The carrying values of all above assets approximate the fair values.

Others include mainly income on assignment deals which is yet to be received.

Other Assets do not contain any impaired assets.

20. Transfers of financial assets

The following table provides a summary of financial assets (loans to customers) that have been transferred in such a way that part or all of the transferred financial assets do not qualify for de-recognition, together with the associated liabilities:

Securitizations	31 March 2023 EUR	31 March 2022 EUR
Carrying amount of transferred assets measured at amortized cost	11,583,933	-
Carrying amount of associated liabilities (Debt securities - measured at amortized cost)	11,051,009	-
Net position	**532,924**	**-**

21. Other liabilities

	31 March 2023 EUR	31 March 2022 EUR
Trade payables	1,547,570	8,203,891
Accrued interest (excluding Finance-debt at EIR)	-	45,044
Employee liabilities (see note 23)	9,165,248	7,487,693
Insurances	3,510,017	2,922,582
Donations	3,712	216,519
Accrued expenses	797,600	1,100,108
Tax and social security	2,176,692	2,348,061
Other liabilities	22,490,261	14,874,072
Total	**39,691,100**	**37,197,970**

The carrying values of all above liabilities approximate the fair values.

Insurances relate to life insurance claims and premiums originated by insurance products distributed by CA Grameen to its customers.

The increase in Other liabilities is mostly on account of the collection amount payable to investors in relation to assignment transactions originated by CA Grameen.

22. Finance debt

The Finance debt consists of:	31 March 2023 EUR	31 March 2022 EUR
Interest-bearing loans and borrowings		
Principal amounts	1,821,154,838	1,536,942,574
Effective interest adjustments	- 6,083,622	- 3,304,677
Loans and borrowings	1,815,071,216	1,533,637,897
Interest payable	11,170,669	10,376,910
	1,826,241,885	**1,544,014,807**
Lease liabilities	8,888,703	10,300,725
Total	**1,835,130,588**	**1,554,315,532**

The book value of the finance debt approximates the fair value, because there are no sharp changes to the interest rate environment and to the credit risk of Group companies from the date of securing the finance debt and the closing date.

The currency profile of the Group's borrowings is as follows:

Currency	31 March 2023 EUR	31 March 2022 EUR
EUR	1,600,000	8,286,206
INR	1,822,460,677	1,522,446,218
USD	2,181,208	13,282,383
Total	**1,826,241,885**	**1,544,014,807**

Loan covenants

All loans given to Group entities contain operational, financial and legal covenants. A breach of one or more covenants by the borrower may empower the lender to request an acceleration of the repayment of the outstanding amount of principal and the interest. As at 31 March 2023 the Group has respected all the loan covenants. No loan repayment has been accelerated by any counterparty during the year.

Pledged assets

The Group has placed deposits as collateral for borrowings. Reference is made to note 19 for the related amounts. The terms and conditions stipulate that these securities shall be held by the lender on account of the borrower for the repayment of the said loan and/or any other amount payable by the borrower to the lender, and the lender is authorized to withdraw/utilize/appropriate the proceeds, interest due thereon or of any other fixed-/short-term deposit opened in renewal/reinvestment thereof whether before or after due date thereof towards repayment of loan or any other amount without reference to the borrower.

The terms and conditions stipulate the borrower to authorize and irrevocably appoint the lender and/or its officer as its attorney to do whatever may be required to do in the exercise of all or any of the powers conferred on the lender including to recover, receive, collect, demand, sue for any of book debts, money receivables, money outstanding, claims, bills, supply bills of the borrower while the borrower shall bear the expenses that may be incurred in this regard. The lender or any person or persons appointed or nominated by it shall have the right at all times with or without notice to the borrower and if so required as attorney for and in the name of the borrower to enter in all premises, where the hypothecated assets including the premises where the books of accounts or other records documents etc. relating to the hypothecated assets are lying or left and to inspect value and take particulars of the same and/or to take abstracts from such books of account etc and the borrower shall produce all such records, books, vouchers, evidences and other information as the bank or the person(s) appointed or nominated as aforesaid by the lender may require.

Undrawn borrowings

The Group has undrawn borrowing facilities available at financial year end, for which all conditions have been met, as follows:

31 March 2023	Floating rate EUR	Fixed rate EUR	Total EUR
Expiry within 1 year	-	-	-
Expiry within 1 and 2 years	86,409,396	111,856,823	198,266,219
Expiry in more than 2 years	112,975,391	16,163,311	129,138,702
Total	**199,384,787**	**128,020,134**	**327,404,922**

31 March 2022	Floating rate EUR	Fixed rate EUR	Total EUR
Expiry within 1 year	-	14,857,252	14,857,252
Expiry within 1 and 2 years	25,316,757	-	25,316,757
Expiry in more than 2 years	19,017,282	-	19,017,282
Total	**44,334,039**	**14,857,252**	**59,191,290**

23. Employee liabilities

Liabilities for employee benefits comprise:	31 March 2023 EUR	31 March 2022 EUR
Accrual for annual leave	2,939,137	2,754,526
Other employee payables (salaries, bonus, etc.)	6,226,110	4,733,167
Total	**9,165,247**	**7,487,693**
Categorised as:		
Current	9,165,248	7,487,693
Non-current	-	-
Total	**9,165,248**	**7,487,693**

These employee liabilities form part of Other liabilities (refer to note 21)

24. Deferred tax

The movement on the deferred tax positions is as shown below:

	Asset 2022/2023 EUR	Liabilities 2022/2023 EUR	Asset 2021/2022 EUR	Liabilities 2021/2022 EUR
Opening balance *	**18,469,941**	**-**	**14,853,550**	**-**
Recognized in profit or loss account				
Tax benefit	-	-	-	-
Amortization of Intangibles	-	-	-	-
Others	-109,588	-	8,270	-
Other reconciling items				
Foreign currency translation	-532,119	-	337,670	-
Impact of difference between tax depreciation and depreciation/amortization charged to profit or loss account	-27,260	-	114,851	-
Impact of disallowance of leave encashment	99,774	-	138,756	-
Impact of movement of impairment of financial instruments and others	- 4,946,650	-	-234,038	-
Tax charge (credit) relating to components of other comprehensive income	-356,125	-	3,250,882	-
Acquisition and merger	-3,604,893	-	-	-
Others	59,619	-	-	-
Closing Balance	**9,052,699**	**-**	**18,469,941**	**-**

* An amount of EUR 2,723,247 has been adjusted in the opening balance of FY2021/2022 in relation to the retrospective merger of MMFL in CA-Grameen.

Deferred tax is calculated in full on temporary differences under the liability method using the local tax rates (India: 25.17%).

Deferred tax assets/(liabilities) are recognized in respect of tax losses/(profits) and other temporary differences giving rise to deferred tax assets/(liabilities) where management believes it is probable that these assets/(liabilities) will be recovered/(paid).

A deferred tax asset has not been recognized for the following:	31 March 2023 EUR	31 March 2022 EUR
Unused tax losses	36,188,990	33,174,627
	36,188,990	**33,174,627**

Netherlands	35,765,751
India	423,239
	36,188,990

In situations where no sufficient profits are expected to be used to compensate for the tax losses, no Deferred tax asset has been recognized.

For the Indian-part there is no expiry and the losses can be carried forward to subsequent financial years.

For the Dutch-part, as per changed tax-law on loss-compensation, no expiration-date applies anymore. Losses from fiscal-years starting 1 January 2013 are available indefinitely for compensation, however if taxable profit exceeds EUR 1 million, the excess can be offset only for 50%.

Details of deferred tax assets and liabilities (after offsetting of balances within the same jurisdiction as permitted by IAS 12) during the period are shown below:

	Asset	Liability	Net	(charged)/ credited to profit or loss	(charged)/ credited to equity
	31 March 2023	31 March 2023	31 March 2023	2022/2023	2022/2023
	EUR	EUR	EUR	EUR	EUR
Tax losses carried forward	-588,079	-	-588,079	-27,260	-
Temporary difference on property and equipment	733,596	-	733,596	99,774	-
Employee retirement benefit liabilities	-	-	-	-109,588	-
Deferred tax liability on Fair valuation	-420,775	-	-420,775	-	-
Impairment of financial instruments	8,381,089	-	8,381,089	- 4,938,879	-
Impact of 35D expenditure and Others (CA-Grameen)	946,868	-	946,868	59,269	-
Tax asset/(liabilities)	9,052,699	-	9,052,699	-4,916,684	-
Effects of offsetting	-	-	-	-	-
Net tax assets/(liabilities)	**9,052,699**	**-**	**9,052,699**	**-4,916,684**	**-**

Comparative information below has been changed to be consistent with the grouping for the current financial year.

	Asset	Liability	Net	(charged)/ credited to profit or loss	(charged)/ credited to equity
	31 March 2022	31 March 2022	31 March 2022	2021/2022	2021/2022
	EUR	EUR	EUR	EUR	EUR
Temporary difference on property and equipment	546,158	-	546,158	114,851	-
Employee retirement benefit liabilities	680,297	-	680,297	138,756	-
Customer acquisition cost at the time of MMFL acquisition	-1,150,878	-	- 1,150,878	475,895	-
Fair value adjustment on Derivative Liability	-92,980	-	-92,980	-	-
Deferred tax liability on Fair valuation	3,607,337	-	3,607,337	-	-
Impairment of financial instruments	13,823,837	-	13,823,837	-2,675,783	-
Impact of 35D expenditure and Others (CA Grameen)	947,195	-	947,195	1,967,082	-
Impact of expenditure charged to income-statement in current year, but allowed for tax purpose on payment basis	108,975	-	108,975	8,270	-
Tax asset/(liabilities)	18,469,941	-	18,469,941	29,071	-
Effects of offsetting	-	-	-	-	-
Net tax assets/(liabilities)	**18,469,941**	**-**	**18,469,941**	**29,071**	**-**

25. Share capital

Issued and fully paid capital	2022/2023	2022/2023	2021/2022	2021/2022
	Number	EUR	Number	EUR
'Ordinary shares' of 1 EUR each	36,120,162	36,120,162		
'T shares' of 16 EUR each	8,562,817	137,005,072		
'CALI shares' of 1 EUR each	1,157,589	1,157,589		
	45,840,568	**174,282,823**		
Opening balance	**45,840,568**	**45,840,568**	**45,840,568**	**45,840,568**
Capital restructuring	-	128,442,255	-	-
	45,840,568	**174,282,823**	**45,840,568**	**45,840,568**
Closing balance	**45,840,568**	**174,282,823**	**45,840,568**	**45,840,568**

26. Reserves

The following describes the nature and purpose of each reserve within equity. For amounts, please refer to the consolidated statement of changes in equity.

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Treasury shares	Treasury shares represent own Ordinary equity shares at purchase price. The total number of shares held in treasury is 282,103 (31 March 2022: 282,103).
Revaluation reserve	The revaluation reserve relates to the share in OCI of consolidated entities.
Translation reserve	The gains/losses arising on retranslating the net asset value of consolidated entities whereby their functional currency is different from the Group reporting currency (i.e. EUR).
Merger reserve	A merger reserve was recognized as the difference between the carrying amount of assets and liabilities acquired against (i) the value of paid up capital (including share premium) of the outstanding shares of the acquired entity (in case of the reverse merger in 2014 with Microventures Finance Group, SA, Luxembourg) or (ii) the amount of the investment in the acquired entity as carried in the books of CreditAccess (in case of the merger in 2015 with MFA SARL, Luxembourg and Microventures Investments SA SICAR, Luxembourg).
Other reserves	CreditAccess India B.V. launched the public listing of its core operating company CreditAccess Grameen Limited in India in FY18/19. The IPO comprised of a primary issuance and a secondary sale by CreditAccess Asia N.V. (predecessor of CreditAccess India B.V. prior to the demerger). The IPO has resulted in EUR 99 mln in Other Reserves (a value step up of EUR 60 mln due to the share issuance and net proceeds of EUR 39 mln due to the secondary sale). The remaining EUR 47 mln in Other Reserves is primarily driven by the value step up as a result of the Qualified Institutions Placement by CreditAccess Grameen in October 2020. During 2022/23 EUR 14 mln was moved to share capital at the time of reclassification of shares into Ordinary shares, CALI shares and non-voting T shares.
Retained earnings	It represents the cumulative profits/losses of prior periods and the current period. It also includes re-measurements required on account of changes in accounting policies adopted by the Group.

27. Analysis of amounts recognized in other comprehensive income

	Revaluation Reserve	Cash flow hedge reserve	Cost of hedging reserve	Translation Reserve	Total
	EUR	EUR	EUR	EUR	EUR
Period up to 31 March 2023					
Items that are or may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations	637,359	-	-	-16,953,275	**- 16,315,916**
Tax relating to items that may be reclassified	-	-	-	-	**-**
	637,359	**-**	**-**	**-16,953,275**	**- 16,315,916**
Period up to 31 March 2022					
Items that are or may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations	-7,449,186	-	-	7,134,058	**- 315,128**
Effective portion of changes in fair value on cash flow hedges	-	-332,744	-	-	**-332,744**
Net change in cost of hedging	-	-	419,197	-	**419,197**
Tax relating to items that may be reclassified	-	-	-	-	**-**
	-7,449,186	**-332,744**	**419,197**	**7,134,058**	**- 228,675**

28. Commitments and contingent liabilities

Amounts are due as follows:	31 March 2023	31 March 2022
	EUR	EUR
Not later than one year	1,876,000	1,711,000
Later than one year and not later than five years	-	-
Later than five years	-	-
Total	**1,876,000**	**1,711,000**

The figures above relate to commitments mainly in relation to the future value of minimum lease payments which were not recognized through IFRS16 and committed expenditure for (in)tangible fixed assets.

29. Post-employment benefit obligations

(i) Defined benefit scheme characteristics and funding

The Group operates post-employment defined benefit scheme for its employees in CA Grameen only.

It provides employees in India with a pension upon retirement.

The scheme is funded by the Company and employees contribute to the scheme. Contributions by the Company are calculated by a separate actuarial valuation based on the funding policies detailed in the scheme agreement. The scheme is insured. The insurer is responsible for the administration of the plan assets and for the definition of the investment strategy.

The Plan assets consist for 100% of investments with the insurer.

The scheme pension plan in the insurance contract does not contain real assets, the plan asset is the value of the insurance contract (accrued benefits against discount rate). There is no direct relation between the value of the insurance contract and the value of CreditAccess India B.V. or any other Group companies.

The scheme is legally separate from the Group.

The scheme is exposed to a number of risks, including:

- *Investment risk:* movement of discount rate used (high quality corporate bonds) against the return from plan assets.
- *Interest rate risk:* decreases/increases in the discount rate used (high quality corporate bonds) will increase/ decrease the defined benefit obligation.
- *Longevity risk:* changes in the estimation of mortality rates of current and former employees.
- *Salary risk:* increases in future salaries increase the gross defined benefit obligation.

Estimates and assumptions

The costs, assets and liabilities of the defined benefit schemes operated by the Group companies are determined using methods relying on actuarial estimates and assumptions. The Group takes advice from independent actuaries relating to the appropriateness of the assumptions.

(ii) Defined benefit obligation - actuarial assumptions

The principal actuarial assumptions used in calculating the present value of the defined benefit obligation include:

		Scheme CA Grameen
	2022/2023	**2021/2022**
Retirement age	60 years	60 years
Mortality rate	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate
Disability rate	Age 20 = 0.09%, Age 30= 0.09% and Age 35 & above= 0.12%	5% of mortality rates
Average age	28.77 years	28.45 years
Valuation method	Projected unit Credit	Projected Unit Credit

(iii)-a Reconciliation of post employment defined benefit obligation and fair value of scheme assets, in aggregate

	Defined benefit obligation		Fair value of scheme assets		Net defined scheme liability	
	2022/2023	2021/2022	2022/2023	2021/2022	2022/2023	2021/2022
	EUR	EUR	EUR	EUR	EUR	EUR
Opening balance	**3,163,350**	**2,521,246**	**2,152,124**	**1,640,007**	**1,011,226**	**881,239**
Current service cost	809,111	694,082	-	-	809,111	694,082
Interest cost/(income)	181,593	160,390	-	-	181,593	160,390
Included in profit or loss	990,704	854,472	-	-	990,704	854,472
Return on plan assets	-	-	163,848	125,016	-163,848	-125,016
Actuarial changes arising from changes in demographical assumptions	-40,842	-2,768	-	-	-40,842	-2,768
Actuarial changes arising from changes in financial assumptions	- 95,470	- 364,665	-	-	- 95,470	- 364,665
Experience adjustments	68,142	284,883	-139,475	-930	207,617	285,813
Included in other comprehensive income	-68,170	- 82,550	24,373	124,086	- 92,543	- 206,636
Employer contributions	-	-	581,328	485,494	- 581,328	- 485,494
Benefits paid	- 271,962	- 196,898	- 201,521	- 143,773	- 70,441	- 53,125
Other Movements	- 271,962	- 196,898	379,807	341,721	- 651,769	- 538,619
Foreign exchange differences	-228,361	67,080	-152,705	46,310	-75,656	20,770
Closing balance	**3,585,561**	**3,163,350**	**2,403,599**	**2,152,124**	**1,181,962**	**1,011,226**

Represented by:	**31 March 2023**	**31 March 2022**
	EUR	**EUR**
- Scheme CA-Grameen	1,181,962	1,011,226
Total	**1,181,962**	**1,011,226**

(iii)-b Reconciliation of post employment defined benefit obligation and fair value of scheme assets, per country

	Scheme - CA Grameen (India)		
	Defined benefit obligation	Fair-value of scheme assets	Net defined scheme liability
	2022/2023	2022/2023	2022/2023
	EUR	EUR	EUR
Opening balance	**3,163,350**	**2,152,124**	**1,011,226**
Current service cost	809,111	-	809,111
Interest cost/(income)	181,593	-	181,593
Past service cost and settlements	-	-	-
Included in profit or loss	990,704	-	990,704
Return on plan assets	-	163,848	- 163,848
Actuarial changes arising from changes in demographical assumptions	- 40,842	-	- 40,842
Actuarial changes arising from changes in financial assumptions	- 95,470	-	- 95,470
Experience adjustments	68,142	- 139,475	207,617
Included in other comprehensive income	-68,170	24,373	-92,543
Employer contributions	-	581,328	- 581,328
Benefits paid	- 271,962	- 201,521	- 70,441
Acquisition	-	-	-
Other Movements	- 271,962	379,807	- 651,769
Foreign exchange differences	-228,361	-152,705	-75,656
Closing balance	**3,585,561**	**2,403,599**	**1,181,962**

(iv) Sensitivity analysis

A sensitivity analysis extrapolating the impact on the defined benefit obligation as a result of reasonable changes in key assumptions at the end of the reporting period, keeping all other assumptions constant, is as follows:

Impact on defined benefit obligation	**31 March 2023**
	EUR
1% increase in discount rate	- 223,329
1% decrease in discount rate	257,049
1% increase in the salary increase rate assumption	217,327
1% decrease in the salary increase rate assumption	- 194,428

(v) Others

The expected contributions to the plan for the next Annual Reporting period amounts to EUR 897,087.

The fair values of each major class of plan assets are as follows:	**31 March 2023**
	EUR
Cash and cash equivalents	-
Investments quoted in active markets	-
Unquoted investments	-
Others; Assets under insurance schemes	2,403,599
Total	**2,403,599**

30. Share-based payment

The Board of the Company has approved the Terms and Conditions of an employee share option plan named "IPO Incentive Plan" or "Liquidity Reward Plan (since 2020)".

The Liquidity Reward Plan consists of up to 1,200,000 options reserved to key managers fulfilling strategic positions within the Group. Options maybe granted annually in maximum 5 consecutive years. The actual number of granted options will be decided upon by the Board based on the achievement of Group financial targets and of individual KPIs of the key managers.

On November 2016, the Company has granted a first tranche consisting of 161,908 options (First Grant) with vesting period starting retroactively from 31st March 2016. On 7 September 2017, the Company has granted a second tranche consisting of 195,922 options (Second Grant) with vesting period starting retroactively from 31st March, 2017. On December 1st 2018, the Company has granted a third tranche consisting of 318,931 options (Third Grant) with vesting period starting retroactively from 31st March 2018. On November 20th 2019, the Company has granted a fourth tranche consisting of 216,994 options (Fourth Grant) with vesting period starting retroactively from 31st March 2019. On December 4th 2020, the Company has granted a fifth tranche consisting of 17,904 options (Fifth Grant) with vesting period starting retroactively from 31st March 2020. In FY 2022, the Company granted an additional number of 500 options under the Fifth Grant.

Furthermore, in FY22/23 the Company has not forfeited any options across the five grants (FY21/22: 13,982).

Vesting is subject to a minimum of 36 months of service of the key manager and the Company execution of a Qualified IPO or the Liquidity Event, as described in the Governance Policy of the Company.

No amounts are paid or payable by the recipient upon grant of the options. The options carry neither rights to dividends nor voting rights. When exercisable each option can be converted into one equity share of the Company.

The Company does not have any re-purchase obligation regarding the issued options. Customary good leaver clauses apply to the Liquidity Reward Plan.

The fair-value of the options granted was determined using a Black-Scholes method of valuation with the following key assumptions for most recent grant: strike price EUR 16.80, underlying stock price EUR 16.80, dividend yield 0%, discount rate -0.321%, volatility of the stock equal to CA Grameen stock volatility at 51.54%.

The weighted average exercise price of options outstanding at 31 March 2023 was EUR 9,21 (2022: 9,21) and their weighted average remaining contractual life was 6.3 years. Of the total number of options outstanding at 31 March 2023, none had vested and none were exercisable. At 31 March 2023 there were still 397,119 options available for grant (2022: 397,119).

Options	Weighted average exercise price 2022/2023 (EUR)	2022/2023 Number	Weighted average exercise price 2021/2022 (EUR)	2021/2022 Number
Outstanding at beginning of period	9.21	802,881	9.72	816,363
Granted during the period	-	-	16.80	500
Forfeited during the period	-	-	13.82	- 13,982
Lapsed during the period	-	-	-	-
Outstanding at end of period	**9.21**	**802,881**	**9.21**	**802,881**

Grants	Options granted	Grant date	Grant effective date	Vesting – and exercise period (from Grant effective date)	Strike price EUR	Fair-value at grant date(IPO probability adjusted) EUR
Grant 1	161,908	01/Nov/16	31/Mar/16	8yrs	4.79	2.30
Grant 2	195,922	07/Sep/17	31/Mar/17	7yrs	7.46	1.44
Grant 3	318,931	01/Dec/18	31/Mar/18	6yrs	8.75	1.54
Grant 4	216,994	20/Nov/19	31/Mar/19	5yrs	15.00	2.11
Grant 5	16,594	04/Dec/20	31/Mar/20	4yrs	16.80	2.75
Grant-5 (addition)	500	31/Mar/22	31/Mar/20	4yrs	16.80	2.75

The amount charged to the profit or loss account through 'Other reserves' amounts to;

	2022/2023 EUR	2021/2022 EUR
Fifth Grant	14,139	16,880
Fourth Grant	147,107	122,703
Third Grant	119,871	96,878
Second Grant	42,933	41,821
First Grant	50,281	46,927
	374,331	**325,209**
Re-allocation prior period	-	-
Remeasurement due to lapsed options	-	-
Remeasurement due to forfeited options	-	- 36,503
	374,331	**288,706**

Furthermore CA Grameen, India, operates an equity-settled share-based remuneration scheme for its employees.

Details are as follows:

Options	Weighted average exercise price 2022/2023 (EUR)	2022/2023 Number	Weighted average exercise price 2021/2022 (EUR)	2021/2022 Number
Outstanding at beginning of period	5.37 (INR 452.01)	2,092,186	0.91 (INR 75.52)	1,404,943
Granted during the period	10.79 (INR 902.60)	768,600	6.88 (INR 595.68)	1,029,300
Forfeited during the period	-	-	-	-
Exercised during the period	1.55 (INR 129.59)	-364,746	1.23 (INR 106.32)	-284,094
Lapsed/expired during the period	6.36 (INR 532.48)	-71,796	6.95 (INR 596.48)	-57,963
Outstanding at end of period	**7.17 (INR 640.99)**	**2,424,244**	**5.37 (INR 452.01)**	**2,092,186**

The exercise price of options outstanding at 31 March 2023 ranged between EUR 0.32 (INR 27) and EUR 10.79 (INR 902.60) with weighted average exercise price of EUR 7.17 (INR 640.99) and a weighted average remaining contractual life of 4.01 years. As at 31 March 2023, 757,194 options had vested and were exercisable. The fair-value of the options granted was determined using a Black-Scholes method of valuation.

The share-based remuneration expense (note 10) comprises:

	2022/2023 EUR	2021/2022 EUR
Equity-settled schemes	1,647,151	918,074
Total	**1,647,151**	**918,074**

During the current or previous period, the Group did not enter into any share-based payment transactions with parties other than employees and related parties of the group as detailed in the note above.

31. Related party transactions

Related parties are the consolidated subsidiaries (refer note 3.2), the companies demerged to CreditAccess SEA Group, shareholders of CreditAccess India B.V. and the key management personnel of CreditAccess India B.V.

All related party transactions have been entered at arm's length conditions.

Investments in subsidiaries are disclosed in note 41.

CreditAccess India provides shared facilities and resources to CreditAccess SEA Group for which a fee is charged.

There have been no significant transactions with any shareholder of CreditAccess India B.V.

Remuneration of the key management personnel:

The amounts disclosed below are the amounts recognized as an expense during the reporting period related to Key Management Personnel.

Key Management Personnel consist of: the executive- and non-executive directors of the Company.

The Non-Executive Directors receive a fixed annual remuneration. The Company did neither provide post-employment benefits, long-term employee benefits and termination benefits nor share-based payments, bonuses and profit shares to non-executive directors.

The remuneration of the Executive Directors consists of annual fixed remuneration and long term variable remuneration. During the financial year, no options were granted under the equity-settled share based remuneration scheme of CreditAccess India B.V. Refer to note 30 on shared-based payment.

B.R. Diwakar, C.Pinto, G.Siccardo, F.Carini and K.Slobbe hold equity interest in the Company.

Non-executive directors	Remuneration 2022/2023 EUR	Remuneration 2021/2022 EUR
F.G.M. Moccagatta (Presiding Director)	210,000	150,558
S. Petruccioli	80,000	35,890
B. Corazza	75,000	75,000
F. Carini	65,000	65,000
D. Mintz	65,000	65,000
P. Brichetti	65,000	10,833
M. Atzwanger	65,000	29,428
K.J.M. Slobbe (until 18 November 2022)	47,363	33,656
L. Cremonesi (from 18 November 2022)	26,586	-
C. Pinto (Presiding Director until 31 August 2021)	-	92,459
G. Siccardo (until 20 September 2021)	-	31,508
M.R. Spongano (until 30 June 2021)	-	18,750
	698,949	**608,082**
Executive directors		
B.R. Diwakar (CEO until 31 December 2022)	264,704	273,310
K.J.M. Slobbe (Executive director from 18 November 2022, CEO from 1 January 2023)	69,305	-
P. Brichetti (severance payment in FY 2022/2023)	194,000	223,198
	528,009	**496,508**
Total (Non-executive + Executive)	**1,226,958**	**1,104,590**

32. Subsequent events

There is no significant subsequent event to report.

33. Notes supporting statement of cash flows

Cash and cash equivalents for the purpose of the statement of cash flows comprise:

	2022/2023 EUR	2021/2022 EUR
Cash at bank and in hand available on demand	25,959,629	38,901,029
Short-term deposits	125,627,590	175,027,198
Total	**151,587,219**	**213,928,227**

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Company statement of profit or loss

	Note	2022/2023 EUR	2021/2022 EUR
Interest and similar income	35	15,896	164,447
Interest and similar expenses	36	- 147,383	- 1,429,650
Net interest income		**- 131,487**	**- 1,265,203**
Other income		21,735	9,819
Gross result		**- 109,752**	**- 1,255,384**
Personnel expenses	37	- 1,781,096	- 1,909,695
Depreciation and amortisation		- 88,207	- 56,720
Other operating expenses	38	- 1,569,894	- 5,044,180
Operating expenses		**- 3,439,197**	**- 7,010,595**
Operating result before value adjustments		**- 3,548,949**	**- 8,265,979**
Result from foreign currency denominated transactions		3,363	-78,130
Share in results of subsidiaries	41	71,760,096	31,322,585
Share in results of associates	42	- 112,388	- 8,303
		71,651,071	**31,236,152**
Result before taxation		**68,102,122**	**22,970,173**
Taxation on result		-	-
Result for the period		**68,102,122**	**22,970,173**

Company balance sheet

(before appropriation of result)	Note	31 March 2023 EUR	31 March 2022 EUR
Assets			
Non-current assets			
Intangible fixed assets	39	7,773,959	8,260,536
Tangible fixed assets	40	121,216	209,962
Investments in subsidiaries	41	427,404,619	357,126,140
Investments in associates	42	-	11,742
Total Non-current assets		***435,299,794***	***365,608,380***
Current assets			
Group companies	43	167,246	-
Other assets	44	324,602	290,993
Cash and cash equivalents	45	889,924	26,065,052
Total current assets		***1,381,772***	***26,356,045***
Total assets		**436,681,566**	**391,964,425**
Liabilities			
Short term liabilities			
Finance debt	47	1,604,587	8,286,206
Lease liabilities	40	106,434	108,486
Other liabilities	46	531,640	1,202,194
Total short term liabilities		***2,242,661***	***9,596,886***
Current assets minus short term liabilities		***-860,889***	***16,759,159***
Assets minus short term liabilities		***434,438,905***	***382,367,539***
Long term liabilities			
Lease liabilities	40	-	89,153
Total long term liabilities		***-***	***89,153***
Total liabilities		**2,242,661**	**9,686,039**
Assets minus liabilities		**434,438,905**	**382,278,386**
Capital and reserves attributable to owners of the company	48		
Share capital		174,282,823	45,840,568
Share premium		-	114,729,160
Treasury shares		-320,433	-320,433
Merger reserve		798,915	798,915
Translation reserve		-56,058,236	-39,104,939
Revaluation reserve		-7,524,556	-8,161,917
Other reserves		132,786,492	146,125,256
Retained earnings		190,473,900	122,371,776
Total equity		**434,438,905**	**382,278,386**
Total equity and liabilities		**436,681,566**	**391,964,425**

Notes to the Company financial statements

34. Accounting policies for the Company financial statements

The Company financial statements of CreditAccess India B.V., which form part of the consolidated financial statements for 31 March 2023 of the Group, have been prepared in accordance with the provisions of Part 9, Book 2 of the Dutch Civil Code. Pursuant to Section 362(8) of this Code, the same accounting policies were used as in the consolidated financial statements.

Assets and liabilities are measured, foreign currencies translated and profit determined in accordance with the same accounting policies of the consolidated financial statements as described earlier in this report. The carrying amount of the current portion of financial instruments approximates the fair value.

In the Company financial statements, entities over which the Company has significant influence or control are recognized using the equity method of accounting. If the share of losses of CreditAccess India B.V. exceeds the value of the ownership interest in an entity, the book value of the subsidiary is reduced to nil in the balance sheet and further losses are no longer recognized except to the extent that CreditAccess India B.V. has a legally enforceable or constructive obligation.

These standalone financial statements have been prepared on a going concern basis.

35. Interest and similar income

The Company earned interest income mainly on loans provided to entities which were subsidiaries at the time of extending the loans and which had eventually been demerged into CreditAccess SEA Group.

	2022/2023 EUR	2021/2022 EUR
Interest on loans to CreditAccess SEA Group	-	164,447
Others	15,896	-
Total	**15,896**	**164,447**

36. Interest and similar expenses

	2022/2023 EUR	2021/2022 EUR
Interest on other external borrowing and similar expenses	91,016	625,056
Interest on Global bond (Mediobanca)	-	405,701
Negative interest on credit balance with banks	49,959	315,888
Amortization of hedging forward points	-	76,857
Interest on Right of Use Assets	6,408	6,148
Total	**147,383**	**1,429,650**

37. Personnel expenses

	2022/2023 EUR	2021/2022 EUR
Wages and salaries	1,332,411	1,495,733
Share-based payments	374,331	288,706
Social security costs	74,354	125,256
Total	**1,781,096**	**1,909,695**

In FY 2022/2023, the average number of employees (Full Time Equivalent, rounded) was 5 (2021/2022: 9).

See note 30 for more information on the share-based payments.

38. Other operating expenses

	2022/2023 EUR	2021/2022 EUR
Legal fees	389,077	3,510,458
Directors' fees	698,949	595,619
Other professional fees	209,251	586,746
Audit and accounting	90,889	189,034
Insurance	64,853	83,415
Staff training and benefits	1,960	39,260
Rental and office expenses (exempted from IFRS16)	58,526	38,438
Taxes (other than Corporate Income Tax) and licences	20,579	24,917
Travel and lodging	71,523	22,039
Communication and IT	8,565	10,862
Business advisory	8,434	3,000
Bank charges	2,372	2,162
Other operating expenses	6,382	1,721
Marketing and advertising	2,797	1,120
Expenses recharged to companies demerged in FY19/20	- 64,263	- 64,611
Total	**1,569,894**	**5,044,180**

The material decrease in legal fees is mainly due to prior years exceptional services provided for governance related subjects.

39. Intangible fixed assets

Intangible fixed assets include Goodwill amounting to EUR 7,773,959 (31 March 2022: EUR 8,260,536).

The movements during the period are as follows:

	2022/2023 EUR			2021/2022 EUR		
	Goodwill			Goodwill		
	Cost	Accumulated amortisation and impairment	Net book value	Cost	Accumulated amortisation and impairment	Net book value
Opening balance	**8,260,536**	**-**	**8,260,536**	**8,098,912**	**-**	**8,098,912**
Acquired through business combinations	-	-	-	-	-	-
Amortisation and impairment	-	-	-	-	-	-
Foreign exchange rate movements	-486,577	-	-486,577	161,624	-	161,624
Closing balance	**7,773,959**	**-**	**7,773,959**	**8,260,536**	**-**	**8,260,536**

Please refer to note 15 for Goodwill.

40. Tangible fixed assets

	31 March 2023	31 March 2022
	EUR	EUR
Lease assets (IFRS16)	115,597	199,669
Others	5,619	10,293
Total tangible fixed assets	**121,216**	**209,962**

Movement schedule of carrying amounts of Lease assets (IFRS16)	Buildings	Total
	EUR	EUR
Right of use assets		
31 March 2022	199,669	199,669
Movements during the period		
Additions	-	-
Disposals	-	-
Depreciation	- 84,072	- 84,072
31 March 2023	**115,597**	**115,597**
Lease liability		
31 March 2022	197,639	197,639
Movements during the period		
Additions	-	-
Accretion of interest	6,408	6,408
Payments (reducing the lease liability)	- 97,613	- 97,613
31 March 2023	**106,434**	**106,434**
General lease term	2.4 years	

There are no significant expenses relating to lease payments not included in the measurement of lease liabilities.

Lease liabilities - Current/ Non-current	31 March 2023	31 March 2022
	EUR	EUR
Lease liabilities – Long term	-	89,153
Lease liabilities – Short term	106,434	108,486
Total	**106,434**	**197,639**

Details of carrying amounts of other tangible fixed assets	Leasehold improvements	Furniture and fixtures	Computer equipment	Total
	EUR	EUR	EUR	EUR
Cost	50,094	16,662	28,691	95,447
Accumulated Depreciation	- 50,094	- 16,662	- 23,072	- 89,828
Net book value at 31 March 2023	**-**	**-**	**5,619**	**5,619**

Details of carrying amounts of other tangible fixed assets	Leasehold improvements	Furniture and fixtures	Computer equipment	Total
	EUR	EUR	EUR	EUR
Cost	50,094	16,662	36,080	102,836
Accumulated Depreciation	- 50,094	- 16,381	- 26,068	- 92,543
Net book value at 31 March 2022	**-**	**281**	**10,012**	**10,293**

41. Investments in subsidiaries

The movements during the period are as follows:

	2022/2023	2021/2022
	EUR	EUR
Opening balance *	**357,126,140**	**326,190,474**
Additions from capital contributions:		
- MVH Srl	-	90,000
- CA-SEC BV	3,000	5,000
	3,000	**95,000**
Capital reductions		
- MVH Srl	-	- 5,012
	-	**-5,012**
Transfer from Associates	1,459,670	
Investments in subsidiary - CALI	12,885,052	
Share in result of subsidiaries	71,760,096	31,322,585
Share in participations, directly through equity	637,359	-7,449,186
Exchange rate differences	-16,466,698	6,972,279
Closing balance	**427,404,619**	**357,126,140**

* An amount of EUR 7,975,638 has been adjusted in the opening balance of FY2021/2022 in relation to the retrospective merger of MMFL in CA-Grameen.

Share in result of subsidiaries mostly represent CA India's portion of profits after tax of CA Grameen equal to EUR 71.8 mln. (FY21/22: 31.3 mln.)

42. Investments in associates

During FY19/20 the company acquired 49% share in CreditAccess Life Insurance Ltd, India which was the only investment in associates at 31 March 2022.

During FY22/23 the company obtained majority stake (74%) in CreditAccess Life Insurance Ltd, India and thereupon reclassified it to Investments in subsidiaries

	2022/2023	2021/2022
	EUR	EUR
Opening balance	**11,742**	**19,890**
Additions arising from direct acquisitions	1,560,316	-
Share in result of associate	- 112,388	- 8,303
Reclassification to Subsidiaries	- 1,459,670	-
Exchange rate differences	-	155
Closing balance	**-**	**11,742**

43. Receivable from subsidiary companies

	31 March 2023	31 March 2022
	EUR	EUR
CASEC B.V.: Current-account	837	-
CreditAccess Life Insurance Ltd.: Recharges	166,409	-
Total	**167,246**	**-**

44. Other assets

	31 March 2023	31 March 2022
	EUR	EUR
Trade receivables	-	166,889
Prepayments	41,596	10,487
Tax and social security	190,854	-
Receivables from CreditAccess SEA B.V.	56,074	83,003
Other receivables	36,078	30,614
Total	**324,602**	**290,993**

45. Cash and cash equivalents

	31 March 2023	31 March 2022
	EUR	EUR
Cash at bank and in hand available on demand	889,924	26,065,052
Total	**889,924**	**26,065,052**

The amount consists of direct available bank current account balances and petty cash.

46. Other liabilities

	31 March 2023 EUR	31 March 2022 EUR
Trade payables	107,120	360,590
Tax and social security	21,759	131,912
Employee liabilities	82,439	129,003
Accrued interest (excluding Finance debt at EIR)	-	45,044
Other liabilities and accrued expenses	320,322	535,645
Total	**531,640**	**1,202,194**

Current/ Non-current	31 March 2023 EUR	31 March 2022 EUR
Other liabilities – Long term	-	-
Other liabilities – Short term	531,640	1,202,194
Total	**531,640**	**1,202,194**

47. Finance debt

	31 March 2023 EUR	31 March 2022 EUR
Principal amounts	1,600,000	8,198,224
Effective interest adjustments	- 13,363	- 6,023
	1,586,637	8,192,201
Payable contractual interest	17,950	94,005
	1,604,587	**8,286,206**

Current/ Non-current	31 March 2023 EUR	31 March 2022 EUR
Finance debt - Long term	-	-
Finance debt - Short term	1,604,587	8,286,206
Total	**1,604,587**	**8,286,206**

The movements in principal amounts during the period are as follows:

Financial year 2022/2023	Non-current EUR	Current EUR	Total EUR
Opening balance	-	**8,198,224**	**8,198,224**
Issued bonds	-	-	-
Senior loans received	-	1,600,000	1,600,000
Reclass from change in maturity	-	-	-
Repayments	-	- 8,198,224	- 8,198,224
Closing balance	**-**	**1,600,000**	**1,600,000**

Current part consists of:

Loan from Asia Impact Invest SA; EUR 1.6 mln, Maturity 31 December 2023.

Financial debt is contracted with unrelated counterparties at commercial terms and conditions.

For the debt outstanding as at 31 March 2023, the average contracted interest rate is 6%. (31 March 2022: 3.83%)

The movements during the prior period are as follows:

Financial year 2021/2022	Non-current EUR	Current EUR	Total EUR
Opening balance	**8,198,224**	**24,800,000**	**32,998,224**
Issued bonds	-	-	-
Senior loans received	-	-	-
Reclass from change in maturity	-8,198,224	8,198,224	-
Repayments	-	- 24,800,000	- 24,800,000
Closing balance	**-**	**8,198,224**	**8,198,224**

48. Equity

The movements during the year are as follows:

	Issued and paid-up capital	Share premium	Treasury shares	Merger Reserve	Translation reserve	Revaluation reserve	Cash flow hedge reserve	Cost of hedging reserve	Other reserves	Retained earnings	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
1 April 2022	***45,840,568***	***114,729,160***	***-320,433***	***798,915***	***-39,104,939***	***-8,161,917***	***-***	***-***	***146,125,256***	***114,396,138***	***374,302,748***
Restatement for MMFL-merger in CA-Grameen	-	-	-	-	-	-	-	-	-	*7,975,638*	*7,975,638*
1 April 2022 - restated *	**45,840,568**	**114,729,160**	**-320,433**	**798,915**	**- 39,104,939**	**-8,161,917**	**-**	**-**	**146,125,256**	**122,371,776**	**382,278,386**
Capital restructuring	128,442,255	- 114,729,160	-	-	-	-	-	-	-13,713,095	-	-
Other movements during the year (refer to '*consolidated SOCE*')	-	-	-	-	-16,953,295	637,361	-	-	374,331	-	-15,941,603
Net result for the year	-	-	-	-	-	-	-	-	-	68,102,122	68,102,122
31 March 2023	**174,282,823**	**-**	**-320,433**	**798,915**	**- 56,058,234**	**-7,524,556**	**-**	**-**	**132,786,492**	**190,473,898**	**434,438,905**

* An amount of EUR 7,975,638 has been adjusted in the opening-balance of FY2021/2022 in relation to the retrospective effect of the merger of MMFL in CA-Grameen.

	Issued and paid-up capital	Share premium	Treasury shares	Merger Reserve	Translation reserve	Revaluation reserve	Cash flow hedge reserve	Cost of hedging reserve	Other reserves	Retained earnings	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
1 April 2021	**45,840,568**	**114,729,160**	**-320,433**	**798,915**	**-46,238,997**	**-712,731**	**332,740**	**-419,196**	**145,836,550**	**91,425,965**	**351,272,541**
Restatement for MMFL-merger in CA-Grameen	-	-	-	-	-	-	-	-	-	*7,975,638*	*7,975,638*
1 April 2021 restated *	**45,840,568**	**114,729,160**	**-320,433**	**798,915**	**- 46,238,997**	**-712,731**	**332,740**	**- 419,196**	**145,836,550**	**99,401,603**	**359,248,179**
Impact from demerger											-
Capital increase/decrease	-	-	-	-	-	-	-	-	-	-	-
Other movements during the year (refer to '*consolidated SOCE*')	-	-	-	-	7,134,058	-7,449,186	-332,740	419,196	288,706	-	60,034
Net result for the year	-	-	-	-	-	-	-	-	-	22,970,173	22,970,173
31 March 2022	**45,840,568**	**114,729,160**	**-320,433**	**798,915**	**- 39,104,939**	**-8,161,917**	**-**	**-**	**146,125,256**	**122,371,776**	**382,278,386**

* An amount of EUR 7,975,638 has been adjusted in the opening-balance of FY2021/2022 in relation to the retrospective effect of the merger of MMFL in CA-Grameen.

The difference in results and equity between the consolidated financial statements and the separate financial statemens is only due to non-controlling interest which is mentioned separately in the consolidated financial statements.

48. Equity (continued)

The Revaluation reserve relates to the share in OCI of subsidiaries, while the Translation reserve relates to translating the net assets of foreign subsidiaries into EUR.

As at 31 March 2023, the amount of restricted legal reserves ('Wettelijke reserve') relating to applicable items as per Dutch civil code, book 2:373-4 and Dutch reporting standards ('RJ 240.229') amount to EUR 47,455,974 (31 March 2022: EUR 36,907,563). It relates to legal reserves of Indian subsidiaries.

The table below depicts the equity composition of the Company under Dutch GAAP:

	31 March 2023	31 March 2022
Share capital	174,282,823	45,840,568
Share premium	-	114,729,160
Other reserves	22,226,209	62,429,319
Legal reserves (restricted)	47,455,974	36,907,563
Retained earnings *	190,473,899	122,371,776
Total Equity	**434,438,905**	**382,278,386**

* An amount of EUR 7,975,638 has been adjusted in the opening-balance of FY2021/2022 in relation to the retrospective effect of the merger of MMFL in CA-Grameen.

49. Commitments and contingent liabilities

The Company has future obligations for its rented office amounting to EUR 106,434 (31 March 2022: EUR 197,639). An amount of EUR 106,434 (31 March 2022; EUR 108,486) is due within one year and EUR 0 (31 March 2022; EUR 89,153) is due between 2 and 5 years.

50. Subsequent events

There is no significant subsequent event to report.

51. Proposed appropriation of the result

The result of EUR 68,102,122 for the year ended 31 March 2023 is shown as 'Result for the period' until the shareholders of the Company approve the FY22/23 financial statements and the appropriation of the result.

At the general meeting of the shareholders a proposal will be put forth to approve the financial statements and to add the FY22/23 net result after taxes to Retained earnings.

Amsterdam, 27 June 2023

CreditAccess India B.V.

Executive Board:

K.J.M. (Koen) Slobbe

Non-executive Board:

F.G.M. (Francesco) Moccagatta

B. (Benedetta) Corazza

D.R. (Daniel) Mintz

F. (Federico) Carini

S. (Stefania) Petruccioli

M. (Michael) Atzwanger

P. (Paolo) Brichetti

L. (Lamberto) Cremonesi

Other Information

Statutory rules concerning appropriation of the result

Article 29 of the Company articles of association:

1- The Company will maintain separate profit reserve (winstreserves) for the benefit of the holders of each class of shares.

2- The General Meeting is authorized to allocate the profits shown in the adopted Annual Accounts, by adding amounts to the profit reserve(s) as maintained for the respective class(es) of shares or by making any (interim) distributions, with due observance of the following profit entitlement of the various classes of shares:
   a the holders of T Shares are exclusively entitled to the Class T Result;
   b the holders of Ordinary Shares are exclusively entitled to the Class O Result; and
   c the holders of CALI Shares are exclusively entitled to the Class CALI Result.

3- The Company shall only be capable of making distributions to shareholders and other persons who are entitled to profits that qualify for distribution if the Company's equity is in excess of the reserves that must be set aside under the provisions of the law, whereby distributions can only occur in accordance with the following entitlement of the holders of the various classes of shares:
   a distributions to the holders of T Shares can only be made from the Class T Assets or the balance of the share premium reserve or the profit reserve as maintained for the holders of T Shares, whereby the holders of T Shares are entitled to each distribution in proportion to the nominal amount paid-up on their T Shares;
   b distributions to the holders of Ordinary Shares can only be made from the Class O Assets or the balance of the share premium reserve or profit reserve as maintained for the holders of Ordinary Shares, whereby the holders of Ordinary Shares are entitled to each distribution in proportion to the nominal amount paid-up on their Ordinary Shares; and
   c distributions to the holders of CALI Shares can only be made from the Class CALI Assets or the balance of the share premium reserve or profit reserve as maintained for the holders of CALI Shares, whereby the holders of CALI Shares are entitled to each distribution in proportion to the nominal amount paid-up on their CALI Shares.

4- The General Meeting shall have the power to resolve upon distributions of dividend (including but not limited to interim distributions) or from the Company's reserves, provided that (i) the requirement referred to in paragraph 3 of this article, concerning the Company's equity, has been met and (ii) the Board of Directors has approved such resolution, which approval will only be withheld if the Board of Directors knows, or could reasonably be expected to foresee, that the distribution would prevent the Company from paying any of its due and payable debts.

5- In the calculation of the distribution of profits the shares which the Company holds in its own share capital shall be disregarded.

6- Distributions can be made in kind or in cash.

7- If, after making a distribution, the Company is unable to continue paying its due and payable debts, the directors will, subject to the provisions of prevailing law, be jointly and severally liable to the Company for the shortfall created by the distribution. A party receiving a distribution who knows or could reasonably be expected to foresee that the distribution make the Company unable to continue paying any of its due and payable debts, will be liable to the Company for payment of the shortfall created by the distribution, with said liability not to exceed the amount of the distribution received by that party and with due observance of the provisions of prevailing law.

8- Unless the Board of Directors decides on a different date, dividends shall be made payable immediately after they have been declared.

9- Dividends that have not been collected within five years after they have become payable, shall be forfeited to the Company.

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INDEPENDENT AUDITOR'S REPORT

To: The shareholders of CreditAccess India B.V.

Report on the audit of the financial statements for the year ended 31 March 2023 included in the annual report

Our opinion

We have audited the financial statements for the year ended 31 March 2023 of CreditAccess India B.V. based in Amsterdam.

In our opinion the accompanying consolidated financial statements give a true and fair view of the financial position of CreditAccess India B.V. as at 31 March 2023 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. the consolidated statement of financial position as at 31 March 2023
2. the following statements for the year then ended:
   the consolidated statement of profit and loss, the consolidated statement of comprehensive income/(loss), the consolidated statement of changes in equity and cash flows
3. the notes comprising a summary of the significant accounting policies and other explanatory information

The company financial statements comprise:

1. the company balance sheet as at 31 March 2023
2. the company profit and loss account for the year then ended
3. the notes comprising a summary of the significant accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of CreditAccess India B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion
We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit approach fraud risks
We have obtained an understanding of the entity and its environment, including internal control, to identify the risks of material misstatement due to fraud. Obtaining this understanding is achieved in part through discussions with management, others within the entity, and those charged with governance.

We have identified risk factors relating to misstatements arising from fraudulent financial reporting for the entity. We have responded to fraud risks in our audit as follows:

- Fraud risk factor inquiries and interviews with the management,
- Review of manual journal entries: whether the management perpetrates financial reporting frauds by overriding established control procedures and recording unauthorized or inappropriate manual journal entries or other post-closing adjustments,
- Review of accounting estimates: reviewing accounting estimates for biases that could result in material misstatement due to fraud. The management is responsible for making a number of judgments or assumptions that affect accounting estimates and for monitoring the reasonableness of such estimates on an ongoing basis. Fraudulent financial reporting often is accomplished through intentional misstatement of accounting estimates. We have reviewed the management's responsibilities for assessing bias in accounting estimates and the effect of bias on the financial statements.

We believe the audit evidence for fraud risks we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on the other information included in the annual report
The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements.
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtaining an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Zaandam 27 June 2023
Baran Audit & Assurance Services B.V.

Oiginal signed by

P.R. Baran RA

CreditAccess India

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